
AGING TODAY

Vol. XXIX, No. 3

PAGE 13

May–June 2008

ISSN: 1043-1284

www.agingtoday.org

MEDICARE COVERAGE AND COSTS

Besides the rising out-of-pocket cost for elders, the U.S. healthcare burden of tobacco use is extremely high. According to the Centers for Disease Control and Prevention (CDC) report “Best Practices for Comprehensive Tobacco Control Programs—2007,” smoking-related healthcare costs in 2004 exceeded \$96 billion in direct medical expenses—plus \$97 billion in lost productivity. In 2005, the Society of Actuaries estimated that the effects of exposure to secondhand smoke cost the United States \$10 billion per year.

Research in the 1990s showed that Medicare spent almost 10% of its entire annual budget on smoking-related illnesses. Today, about 4.5 million Medicare beneficiaries smoke. In response to a request from national organization Partnership for Prevention, Medicare began covering smoking and tobacco-use cessation counseling in March 2005, although the program covers counseling services only for beneficiaries who are diagnosed with a smoking-related illness or who are taking medicines that tobacco use might affect. