

SB 734: Oregon's Opportunity for Tobacco Users to Quit

Information and Q&A

New law

The 2009 Oregon Legislature passed a new law that now requires commercial health insurers to cover tobacco use cessation as a core benefit.¹ The law took effect on Jan. 1, 2010.

- The new Oregon law (Senate Bill 734) has designed the benefit to align with the recommendations made by the U.S. Public Health Service Guideline.^{1,2}
- Each private health plan in Oregon, or insurer that covers any Oregon resident, must provide enrollees a core benefit of at least \$500 for access to and coverage for FDA-approved treatment options such as basic treatment programs and available services and therapies.
- It is estimated by Oregon's Department of Human Services that as many as 17%, approximately 487,544, of Oregonians use tobacco.³

Help is here. Oregon's new law could help remove barriers that might hinder a smoker or tobacco user from quitting.

- Oregon's new tobacco cessation coverage law provides for commercial insurance coverage, and thus increased access to therapies and services to help tobacco users end tobacco addiction. Oregon Medicaid, private plans, and Medicare now all cover some form of treatment to help tobacco users quit.
- For those who are not covered by any health insurance, over-the-counter remedies such as lozenges, nicotine patches, and nicotine gum are also options to assist in quit attempts.
- It is recommended that any Oregonian attempting to quit tobacco use see his/her physician or a health care provider to discuss options.

Quitting tobacco is not only beneficial for one's health but also helps businesses.

- Oregon passed a law that became effective Jan. 1, 2009, that prohibits smoking in most bars and restaurants.
- For businesses, the National Business Coalition on Health released a report in October 2009 showing that tobacco cessation is one of the most cost-effective activities an employer can implement to improve the health and productivity of their employees while reducing health care costs.⁴

Smoking

Quitting smoking is one of the best things a person can do for his or her health.

- Smoking is the leading preventable cause of disease and premature death in the U.S.⁵
- Smoking takes a significant toll on smokers' bodies.⁶
- Approximately 1,200 people die prematurely in the United States each day from smoking-related illnesses.⁷
- More deaths are caused each year by tobacco use than by illegal drugs, firearms, alcohol, and motor vehicles combined.⁸

Quitting smoking is difficult; many smokers try to quit smoking multiple times in their lifetime.

- While many smokers understand the health effects of smoking and want to quit, it's difficult for them to do so because nicotine addiction is a chronic, relapsing medical condition that often requires both medication and support to overcome.²
- Seventy percent of smokers want to quit⁹ but only three to five percent are successful when they try to quit without treatment or counseling.¹⁰
- Smokers will try to quit 6 to 9 times, on average, over their lifetime.¹¹

We believe that for more smokers to quit, we need more people to understand that there are treatment options, including medication and support, to help them quit smoking that may be more effective than quitting cold turkey.

- The 2008 Public Health Service Clinical Practice Guideline recommends the use of counseling together with medication to increase a person's chances of quitting.²

Questions and Answers

1. What tobacco use cessation methods or programs does this law cover?

A. Similar to Oregon's Medicaid coverage of tobacco use cessation, which was enacted in 1998, this new law (bill) mandates core coverage for all usual and customary treatment options for tobacco use cessation, as described by the 2008 U.S. Public Health Service Practice Guideline.¹ Such inpatient and outpatient treatments include, but are not limited, to these effective treatments:

- Over-the-counter treatments such as nicotine patches, lozenges and nicotine gum²
- Prescription medications approved by the FDA [*If pressed to elaborate, mention: Bupropion, varenicline, nasal spray, and oral inhalers*]²
- Behavior modification support: Counseling, support groups, monitoring, and education²

2. Who developed the 2008 U.S. Public Health Service Guideline and what do they say about coverage of tobacco use cessation?

A. The Guideline is developed and implemented by U.S. Public Health Service. It specifically states, *"Tobacco dependence treatments are both clinically effective and highly cost effective, relative to interventions for other clinical disorders. Insurers and purchasers should ensure that all insurance plans include effective counseling and medication as covered benefits."*²

3. How much will this law cost? And what might be the impact to insurers?

A. Nationally, the estimated cost of smoking is \$193 billion, including \$97 billion for direct medical care.⁷ The Centers for Disease Control and Prevention estimates that enacting this life-saving core benefit might cost insurers between 10 and 40 cents per member per month, and will save significant dollars due to prevented chronic illnesses caused by tobacco use.¹²

The new Oregon law (Senate Bill 734) has shaped the benefit based on recommendations made in the U.S. Public Health Service Guideline.¹ Each private health plan in Oregon or insurer that covers any Oregonian must provide enrollees a core benefit of at least \$500 for access to and coverage for FDA-approved treatment options such as basic treatment programs and available services and therapies. All private plan members, aged 15 years and older in Oregon will now be able to receive at least one tobacco cessation benefit during their enrollment. Oregon Medicaid has provided this benefit since 1998.

