

Smoking Cessation Benefits Calculator:

Discussion of Potential Costs

Associated with Smoking Cessation Benefits



What kind of incremental cost can be reasonably expected if coverage for smoking cessation benefits were expanded?

The actual incremental cost will be dependent upon several factors, but the two most significant are (1) the level of current benefits and (2) the prevalence of smokers within the insured population.

If the existing benefits provide for some level of benefit, the incremental cost is associated with introducing benefits in the other benefit classifications (if they are not already provided) and with modifying the coverage to make financial and treatment limitation policies at parity with medical/surgical benefits.

The attached calculator provides a simple exhibit for understanding how the costs of treatment, prevalence of smoking, and the number of quit attempts are related. The values in the spreadsheet are intended to provide a range of possible costs, but may not be appropriate for any specific benefit design. The reader must use their own advisors to assess the potential costs associated with a smoking cessation benefit.

Links to the source documents referenced in the footnotes are provided below.

http://www.surgeongeneral.gov/tobacco/treating_tobacco_use08.pdf

https://catalog.ama-assn.org/Catalog/cpt/cpt_search.jsp

<http://www.cdc.gov/mmwr/index2009.html>

<http://www.ncbi.nlm.nih.gov/pubmed/15955017>

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Illustrative Calculation of the Development of Costs Associated with
Smoking Cessation Benefits

This worksheet may be used by plan sponsors to estimate the expected net claim costs associated with providing coverage for smoking cessation benefits. The actual benefit expense related to coverage will be a function of population characteristics, actual utilization, and any additional claims processing or administrative expenses associated with providing the coverage.

Line Number	Calculation Description	Expected National Average Assumptions		Plan-Sponsor Specific Assumptions		
				Units per Attempt	Cost per Unit	Cost per Attempt
Step 1: Estimate Plan Sponsor Costs per Supported Attempt						
1	Usual Course of Therapy	3 x \$150	\$450	___	\$ ___	\$ ___
2	less Member Copayment	3 x \$25	(\$75)	___	\$ ___	\$ ___
3	equals Estimated Medication Costs per Supported Quit Attempt		\$375			\$ ___
4	times Percentage of Patients Using Medication per Supported Quit Attempt		100%			___%
5	Counseling Visits	4 x \$33	\$132	___	\$ ___	\$ ___
6	less Member Copayment	4 x \$15	(\$60)	___	\$ ___	\$ ___
7	equals Estimated Professional Fees per Supported Quit Attempt		\$72			\$ ___
8	times Percentage of Patients Using Counseling per Supported Quit Attempt		22%			___%
9	Total Fees per Supported Quit Attempt		\$391			<input type="text"/>
Step 2: Estimate Number of Quit Attempts per Year (as a percentage of plan members)						
10	Percentage of Members who are Adults	see notes	65%			___%
11	times Percentage of Adult Members who Smoke	see notes	21%			___%
12	times Percentage of Smokers who Attempt to Quit	see notes	36%			___%
13	times Percentage of Smokers who Attempt to Quit with Support	see notes	46%			___%
14	equals Estimated Percentage of Members who will Attempt to Quit with Support		2.26%			<input type="text"/>
Step 3: Convert the Cost per Quit Attempt and the Number of Attempts into a PMPM						
15	Estimated Cost per Supported Quit Attempt		\$391	from 9		\$ ___
16	times Estimated Percentage of Members who will Attempt to Quit with Support		2.26%	from 14		___%
17	equals Estimated Plan Sponsor Cost Per Member Per Year		\$8.83			<input type="text"/>
18	divided by 12					
19	equals Estimated Plan Sponsor Cost Per Member Per Month		\$0.74			<input type="text"/>

Item 1: US Department of Health and Human Services, "Treating Tobacco Use and Dependence: 2008 Update", May 2008, Table 6.25
Item 1: Table 6.25 indicates usual duration for medications is up to 14 weeks
Item 1: Drugstore.com pricing on May 17, 2010 was \$148.50 per month for Chantix and \$69.98 for 60 tablets of bupropion HCL 150mg
Item 2: Member copayment is illustrative
Item 3: Consistent with the source for item 13, we have assumed an aided quit attempt includes medication
Item 5: US Department of Health and Human Services, "Treating Tobacco Use and Dependence: 2008 Update", May 2008
Item 5: The document recommends that "clinicians should strive to meet four or more times with individuals quitting tobacco use."
Item 5: The amount shown is 128% of the Dallas, TX Medicare reimbursement for an office-based provider for CPT-4 99407.
Item 5: CPT-4 99407 is Smoking and tobacco use cessation counseling visit; intensive, greater than 10 minutes. Copyright American Medical Association 2010.
Item 6: Member copayment is illustrative
Item 8: Consistent with the source for item 13, the percentage of quit attempts that used counseling when counseling was a covered benefit
Item 10: Milliman standard labor distribution indicates 65% of a commercially insured population is an adult employee or adult dependent.
Item 11: CDC Morbidity and Mortality Weekly Report, November 13, 2009 / 58 (44); 1227-1232
Item 12: US Department of Health and Human Services, "Treating Tobacco Use and Dependence: 2008 Update", May 2008, Table 6.38
Item 13: Table 2 of Kaper, J., Wagena, E. J., Willemsen, M. C., van Schayck, C. P. "Reimbursement for smoking cessation treatment may double the abstinence rate: results of a randomized trial." Society for the Study of Addiction, (2005) 100, 1012 – 1020.

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