



# Tobacco Cessation Treatment: Return on Investment

Return on Investment (ROI) is an economic measure used to determine how good an investment is. ROI is calculated by dividing the benefit (return) of the investment by the cost of the investment.

There are several benefits that can be used to determine the ROI of tobacco cessation treatments. Benefits include the savings from lower health care costs, reduced sick time costs, the ability to work at one's job longer, or any other monetary benefit that comes as a result of quitting tobacco.<sup>1</sup>

## Tobacco Cessation Benefits are Cost-Effective

- Tobacco cessation is more cost-effective than most other common and covered disease prevention interventions, such as treatment of hypertension and high cholesterol.<sup>2</sup>
- It costs between 10 and 40 cents per member per month to provide a comprehensive tobacco cessation benefit (costs vary based on utilization and dependent coverage).<sup>3,4</sup>
- Smokers who successfully stop smoking reduce potential medical costs associated with cardiovascular disease alone by about \$47 during the first year and by about \$853 during the following 7 years.<sup>5</sup>
- If brief counseling and treatment were offered to all smokers, it could save \$3 billion in medical care costs annually in the United States.<sup>6</sup>

**Tobacco cessation interventions are the *single most cost-effective health benefit* you can provide to your employees.<sup>7</sup>**

## ROI for Employers

The ROI for an employer is based on savings from reduced medical expenses, productivity loss, and costs of employer-provided benefits such as life insurance. Research finds the ROI for tobacco cessation treatments is positive after just one year due to increases in employee productivity alone. This means that the financial benefit to you, the employer, of providing tobacco cessation treatments for your employees, outweighs the cost of the treatment. Medical cost savings begin to build after two years of providing a cessation benefit to your employees.<sup>8</sup>

## Comparison to Other Preventive Services

Covering tobacco cessation treatment for employees can bring a financial benefit to business owners in just one or two years. Not all preventive services provide such a positive and rapid ROI. Preventive services are ranked in two ways. These rankings provide a useful way to compare the effectiveness of different preventive services that employers may want to offer to their employees.<sup>8</sup>

- The United States Preventive Services Task Force (USPSTF) conducts extensive research on the effectiveness of such services and gives recommendations for which services should be incorporated into primary medical care. This task force assigns a letter grade to each recommendation (A, B, C, D or I). An "A" grade means that there is high certainty that the net

benefit of the service is substantial. A “B” grade indicates that there is high certainty that the net benefit is moderate or there is a moderate certainty that the net benefit is moderate to substantial. Federal reform mandates coverage of all A and B recommendations.<sup>8</sup>

- The Partnership for Prevention (PFP) also provides information on the value of preventive services. This group identifies clinical preventive services that make the biggest impact on health and are most cost-effective.<sup>8</sup>
- Looking at ratings from both the USPSTF and the PFP reveals that tobacco cessation is the best service an employer can offer to their employees when compared to other preventive services.

Preventive Service	USPSTF Grade <sup>8</sup>	Partnership for Prevention, National Commission on Prevention Priorities (ranking based on impact and value) <sup>8</sup>
Tobacco Cessation	A	10 – Highest
Alcohol Screen	B	9 – High
Mammogram	B	6 – Medium
Colorectal Screen	A	8 – High
Pap Exam	A	7 – Medium

#### Sources

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