Butting Out to Raise the Bottom Line

The Benefits of Providing Support for Smoking Cessation in the Workplace
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Smoking costs the Canadian economy $17 billion every year due to related death and illness.

The Benefits of Providing Support for Smoking Cessation in the Workplace

INTRODUCTION

The objectives of this booklet are to illustrate the impact of smoking on health, the cost of smoking, the benefits of quitting, the challenges of overcoming nicotine addiction, the stages of quitting and finally, to review options and resources that are available to support employees. Case scenarios at the end of this booklet illustrate the substantial potential economic return to employers versus costs associated with supporting smoking cessation.

While smoking once certainly carried a great deal of cachet, times have changed. The negative health effects of smoking are now widely known and accepted, and the addiction carries a social stigma. All across Canada, provinces and municipalities are banning smoking in public spaces to protect the health and safety of all. People are choosing to quit for varied reasons—some have developed specific health concerns about their addiction, while others want to save money or simply improve their overall quality of life.

Yet a significant number of people still cling to their cigarettes. Many of them want to kick the habit—and have tried countless times—but have found that it’s a hard addiction to shake. Smokers need support from their workplaces, families, healthcare providers and communities to make the transition to a healthier life.

The benefits to society of supporting smokers in their attempts to quit far outweigh the costs. Smokers place an extra burden on both public and private funded healthcare services and products. They use more drug and health services and cost employers through decreased productivity and increased absenteeism in the workplace. Increasingly, governments and workplaces are recognizing the cost benefits of covering supportive services and drug therapies to help people quit smoking.

Workplaces can help their employees quit. Offering a comprehensive smoking cessation program, which includes coverage of smoking cessation treatments, shows an employer’s commitment to its employees’ health and well-being and is something that all members of the organization—unions, employee groups and management—can support.
THE IMPACT OF SMOKING ON HEALTH

It is now a widely accepted reality that smoking negatively affects human health. In 2002, more than 37,000 people died in Canada due to smoking.\(^1\) This number represents 16.6% of all deaths that year.\(^2\) Research suggests that smoking is related to more than 20 diseases and conditions.\(^3\) There is hardly an organ in the body that does not feel the negative effects of tobacco smoke. The list of cancers directly related to tobacco use is long and includes cancers of the oral cavity, esophagus, stomach, pancreas, larynx, lung, bladder and kidney, as well as certain types of leukemia. Smoking causes an overwhelming majority (85%) of all new lung cancer cases in Canada. Smoking also causes lung disease, stroke, pneumonia and many other serious illnesses.\(^4\) As Dr. Andreas Weilgosz, cardiologist and Heart and Stroke Foundation spokesperson notes, “It also increases the risk of developing diabetes. In addition, because diabetes leads to cardiovascular disease, if you’re a diabetic and a smoker, that increases the risk even more.”

Smoking is the single most preventable cause of premature death and disease.\(^2\) When compared with non-smokers, smokers are twice as likely to die from any cause and six and a half times more likely to die from lung cancer. It doubles a person’s risk of cardiovascular disease (the number one cause of death in Canada\(^5\)) and triples the risk of death from heart disease.

SMOKING COSTS US ALL

As of 2002, smoking costs the Canadian economy $17 billion every year due to related death and illness.\(^2\) A fraction of this ($4 billion) can be attributed to direct costs (the costs of healthcare, for instance). In 2002, tobacco use caused illness that required 2,210,155 days of acute care in Canadian hospitals and an estimated $1.36 billion in prescription drug costs for the treatment of smoking-related diseases.

The remaining $13 billion lies in indirect costs, including lost productivity and lost workdays.\(^2\) Employees who smoke often take extra breaks to smoke, which reduces their productivity at work. They also report a greater number of lost workdays due to illnesses that could be provoked or aggravated by their habit. The most significant indirect cost of smoking is premature death. In 2002, deaths due to smoking resulted in 515,607 potential years of life lost.\(^2\)

A recent Statistics Canada report on workplace injuries found that 630,000 employees were injured on the job in 2003, and individuals who smoked daily were more likely to suffer a workplace injury than occasional or non-smokers. For female smokers, the 3.5% injury rate was nearly double that of occasional or non-smokers.\(^6\)

