

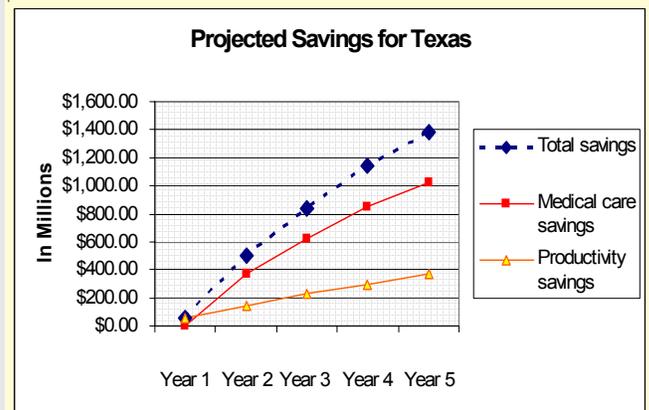
# Highlights in Texas Tobacco Control: Research Briefs

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## Investment in Comprehensive Tobacco Prevention and Cessation Programs Yields Impressive Returns

Cigarette smoking is the number one cause of premature death and disability in the United States and costs society more than \$157 billion annually in medical care and health-related productivity losses. In Texas, where the smoking prevalence was 23.5% in 1999, smoking is responsible for an estimated \$10.6 billion in medical care expenditures and lost productivity, and 24,100 deaths. To combat these losses, the Department of State Health Services initiated the Texas Tobacco Prevention Initiative (TTPI), a comprehensive tobacco prevention and control program.



Savings from one year of intervention increase with time. Nonsmokers stay healthy, and smokers who quit actually experience increases in health, preventing medical care costs and productivity losses.

### Pilot Area Investment

In 2003 investment in the TTPI in Jefferson and Harris Counties was approximately \$2.71 per capita, costing Texans a total of \$11.3 million after one year. This produced an estimated 29,870 fewer smokers after the first year. Savings in productivity and medical costs in the pilot area were over \$92 million—over 8 times the money invested—by year two.

### Calculating Return on Investment

Using the health records from a national health maintenance organization, researchers at Kaiser Permanente were able to calculate medical care expenditures and productivity losses for continuing smokers, new quitters, existing former smokers, and never smokers. After adjusting these calculations for the smoking and quit rates of the TTPI, they were used to estimate the benefits immediately after the one-year program, and after 5 years without continued intervention.

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### Key ROI Study Findings

The study showed that for the pilot area, the one-year reduction in adult smoking saved an estimated \$252.2 million in future medical care and productivity costs. If implemented statewide, the savings would be near \$1 billion in medical care and \$365.1 million in productivity, resulting in savings of \$1.4 billion over 5 years. (See Return on Investment Fact Sheet for more detail.)

A one year investment in a comprehensive community-based tobacco prevention and cessation program creates a sizable return on investment – for the smoker, the employer and the taxpayer. These savings continue to grow as time passes. Even greater results might be achieved if we continue the intervention each year.

Ask  
Dr. Phil  
Huang

***Dr. Phil, these numbers are a bit overwhelming. Where did they come from, and why do I need to know about them?***

The most recent studies confirm that a full-fledged, comprehensive approach to tobacco prevention and control is not only effective in reducing smoking rates, but also very cost effective. These numbers are different ways of showing the same thing: with a small investment now, everyone saves later – employers, medical care providers, taxpayers, and new nonsmokers and the youth who never start smoking. Just a \$2.71 investment per capita can produce, 5 years later, a \$58 return per capita. At the state level it could save over \$1 *billion* dollars in medical care expenses, and \$365 *million* in productivity costs.

These numbers show savings from only one year of programming. You start small by eliminating smoke breaks and increasing productivity. This snowballs into larger savings 5 years later as debilitating diseases are prevented. With time, those who quit smoking and those who never started smoking are more productive and use fewer medical resources than if they had continued smoking. Researchers know the disease rates and costs using actual medical data taken from 440,000 smokers, those who quit smoking, and those who never started smoking. Details on how these numbers were calculated are available in the full report: Fellows, J. L. (2006). *Final Report: The Financial Returns from Community Investments in Tobacco Control*. The Center for Health Research: Kaiser Permanente Southwest. (50555 1/06 CHR)

**What can we do with this information?** Share, share, share! Decision makers are often reluctant to implement tobacco programs because of the initial cost and effort. Review the findings and explain the benefits. Empower local coalitions with this information to rally communities. Use this information to help make the case that comprehensive programming not only saves lives, it saves money.

