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Smoking Costs Pennsylvania's Economy More Than \$16 Billion Annually

-- In a post-smoking ban Pennsylvania, new study shows each dollar spent on smoking cessation programs can yield \$1.28 to \$2.76 in economic gains for PA's economy --

HARRISBURG – The American Lung Association of the Mid-Atlantic today joined with the Pennsylvania Chamber of Business and Industry and the Pennsylvania AFL-CIO to release a new economic study demonstrating that smoking costs the state economy more than \$16 billion per year. The cost is equivalent to \$23.77 per each \$4.72 pack of cigarettes sold.

The study, conducted by researchers at the Pennsylvania State University College of Medicine, also reveals the financial advantages of offering smoking cessation programs, which includes counseling and access to all FDA-approved medications, statewide. An investment in such programs could produce significant savings for the Commonwealth of Pennsylvania at a time when the nation's economy is facing significant challenges:

- \$16 billion in positive economic impact on the state's yearly output of goods and services;
- A \$4 billion gain in workplace productivity each year; and
- Nearly \$7 billion in direct health care costs.

The study examined whether the financial and health benefits of comprehensive smoking cessation programs throughout the state outweigh the cost of the programs and any losses to state tax revenues from fewer people smoking. The researchers specifically investigated the three leading FDA-approved smoking cessation treatment alternatives as part of the analysis, and the results were overwhelmingly positive for the use of smoking cessation programs.

“Cigarette smoking is the number one cause of preventable disease in the United States, and is responsible for more than 400,000 deaths annually,” said Deborah P. Brown, ALA M-A's Vice President of Community Outreach and Advocacy. “By spending a few hundred dollars today to help smokers quit, insurance companies can prevent emphysema, lung cancer, and dozens of other illnesses down the road, saving thousands of dollars per smoker.”

The study found that each dollar spent on smoking cessation programs has the potential to yield \$1.28 to \$2.76 in economic gains for Pennsylvania's economy. These gains include increases in workplace

productivity, people living and working longer and dramatic reductions in direct medical care costs related to smoking. According to the results, the average benefits across all potential smoking cessation programs are nearly 60 percent greater than the average costs.

"Business benefits from having a healthy workforce," said Sam Denisco, PA Chamber director of government affairs. "Healthy workers result in more productivity and less absenteeism. More importantly, smoking cessation programs and other workplace wellness initiatives offer a way for employers to help lower the cost of providing health-care benefits to valued employees in an age of rising costs."

According to the U.S. Centers for Disease Control and Prevention (CDC), more than 70 percent of smokers say they want to quit. But, without smoking cessation counseling and treatment, only five percent will succeed at overcoming their nicotine addiction.

The CDC recommends comprehensive smoking cessation benefits that include:

- At least four counseling sessions of at least 30 minutes each;
- All FDA-approved prescription and over-the-counter nicotine replacement treatments; and
- Counseling and medication for at least two smoking cessation attempts per year – all with low or no co-pays or deductibles for counseling and medications.

"We support any initiative that will improve our members' health and boost the state's economy," says William P. George, President of the Pennsylvania AFL-CIO. "We represent 900,000 workers from 51 International Unions, and 1,422 Locals in all of Pennsylvania's 67 counties - improved access to cessation treatments and reduced out of pocket costs are a benefit all our workers deserve."

Recent surveys have shown that more than 80 percent of Pennsylvanians overwhelmingly agree that health care costs would be reduced if more people were able to quit smoking successfully. A full 75 percent of Pennsylvanians have said it is time for health insurance companies to make CDC-level smoking cessation coverage part of standard health insurance benefit packages.

"When people are ready to quit smoking, we believe they should have access to the help they need. It takes more than one try to break the nicotine addiction," Brown said. "Our legislators have set the stage to encourage more people to quit smoking with the passing of the Clean Indoor Air Act. Now our health insurance companies should step up and help those people to succeed."

*Beginning our second century, the American Lung Association is the leading organization working to prevent lung disease and promote lung health through research, education and advocacy. Originally founded to fight tuberculosis, today the American Lung Association fights lung disease in all its forms, with special emphasis on asthma, tobacco control and environmental health. Lung disease death rates continue to increase while other leading causes of death have declined. With the generous support of the public, the American Lung Association is **"Improving life, one breath at a time"**. For more information about the American Lung Association or to support the work it does call 1-800-LUNG-USA or log on to www.lunginfo.org or www.lungusa.org. The official registration and financial information of the American Lung Association of Pennsylvania may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, 1-800-732-0999*

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