The highest incidence of smoking can be found among 20- to 44-year-olds who make
Industry Matters

Studies show that what people do for a living affects their smoking habits, so certain industries may experience greater costs than others. Among employees questioned in a 2003 Canadian Tobacco Use Monitoring Survey (CTUMS), the highest smoking rates (36%) were found among trade, transport or equipment operators; workers in processing, manufacturing or utilities occupations (35%) were second; and those in sales or service (30%) were third. Professionals and people working in administrative, financial or clerical positions had the lowest rates of smoking at 16% and 18%, respectively.9

up a large portion of workers in Canada today and are a critical group to keep healthy and productive in light of the anticipated workforce shortage in future years. Within this age group, about one in five smoke every day.7 This adds up to a significant cost for employers. According to Ron Finch, VP of the National Business Group on Health, unproductive time at work associated with smokers may mean “employees can be out on smoke breaks up to nine weeks per year...that’s 16% of the work year, or one day a week.” In 2006, the Conference Board of Canada released Smoking and the Bottom Line: Updating the Costs of Smoking in the Workplace,8 a follow-up to its 1997 report that analyzed the costs of smoking to employers. Gathering data from numerous sources, the report examines the costs of employee absenteeism, productivity, insurance costs and smoking facilities costs to employers.

ABSENTEEISM
Reviewing the Canadian Community Health Survey, conducted in 2004 by Statistics Canada, the report found that smokers take two more sick leave days per year than their non-smoking counterparts. The average daily per-employee payroll cost in 2005 was $161.44. Multiplied by two for the extra sick days a smoking employee takes, the annual cost to employers for a single smoker’s absences is $323.

EMPLOYEE PRODUCTIVITY
In this report, employee productivity refers to the cost of cigarette breaks taken by smoking employees during the workday. It applies only to employees who have to travel to
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a designated smoking area in order to have a cigarette. In calculating this cost, it was assumed that each smoking employee would take two smoking breaks per day on company time (that is, not during their allocated lunch, mid-morning or mid-afternoon breaks). At 20 minutes each, these two breaks accounted for 40 minutes per smoking employee of lost productivity to the employer. In recent years, most workplaces have gotten rid of their smoking rooms or areas, so employees have to travel even farther to have a cigarette, thus taking up more time than before. Assuming an average hourly wage of $17.94, the cost of lost productivity due to smoke breaks over one year was found to be $3,053 per smoking employee.

INSURANCE COSTS
Smokers have a higher risk of developing disease or illness, so it’s not surprising that they also use health services more often. However, insurance companies do not try to estimate how many smokers are employed at any one organization. This means that employers with a greater number of smokers on staff do not pay higher insurance premiums.

SMOKING FACILITIES COSTS
In the last 10 years, many provinces have outlawed smoking in public spaces. In most workplaces, smokers can no longer take breaks in designated smoking rooms or areas; instead, they have to go outside, often away from the building, in order to smoke. This means that the greatest smoking facility cost for an employer lies in providing commercial

ADDITION IT ALL UP
The following table illustrates the annual cost burden for employers of every smoking employee.

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased absenteeism</td>
<td>$323</td>
</tr>
<tr>
<td>Decreased productivity</td>
<td>$3,053</td>
</tr>
<tr>
<td>Increased life insurance costs</td>
<td>$0</td>
</tr>
<tr>
<td>Smoking facilities costs</td>
<td>$20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,396</strong></td>
</tr>
</tbody>
</table>

*Source: The Conference Board of Canada*

The total annual additional cost of employing a smoker, as compared to a non-smoker ($3,396), is equal to an average of 8.7% of payroll.*

*Based on a mean salary in Canada of $38,978 as reported by Statistics Canada, 2006.*
ashtrays and paying for their maintenance and cleaning. It is estimated that this costs $20 per smoking employee per year.

QUITTING—EVERYONE WINS
Over the last 20 years, the smoking rate in Canada has been decreasing. In 1997, the national average was 30%. In 2006, this number dropped to 19%, or 5 million smokers. Many of these people want to quit. Research shows that by the time they are 20 years old, 80% of young smokers regret ever having started. Even though they may have the desire to quit, many smokers lack the tools and support necessary to make it through the difficult quitting process.

