

The far bigger threat to smoking than CVS

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Why life is about to get more miserable, expensive for smokers



The bad news for smokers goes well beyond CVS's [CVS +1.06%](#) announcement Wednesday that it will [stop selling all tobacco products](#). It turns out smoking cigarettes can be even deadlier than previously thought. And, according to a report released by the U.S. surgeon general, smokers could be paying for the added risks in more ways than one.

The report, released on the 50th anniversary of the first Surgeon General's report on the hazards of smoking, found that the habit is associated with a higher risk of diabetes, rheumatoid arthritis, colorectal cancer and erectile dysfunction, in addition to previously well-known conditions such as lung disease, heart attack and stroke. For employers, which are already taking steps

to discourage workers from smoking in an effort to lower health costs and improve productivity, the latest evidence showing that smoking is linked to more diseases may cause them to ramp up their antismoking efforts, experts say. "This will only accelerate the movement that we've already seen," says LuAnn Heinen, a vice president at the National Business Group on Health, a non-profit in Washington, D.C. that helps large employers develop health and wellness programs.

Workers could face wider bans against smoking in the workplace, higher insurance costs and additional screening for substances like nicotine, health consultants say. Already, by 2016 more than 70% of companies are expected to reward or penalize employees based on their smoking habits, up from 42% in 2013, according to a survey by human resources consulting firm Towers Watson and the National Business Group on Health. While most employers base such penalties on the honor system—taking employees' word for it on whether they smoke or not—a small percentage of companies are also screening for nicotine when they check for other health risks like high cholesterol or high blood pressure, says Michael Wood, senior consultant in health management at Towers Watson. "I anticipate that going up though," says Wood, not only because of the latest data but also because more companies are using such screenings to financially reward and penalize employees who do or don't meet health goals.

Each smoker costs companies an additional \$5,800 a year, according to an estimate Ohio State University released last June that looked at absenteeism, smoking breaks, health-care costs and pension benefits. Health insurers and employers may take a closer look at their antismoking initiatives now that smoking has also been linked to chronic illnesses such as diabetes and rheumatoid arthritis, which can lead to higher health-care spending, says Wood. Diabetes, for instance, can lead to heart attacks, strokes, kidney disease and amputations, says Wood. And rheumatoid arthritis, which is sometimes treated with pricey drugs, can lead to disability among workers, he adds.

The surgeon general's report notes that while smoking rates among adults and teens are less than half what they were in 1964, 42 million American adults and about 3 million middle and high school students continue to smoke. Such figures could push more employers to increase the resources they offer to workers who are trying to quit. More than 90% of employers currently offer smoking-cessation programs, says Heinen, a share that could get closer to 100% as employers digest the latest research. More companies may also consider additional steps such as banning smoking on all company property or not hiring smokers at all, a step taken by some hospitals in some of the states that allow such bans, she says. (Twenty-nine states and the District of Columbia have smoker-protection laws that can forbid employers from taking smoking into consideration in hiring decisions, according to the American Lung Association.)

Companies say their efforts to encourage workers to be healthier have also paid off financially. Johnson & Johnson is saving \$2 to \$4 for every \$1 it invests in its health and wellness program, according to an analysis of its 2009 spending published in Health Affairs in 2011. As part of its wellness program, workers get a \$500 discount on health-insurance costs if they complete a health risk assessment and sign up for counseling and treatment to address any health risks discovered, such as smoking, diabetes, high cholesterol and high blood pressure. Smokers are given the option of receiving counseling in person, on the phone and online, as well as receiving nicotine-replacement treatments. The wellness program has saved the company \$565 annually per employee, says Fikry Isaac, head of global health for Johnson & Johnson, and the share of employees who say they smoke is now below 3%, compared with the 12% who said so when the company first began collecting data in 1998. "We believe that having a healthy workforce really allows for a more engaged workforce, as well as allows for more productivity and eventually does impact the bottom line," he says.

To be sure, the American Lung Association says it's not clear how much health-insurance surcharges or hiring bans against smokers encourage people to quit smoking. "What actually helps people quit smoking are higher tobacco prices, smoke-free work environments for all employees and access to a comprehensive smoking-cessation benefit," says Paul G. Billings, senior vice president of advocacy and education for the association. Billings says the association hopes the latest report will cause employers to give workers access to three forms of counseling, to all medications used to treat addiction and to several nicotine-replacement products.

Still, for some smokers it's the financial penalties and incentives, which can get as high as \$1,200, that push them to take advantage of the resources being offered, says Wood of Towers Watson. Some companies have seen the share of workers who participate in smoking cessation programs double or quadruple after they introduced financial incentives or penalties, he says.

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