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HEALTH INSURANCE COVERAGE FOR TOBACCO DEPENDENCE

Executive Summary

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I. Introduction

There are well-known public health and economic consequences resulting from tobacco use, and medical and other benefits associated with tobacco cessation (1). Reducing tobacco use benefits both individuals and society in a variety of significant, measurable ways (2). While most smokers are addicted, treatment for tobacco dependence is less likely to be covered by insurance than treatment for other addictions (3). One objective in *Healthy People 2010* is to increase insurance coverage of nicotine dependency to 100 percent (4). Tobacco dependence is often not treated adequately in the health care setting, largely because insurers and other health care plans do not routinely reimburse providers for tobacco cessation therapy (5;6). The release of the respected U.S. Public Health Service (PHS) 2000 *Clinical Practice Guideline: Treating Tobacco Use and Dependence* now provides compelling evidence of the efficacy (medically and economically) of both pharmacotherapies and behavioral interventions (5).

II. Approach

Initially, a literature review, and a legal and policy analysis (Part 1) was conducted by the University of Houston (UH) to ascertain the status of health insurance coverage for tobacco dependence. The literature search revealed little data about the extent or nature of tobacco cessation treatment coverage by health plans in Texas. Therefore, the University of Houston conducted a survey of Texas managed care organizations (MCO) (Part 2). The results of both reports are summarized below and full reports are available upon request.

A. Texas Coverage

- The 1998 *Texas Cancer Plan* (7) concluded that pharmacotherapies should be covered by health plans for smokers who are trying to quit. The Koop-Kessler report *Tobacco Policy & Public Health* (1) and the PHS Guideline (5) both recommend that states *require* health plans to provide better coverage for tobacco cessation treatment.

- In Texas and some other states, Medicaid provides more coverage for tobacco cessation pharmacotherapies than most private health care plans. Texas is one of fifteen states that provide all pharmacotherapy recommended by the PHS Guideline (5).

- The Texas Medicaid formulary includes certain prescription and over-the-counter drugs for treatment of tobacco or nicotine addiction, including nicotine replacement therapies. *However, provider and patient awareness of this benefit is limited*.

- Texas does not provide any coverage for group, individual, or telephone counseling for tobacco dependence through Medicaid, although tobacco settlement dollars are being used to provide a Tobacco Cessation Quitline in selected areas. Thirteen states provide Medicaid coverage for some form of counseling.

- The Children's Health Insurance Program (CHIP) provides health insurance for uninsured children who are not eligible for Medicaid up to 200 percent of the federal poverty level. The Texas State Plan for CHIP includes a one hundred dollar annual coverage for smoking cessation.

- Some performance measurements of health plan quality address availability of smoking cessation services. Most measure whether physicians advise patients to quit. The Texas

Health Care Information Council (THCIC) reported in 2001 that in responding Texas HMOs only 46% of members who were identified as smokers in the past year were advised to quit. The Texas average has declined since 1997 and does not compare well to national standards. Interestingly, the 2002 THCIC report on the quality of care provided by commercial Texas HMOs did not report on the "advising smokers to quit" measure. The following table shows the Texas average compared to the "quality compass," a national database of performance information reported to the National Committee on Quality Insurance.

	1997	1998	1999	2000
Texas Average	55.7%	57.5%	58.6%	46.2%
Quality Compass®	64.0%	62.5%	68.3%	67.1%

Source: Straight Talk. Texas Health Care Information Council (8)

III. Texas Survey of Managed Care Organizations (MCO)

A two-phase study was conducted by the University of Houston. Seventeen of the largest managed care organizations in Texas, representing 59% of the market shares on written premiums in 2001, were identified; thirteen (76%) participated. All HMOs with ≥0.5% of the market are included. Most participants (62%) offer both HMO and PPO plans; the balance provide only HMO plans. Approximately one of every three participants serve State of Texas employees. Highlights follow:

- Over two-thirds do not have a written tobacco cessation protocol or policy for enrollees.
- Only two MCOs report use of established national clinical guidelines for planning.
- More than half report full coverage for at least one form of pharmacotherapy (i.e., nicotine replacement therapy, Bupropion/Zyban or Wellbutrin). Wellbutrin was the most likely to be in formulary (31%).
- More than two out of every three plans provide full coverage for at least some form of behavioral intervention for cessation. Most frequently covered was face-to-face counseling, followed by individual counseling for pregnant women, which was most commonly provided by the primary care physician. Most plans did not have provision for self-referral to counseling services.
- Over half of plans maintain an information system for individual patients (e.g. patient encounters and/or clinical information). Only three of these currently collect data addressing tobacco issues.
- Most HMO plans suggest providers ask new patients about their smoking status and document smoking status in the patient's medical record. However, only one plan could readily identify the percentage of enrollees who use tobacco products; that was based on information collected at enrollment and does not necessarily reflect current status.
- More than three out of every four plans indicate interest in working with the Texas Department of Health (TDH) to promote the American Cancer Society Quitline.

IV. Recommendations

- Promotion of public-private partnerships to:
  - Promote use of the Public Health Service's clinical practice guidelines to guide treatment and reimbursement for tobacco dependence
  - Encourage use of better tracking systems that can monitor enrollees' use of tobacco
  - Support the Quitline

- Establish a partnership between TDH, Texas Association of Health Plans and other key players with a commitment to reducing tobacco dependency.

- Work with the Texas Health Care Information Council to ensure that future reports on the quality of care provided by Texas HMOs include the HEDIS "advising smokers to quit" measure. Relatedly, Michigan and North Carolina publish "report cards" that provides models for rating health plans on tobacco cessation services.

- Publicize availability of Medicaid cessation coverage available.

- Build on existing coalitions to leverage interest by numerous public and private organizations to mobilize public and peer pressure to encourage health plan inclusion of greater cessation coverage. Models can be drawn from the experiences in other states. For example, Arizona, Michigan, and North Carolina have innovative programs that encourage health plans to voluntarily increase coverage for tobacco cessation treatment.

- Texas could establish state requirements that insurers covering state employees offer cessation coverage such as pharmaceutical prescriptions to assist in tobacco cessation. This could set an example for other plans to follow (See, e.g., HB 88 filed by McClendon).

- Legislation to mandate broader coverage of smoking cessation programs was introduced in New York, Maryland, and Wisconsin. While these initiatives failed to pass, lessons drawn from these experiences can facilitate planning.

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