The health benefits of quitting smoking are felt almost right away. Ex-smokers immediately begin to reduce their chances of developing heart disease, cancer, breathing problems or infections. Within just 24 hours, they’ll be able to feel the difference, as their bodies start to regain health.

These positive effects will be felt and experienced by all smokers—neither age nor gender has any impact. Even smokers who have existing health problems due to their

### After the last cigarette

- **Within 8 hours**—carbon monoxide levels in the body decrease while oxygen levels increase to normal levels
- **Within 48 hours**—the risk of heart attack begins to go down; the body’s sense of smell and taste return to normal
- **After 3 days**—lung capacity increases; breathing is easier
- **Within 2 weeks to 3 months**—circulation improves; lung functioning increases up to 30%
- **Within 6 months**—coughing, sinus congestion, tiredness and shortness of breath improve
- **After 1 year**—the risk of heart attack reduces by 50%
- **Within 10 years**—risk of dying from lung cancer reduces by half
- **Within 15 years**—risk of dying from a heart attack is the same as for someone who never smoked

7
8
9
10
nicotine addiction will benefit from quitting. Health Canada studies show that even smokers who quit after they’ve had a heart attack can reduce their chances of having another one by 50% if they quit smoking. Quitting will also mean that they will reduce their risk of premature death by 50%.

**THE CHALLENGES ASSOCIATED WITH OVERCOMING NICOTINE ADDICTION**

There are many facets to smoking that make it difficult to quit. It is both a habit—something smokers have included in their routines, complete with triggers and psychological associations—and a physical addiction. In 1988, the U.S. Surgeon General concluded that nicotine is the drug in tobacco that causes addiction. Nicotine dependence is as strong as an addiction to heroin or cocaine. Research shows that in Canada, 60% of smokers need a cigarette within 30 minutes of waking up. It is both engrained in their morning routine and a physical requirement. How much they’ll smoke for the rest of the day varies, but **89% of smokers have a cigarette every one to two hours**.

When developing a smoking cessation strategy in the workplace, it is important to recognize that nicotine addiction is a chronic condition. Only then can employers create a comprehensive approach to helping their employees sustain a successful quit.

**NICOTINE AT WORK IN THE BODY**

Nicotine is a fast-acting drug. Within 10 seconds of taking that first puff of a cigarette, the nicotine from a cigarette is absorbed through the lungs. Pipe and cigar smoke is absorbed in a slightly different way, through the mouth. No matter how the nicotine is absorbed, once it has been absorbed into the bloodstream, it then travels straight to the smoker’s brain and other organs in the body. The brain then releases dopamine, a chemical that produces pleasurable feelings. Finally, nicotine also causes a smoker’s heart rate and blood pressure to increase and blood vessels to tighten, which causes the temperature to drop in the hands and feet.

Dopamine makes the smoker feel calm and relaxed, which reinforces the addiction. Naturally, smokers want that good feeling to continue, so when the dopamine level drops, they feel the need for another hit of nicotine. This withdrawal can make them cranky or edgy. Even if they have decided they want to quit, their bodies will fight it at first because it is craving that dopamine high.

Nicotine is what is known as a “reinforcing” drug. This means that smokers will crave it despite its damaging effects.

Other factors such as stress can make the cravings stronger. Typically, when someone quits smoking they may feel depressed, short-tempered, frustrated or angry, nervous, impatient and have difficulty concentrating. Other side effects such as tiredness and cough-
ing show up when the body starts cleaning out the toxins associated with smoking. Both men and women tend to gain weight after quitting smoking. The U.S. average for men is around 4.9 kg, while women may gain about 5.2 kg in the first year after quitting. In order to successfully quit, smokers must remember that it’s common to experience setbacks. Relapsing is part of the quitting process.

**The Psychological Connection**

Smoking is also part of a routine. Certain triggers (drinking coffee, talking on the phone, seeing a friend who smokes) are sometimes linked with smoking. Ex-smokers need to prepare for how to handle the triggers without smoking. To successfully quit smoking, it’s important that any treatment protocol address both the physical addiction to nicotine and the behavioural aspect of a smoking habit.