As noted in the legislation, Oregon statute 743.730 defines which benefit providers/carriers are impacted by the new law. "Carrier" means any person who provides health benefit plans in Oregon or to Oregonians, including a licensed insurance company; a health care service contractor; a health maintenance organization; an association or group of employers that provides benefits by means of a multiple employer welfare arrangement; or any other person or corporation responsible for the payment of benefits or provision of services.¹

A study conducted in 2008 for the Pennsylvania chapter of the American Lung Association,¹³ showed:

- The retail price of a pack of cigarettes in Pennsylvania is on average \$4.72. The combined medical costs and productivity losses in Pennsylvania attributable to each pack of cigarettes sold are approximately \$23.78 per pack of cigarettes.

- The ratio of benefits to cost varies from \$1.28 to \$2.76 saved per dollar spent on smoking cessation programs, depending upon the type of intervention.

4. Why does this law set a minimum of \$500 for these benefits?

A. The treatments recommended for tobacco use cessation are among the lowest-cost prevention treatments available. The minimum or floor of \$500 covers the recommended course of treatment for prescribed medication and over-the-counter medicines. Additional benefits such as counseling could be added to increase the efficacy of the treatment course.

5. Why does this law cover anyone aged 15 or older?

A. Not all treatments recommended by the U.S. Public Health Service are indicated for smokers between 15 and 18 years of age.

As of 2008, six states¹⁴ have mandated insurance coverage for tobacco use cessation programs. Data show that every day in the United States alone, approximately 3,000 people under the age of 18 start smoking.¹⁵ In 2007, a nationwide survey of high school students found that 14.2 percent had smoked at least one entire cigarette before age 13, with more ninth-graders (16.3 percent) having smoked a full cigarette than 12th-graders (13.3 percent).¹⁵

6. If these tobacco cessation methods or programs are so important, why aren't insurers covering them now?

A. Many states have passed or are supporting such legislation and several, as of 2008, have some kind of requirement that mandates commercial or private insurers to offer tobacco use cessation benefits, including Oregon. Most states have enacted some form of tobacco cessation coverage in their Medicaid benefit plans. Until insurers are required to support tobacco use cessation, it remains optional.

7. Beside Oregon, what other states have enacted similar legislation?

A. Colorado, New Jersey, New Mexico, North Dakota, Maryland and Rhode Island.¹⁴

8. Will this law/bill impact the Oregon Health Plan?

A. No. Since 1998, Oregon Medicaid has provided comprehensive coverage of tobacco use cessation benefits and programs.

In December 2009, Oregon received federal approval to waive co-pays on tobacco cessation products and services for Medicaid fee-for-service beneficiaries.

9. Who supported this bill?

A. Many concerned organizations are engaged in supporting efforts of tobacco use cessation. Supporters of Senate Bill 734 included American Lung Association of Oregon; American Cancer Society Cancer Action Network's Great West Division; American Heart Association - Pacific Mountain Affiliate; March of Dimes- Greater Oregon Chapter; American Diabetes Association of Oregon and Southwest Washington; Upstream Public Health; Tobacco-Free Coalition of Oregon; Oregon Medical Association; and Pfizer.

10. How does smoking impact Oregon?

A. According to the Oregon Department of Human Services, physician reports through death certificates cited that tobacco contributed to 6,921 deaths in 2005 (22 percent of all deaths).³ Additionally, 35,000 Oregon workers were exposed to the secondhand smoke in 2008.¹⁶ In fact, an estimated 800 people in Oregon die each year as a result of secondhand smoke.³

12. What is the significance of this new law?

A. Private insurers in Oregon can now follow the lead of Medicaid coverage providers by providing tobacco use cessation programs as a core covered benefit. The greatest benefit will be to:

- The health of each Oregonian who now have greater access to treatment and support to help them quit, precluding potentially tens of thousands of dollars in individual expenses by avoiding chronic and debilitating diseases caused by tobacco use.
- Insurers can save money from health services that will not be utilized for treatment of diseases caused by tobacco use.

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