# Comprehensive Tobacco Prevention & Control Return on Investment (ROI) Factsheet

**Investment in Jefferson and Harris Counties for one year at \$2.71 per capita resulted\* in:**

**After 1 Year:** 29,870 fewer smokers in 2003 and \$9.3 million saved in productivity

**After 2 Years:** Savings over \$92 million in medical care and productivity costs

**After 5 Years:**

- Savings of \$252 million in medical care and productivity costs
- Reductions in youth smoking will save \$3.1 million in future medical care expenditures and lost productivity
- Supplemental health-plan supported physician counseling (5 min) increased the number of quitters by an additional 7.7% with little decrease in the ROI after accounting for overhead
- Employers in the pilot area will save approximately \$1.60 per healthcare member per month (PMPM), and the healthcare providers will save \$4.50 PMPM
- Future savings of \$1,599 per averted male smoker and \$712 per averted female smoker

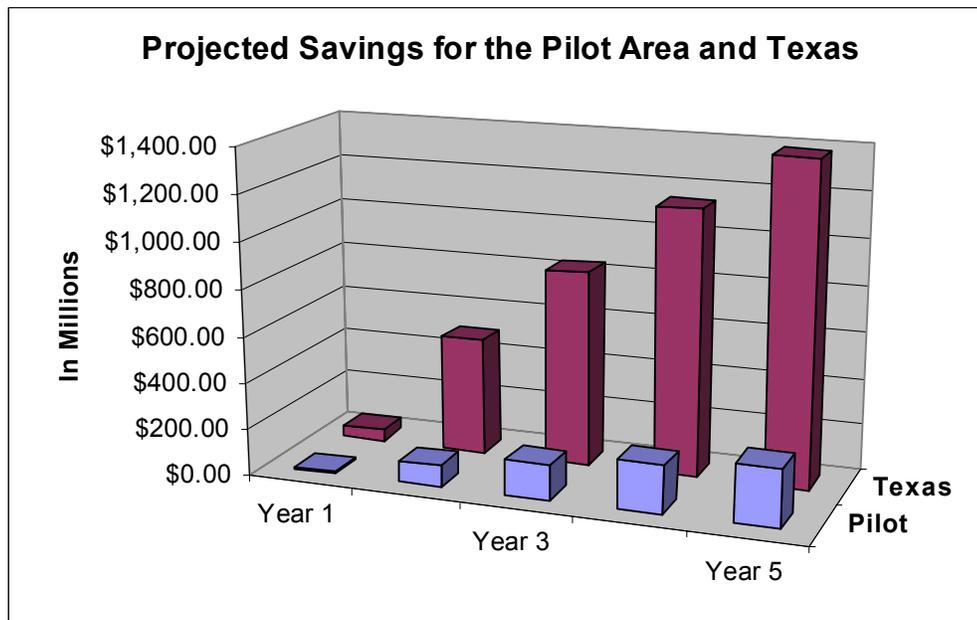
**If implemented statewide for one year at \$3 per capita:**

**After 1 Year:** 163,662 fewer smokers statewide

**After 5 Years:**

- Savings over \$1 billion in medical care expenditures and \$365 million in future productivity savings
- Per capita returns of \$58 for the state, \$44 for health plans, and \$16 for employers
- Savings of approximately \$4.50 PMPM for health plans and \$1.60 PMPM for employers

\*results presented in 2003 dollars



**Savings from one year of intervention snowball as time passes. Nonsmokers stay healthy, and smokers who quit experience increases in health, preventing medical care costs and productivity losses. The savings in the pilot area were great, and if rolled out to the entire state, the potential for savings are even greater.**

Fellows, J. L. (2006). *Final Report: The Financial Returns from Community Investments in Tobacco Control*. The Center for Health Research: Kaiser Permanente Southwest. (50555 1/06 CHR)