**STAGES OF QUITTING**

Quitting can be a long process and most smokers will have to make many attempts before they are able to fully free themselves of smoking for the long term. Dr. Weilgosz from the Heart and Stroke Foundation puts this into perspective: “There’s a whole science to stopping smoking. It’s traditionally been said that you just have to put your mind to it, you just have to want to quit and the whole onus was put on the patient. Today we realize that this is an addiction, it’s a very powerful addiction. And people go through stages, which can be identified as they move toward total smoking cessation.” Most of them will go through the following five stages in the quitting process:13

1. **Pre-contemplation**—Smokers at this stage are not thinking about quitting in the near future. They may believe they are not capable of it, perhaps due to past failed attempts.
2. **Contemplation**—Smokers in the contemplation stage are now open to the idea of quitting at some point, usually within six months. They view smoking as a problem that needs to be fixed.
3. **Preparation**—At this stage, smokers may have tried to quit once in the past year and they are planning another attempt within the next month. They may have made other plans, like picked out a quit date or cut down on the number of cigarettes they’re smoking every day.
4. **Action**—These smokers are actively trying to quit. Their success depends largely on the support they have. They may slip many times during this stage, which generally lasts six months.

5. **Maintenance**—In this stage, ex-smokers have gained control over their habit. They have learned how to avoid temptation and cope with their smoking triggers—such as stress—in other ways. They may still slip but they don’t let it affect their determination to live smoke-free.

**HELP IS OUT THERE—TREATMENT OPTIONS**

There are a number of treatment options available to smokers who are ready to quit. These usually fall into two categories: non-pharmacological and pharmacological treatments. The first category addresses the behavioural aspect of smoking—the aspects of smoking that make it a “habit.” The second category of treatments includes various drugs that work in different ways to help the body deal with the physical addiction of smoking.

**NON-PHARMACOLOGICAL THERAPIES**

Non-pharmacological therapies comprise treatments such as hypnosis, self-help, group or one-on-one counselling and acupuncture. Trying to quit without any support at all also falls under this banner. This self-help approach can be a difficult, if not overwhelming task, and most smokers who attempt it will fail. Research shows that most smokers who try to quit unaided will start smoking again within just eight days. Only 2.5% to 5% of them will achieve long-term abstinence from smoking. According to Karen Seward, Senior Vice President, Business Development and Marketing, Shepell.fgi, “Smoking is one of the biggest healthcare costs, and one of the most challenging of addictions. Smokers need effective strategies, support and often therapy to quit for life.”

Employee assistance programs (EAPs) can offer smoking therapy and support for those trying to quit.

**PHARMACOLOGICAL THERAPIES**

Pharmacological therapies include nicotine replacement therapy
(NRT), bupropion hydrochloride (Zyban®) and varenicline tartrate (Champix™). NRTs contain nicotine while the other treatments do not.

**NICOTINE TREATMENTS**

There are three NRT products available in Canada: gum, patch and inhalers. All can be bought over-the-counter, without a prescription. Nicotine gum comes in two different strengths—2 mg and 4 mg—while nicotine inhalers are sold as a 10 mg cartridge. The nicotine patch works on a time-release basis. Consumers can choose between 16- and 24-hour varieties. Smokers who would like to include NRTs in their quit program should consult a health professional to decide which combination and strength of product might be right for them.

**NON-NICOTINE TREATMENTS**

Certain drugs can help people quit smoking without the use of nicotine replacement. Currently, these are bupropion hydrochloride (originally developed as an anti-depressant) and varenicline tartrate (developed as a smoking cessation aid specifically).

Bupropion hydrochloride reduces a person’s urge to smoke and lessens the symptoms of withdrawal. Varenicline targets the nicotine receptors in the brain, the part responsible for nicotine dependence. This action has two benefits: it significantly reduces cravings and the negative effects of withdrawals, and it helps to relieve cravings. So, smokers who quit using varenicline may experience lessened feelings of withdrawal, and if they do smoke while on treatment, may not gain the same pleasurable feeling from the cigarette they normally would. This can help to break the cycle of nicotine addiction. NRTs, bupropion and varenicline all provide therapeutic effects in assisting with smoking cessation and increase the odds of quitting smoking approximately two to three times compared to using no treatment (placebo).\(^{15,16,17}\)

It is important to appreciate that smoking cessation, with or without treatment, has been linked to many symptoms noted in the previous section describing the effects of nicotine on the body. Like all medicines, however, there are pros and cons, and patients are encouraged to ask their doctor or pharmacist for advice before taking any medication.

**WHY SUPPORT SMOKING CESSATION?**

There are many reasons to support smoking cessation programs in the workplace, but the main reasons are increased employee productivity, increased employee health, decreased absenteeism, increased employee retention and, of importance to all employers, increased cost savings.

When it comes to helping the public quit smoking, Canadian governments provide
excellent comprehensive smoking cessation strategies. Most provinces recognize that reducing smoking rates will greatly improve the health of their populations. The one area of support that is lacking, however, lies in providing access to pharmacological therapy.

Workplaces, also, miss out on cost savings when they fail to cover a comprehensive range of smoking cessation treatment options. Workplaces that do cover smoking cessation treatment options often set yearly or lifetime limits. Unfortunately, this approach does not recognize the relapsing nature of smoking cessation and is not designed to maximize the number of successful quitters.

Many examples can be found of Canadian organizations that have adopted a comprehensive approach to helping their employees quit smoking—and reaped the rewards as a result. In 2006, GM, with the assistance of their benefits provider, Green Shield Canada, launched a program called “Driving Toward Success: It Is in You to Quit,” offering professional services through pharmacists trained in the clinical tobacco intervention (CTI) program, coverage of NRT products while in the program and access to a comprehensive web-based support program, activities and online tools 24 hours a day, seven days a week. The program had higher success rates than any other smoking cessation program in Canada. The results of the program will be published in the Canadian Pharmaceutical Journal in spring 2008.

Of course, employers would like to spend their money where it will do the most good. In a 2007 online survey by Hewitt Associates, many of the 200 respondent organizations admit that they limit their coverage of lifestyle drugs, claiming they were a low priority. The classification of nicotine addiction as a lifestyle choice is antiquated and should be challenged due to its medical classification as an addictive disorder. In addition, the relative cost-effectiveness of addressing smoking in the workplace makes investments targeted toward smoking cessation very wise. And more employers and organizations are recognizing this. As Jim Beaudry, CAW National Health and Wellness Coordinator, GM, notes, “The CAW acknowledges the benefits of employers providing programs to assist employees quit smoking to improve their overall health and quality of life.”

Smoking cessation programs are one of the most cost-effective benefits employers can offer, tying with ASA therapy for heart disease prevention and childhood immunizations, according to research conducted by the U.S. Centers for Disease Control and Prevention, and the Partnership for Prevention, a Washington-based organization that, among other things, promotes the use of evidence-based disease prevention and health promotion policies. In a December 2006 article in Business Insurance, Garry Lindsay, senior fellow and director of business partnerships at the Partnership for Prevention, is quoted as saying, “If you’re looking at maximizing your healthcare investment as an employer, this is where you should put your investment.”
Covering certain therapies can have a positive impact on their effectiveness. Recent studies indicate that covering smoking cessation therapies increase their effectiveness after six months and even two years, when compared to patients who took therapies, but were not afforded reimbursement. As Dr. Weilgosz from the Heart and Stroke Foundation says, “it is an inducement [to quit smoking] when people can obtain these medications or patches without having to pay for them.” Often smokers overlook the money they’ll save by not smoking and focus only on the cost of quit therapies. “They see the immediate outlay of so much money and sort of shy away,” says Dr. Weilgosz.

Greg Smith, Vice President Human Resources, Campbell Company of Canada agrees. “At Campbell’s we are committed to creating an environment where employees are encouraged and enabled to take action to improve their health. The provision of education tools, support and reimbursement of pharmacotherapy towards smoking cessation is part of our program.”

Covering smoking cessation therapies is beneficial for all organizations. Research has shown that former smokers are 5% more productive per hour worked than current smokers. Effective programs translate into decreased absenteeism, increases productivity and net cost savings (i.e., decreased healthcare cost and workplace costs exceeded costs of the benefits) for participating organizations.

“Employers are taking notice of the indirect costs associated with smoking: increased absenteeism, reduced productivity, premature aging and the impact of chronic conditions and co-morbidities on employee health,” says Allison Young Schranz, Consultant, Health Strategies Practice, Aon Consulting. “And they are now willing to embrace the inclusion of smoking cessation therapies into their drug benefit program if a true return on investment is clear.”

Offering coverage for smoking cessation is also one more benefit employers can offer to attract and retain quality employees. An organization’s approach to such coverage forms a part of their overall approach to healthcare. It shows that an organization makes the health and well-being of its employees a high priority. By offering coverage for supportive and effective smoking cessation therapies, an organization lets its employees know that they are doing their utmost to promote and protect health, productivity and morale.

**BEST PRACTICES**

The most successful approach to smoking cessation makes room for a range of treatments that address all aspects of the addiction—usually pharmacological therapy along with counselling and behavioural support. According to Dr. Weilgosz from the Heart and Stroke Foundation, the two approaches work hand-in-hand: “You really need to increase awareness and have in place programs to help smokers as they struggle to stop smoking and do that in
St. Joseph’s Care Group in Thunder Bay, Ontario, is well regarded for its comprehensive smoking cessation program for employees. Launched in 2004, the program serves regular part-time and full-time staff through a Quit Coach counselling program and extensive coverage for pharmacological therapies. Michelle Knudson, Occupational Health & Safety, St. Joseph’s Care Group, estimates that between 30 and 35 employees have taken advantage of the program since it began.

There are many factors to consider when a company prepares a smoking cessation strategy. The next section outlines the steps involved in adopting a comprehensive smoking cessation program in the workplace.

**STEP 1: EVALUATE CURRENT CONDITIONS**

Companies often start the process by taking a snapshot of employee health in the organization. The first question they may ask is how many employees are smokers. Before GM implemented its smoking cessation program, they conducted a survey to determine how many of their employees were smokers. Just over 19% of respondents indicated that they smoked regularly. This helped them determine how much smokers were costing the company, and how much employees and the company alike could benefit from an effective smoking cessation program.

Whether based on a survey or looking at Canadian smoking prevalence statistics by industry sector, employers can estimate how much it is costing them. According to the Conference Board of Canada study (2006), each smoking employee costs employers an additional $3,396 annually compared to a non-smoker. To simplify this process and forecast the potential costs associated with smoking in your workplace, a CD-ROM with an Interactive Tool entitled *The Value of Smoking Cessation in the Workplace* will be included in the May 2008 issues of *Benefits Canada* and *Working Well*. If you have any questions regarding smoking cessation strategies in the workplace or wish to have an advance copy of the CD-ROM, please call 1-888-423-7487.

Companies that already have a program in place can take this opportunity to assess how it is measuring up. Are employees able to access the program easily? Does it cover a variety of treatments to address the differing needs of smokers and the multifaceted nature of smoking addiction?

It’s also important to consider if employees make use of counselling services or apply for coverage of pharmacological therapies only once, or multiple times. Most smokers will need to try quitting many times before finally achieving success. Because nicotine addiction is a chronic and relapsing condition, The Centers for Disease Control[21] and
Health Canada ask employers to understand that quitting is a process and encourage them to allow employees to participate in activities and access quit-smoking medications as often as they need to so they stay smoke-free for good.

Once a company has a good idea of their own situation—the health needs of the employees and the effectiveness of the current program (if applicable)—they can then begin to develop a smoking cessation strategy.

**STEP 2: DEVELOP A STRATEGY**

The most effective programs acknowledge that smokers need information to help prepare them for the prospect of giving up their habit for good, easy access to a range of therapies, advice to help them determine the type of therapy that will work for them, as well as support and encouragement from peers and health professionals.

Alison Young Schranz recognizes the importance of good program design for both employers and employees. “As a human capital consulting firm, we are working with our clients to look at plan design from a non-traditional perspective; introducing benefits that are value-based, and helping focus their expenditure where both employer and employees get a true return on investment. Properly managed, smoking cessation programs are one of those areas with the potential for long-term savings. A relatively small expenditure in the short term may reap long-term savings in increased productivity, improved health outcomes and lower overall drug and health expenditures.”

St. Joseph’s Care Group chose to combine a counselling program with comprehensive drug coverage, including reimbursement for over-the-counter stop-smoking aids. “Staff do not require a prescription. They can just submit receipts for any smoking cessation aid (like the nicotine gum you buy over-the-counter) and they will be reimbursed fully up to $500 per year,” says Knudson.

**STEP 3: GET THE WORD OUT**

It’s important to make any smoking cessation program as accessible as possible. Companies choose different methods to let employees know that supportive programs exist and encourage them to participate.

St. Joseph’s does an organization-wide campaign every January to coincide with National Smoking Week. “Every year we do a campaign to encourage smoking staff that we are there to support them,” explains Knudson. “It reminds them that the service is there, and we usually get a few referrals around that time.” Targeting new employees is also an effective strategy, she notes. “If new employees come in and they are smokers, they are certainly advised that there’s a program we can offer them.”
STEP 4: MONITOR THE RESULTS

To ensure that the program is meeting the needs of employees and proving cost-effective for the company, many organizations will seek feedback from participants and find other ways to monitor the results.

Drug Utilization Reviews (DUR), disability and absenteeism data analysis can provide some insights. *The Value of Smoking Cessation in the Workplace* Interactive Tool available in the May 2008 issues of *Benefits Canada* and *Working Well* allows for predictive cost versus return analysis specific to your organization.

St. Joseph’s Care Group makes use of the counselling component of their program to receive feedback and evaluate results. Their counsellor reports on employees’ attendance and participation in the program. And feedback comes from the employees themselves as well, says Knudson. “[The program] is well received. We have good feedback about the counselling that we offer and certainly people appreciate the extended health benefits that we offer.”

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**Endnotes**


*Accessed January 9, 2008*
Reimbursement decision tools are useful in preliminary analysis prior to real world adoption of benefit design changes. A conservative Canadian interactive tool, entitled *The Value of Smoking Cessation in the Workplace*, has been developed to allow for analysis of the budget impact of providing smoking cessation support to employees versus the potential economic benefits an employer may gain through reduced absenteeism and improved productivity. Given the typical group health benefit structure of most employers, the cost component of the analysis focuses on group drug plan expenditures. Economic benefits are based on 2006 Conference Board of Canada analysis on costs attributable to smokers versus non-smokers.

Two examples follow from the interactive tool to illustrate the potential return on investment to employers in Canada based on the additional number of successful quitters following a change in medication coverage. While NRTs are not covered on many plans, given its over-the-counter status, they have been included to illustrate the impact of providing plan members with the full suite of medication treatment options. Here are some characteristics of the employees working for a fictive company that were used in both scenarios:

- The fictive company has 1000 employees;
- There is a 50/50 gender split among employees;
- 45.2% of the employees are aged between 25 and 44 years old;
- The smoking prevalence is similar to what has been reported by the Canadian Tobacco Use Monitoring Survey in 2006;
- Total annual expenditure on all drugs: $600,000 (or $1,800,000 over three years);
- Average daily wage: $143.50; and
- Additional annual absenteeism and productivity costs of smoker versus non-smoker: $3377.
**SCENARIO ONE:**

Past coverage: No coverage of smoking cessation medications.
New coverage: Rx requiring smoking cessation medications (Zyban®, Champix™) + NRTs.

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**THE VALUE OF SMOKING CESSATION IN THE WORKPLACE**

### Results

**Costs Attributable to Smokers**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Absenteeism Cost</td>
<td>$55,156</td>
</tr>
<tr>
<td>Lost Productivity Due to Smoking</td>
<td>$521,702</td>
</tr>
</tbody>
</table>

**Total Annual Additional Cost to Employer**

- Total Annual Absenteeism and Productivity Cost: $576,859
- Total Annual Absenteeism and Productivity Cost per Employee: $3,377

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Given your projected coverage scenario and workplace cost of smoking assumptions, for every dollar spent to encourage smoking cessation, you generate $3.04 of savings.
Financial impact of covering smoking cessation medications:

- Adding all three smoking cessation pharmacological treatments to the formulary represents 0.7% of the total drug budget for this employer over three years.*
- Only a few additional employees are required to successfully quit in order to generate substantial economic benefit to employers.
- Every dollar spent by the employer to encourage smoking cessation would generate $3.04 of savings over three years.

* $12,211/$1,800,000

**SCENARIO TWO:**
Past coverage: Rx requiring smoking cessation medication (Zyban®) and NRTs.
New coverage: Rx requiring smoking cessation medication (Zyban®, Champix™) + NRTs.
Financial impact of covering smoking cessation medications:

- The addition of Champix™ upon its recent introduction in Canada to the existing coverage of Zyban® and NRT represents 0.3% of the total drug budget for this employer over three years.*
- Only a few additional employees are required to successfully quit in order to generate substantial economic benefit to employers.
- Every additional dollar spent by the employer to encourage smoking cessation would generate $5.39 of savings over three years.

*$5328/$1,800,000

Points to Consider...

Important points to consider while making reimbursement decisions of smoking cessation medications or revising current drug plan criteria:

- According to the Centers for Disease Control and Health Canada, smoking is classified as an addiction and often requires multiple attempts in order for a person to successfully quit.

- Employers that already provide coverage often have lifetime limits that do not afford the opportunity for the plan member to have more than one course of treatment despite an economic net benefit. Greater success may be achieved by modifying annual or lifetime limits.

- Employers who elect to introduce coverage should consider that multiple attempts, extended therapy and additional counselling, if required, to quit remains economically beneficial.

*Please see The Value of Smoking Cessation in the Workplace Interactive CD-ROM for full details on calculations and to customize analysis.*
Resources

Websites and toll-free help lines abound with useful information, resources and tips for those looking to quit smoking. Smokers who are thinking of or in the process of quitting can contact specialists in their region for advice, information and support.

National
www.gosmokefree.ca
www.smokershelplineworks.ca
www.itscanadastime.com

British Columbia
1-877-455-2233
www.quitnow.ca

Alberta
1-866-33-AADAC (332-2322)
www.albertaquits.ca

Saskatchewan
1-877-513-5333

Manitoba
1-877-513-5333

Ontario
1-877-513-5333
www.smokershelpline.ca
www.teleassistancepourfumeurs.ca
www.CNSH.ca

Quebec
1-866-JARRETE (527-7383)
www.jarrete.qc.ca

Newfoundland & Labrador
1-800-363-5864
www.smokershelp.net

New Brunswick
1-877-513-5333

Nova Scotia
1-877-513-5333

Prince Edward Island
1-888-818-6300

Yukon
1-866-221-8393

Nunavut
1-866-877-3845
A CD-ROM with an Interactive Tool entitled The Value of Smoking Cessation in the Workplace will be included in the May 2008 issues of Benefits Canada and Working Well. This CD sleeve has been provided to enable easy storage of your CD-ROM and booklet together. If you have any questions regarding smoking cessation strategies in the workplace or wish to have an advance copy of the CD-ROM please call 1-888-423-7487.
Pfizer Canada Inc. is the Canadian operation of Pfizer Inc, the world’s leading pharmaceutical company. Pfizer discovers, develops, manufactures and markets prescription medicines for humans and animals. Pfizer Inc invests more than US$7 billion annually in R&D to discover and develop innovative life-saving and life-enhancing medicines in a wide range of therapeutic areas, including arthritis, cardiovascular disease, endocrinology, HIV/AIDS, infectious disease, neurological disease, oncology, ophthalmology and smoking cessation. Global headquarters are located in New York City, where the company was founded in 1849. During the Second World War, Pfizer became the first company to mass-produce penicillin, launching Pfizer into the modern pharmaceutical era. Pfizer Canada is one of the top investors in Canadian R&D, investing more than $190 million in 2005. Canadian headquarters of Pfizer Global Pharmaceuticals is in Kirkland, Quebec. Pfizer Canada also operates distribution facilities in Ontario and western Canada. As one of the top corporate charitable donors in Canada, Pfizer Canada is a proud member of Imagine Canada and its Caring Company program. In 2006, Pfizer Canada’s Community Investment Program supported more than 1000 non-profit organizations and projects across the country with a total investment exceeding $20 million. For more information, visit www.pfizer.ca.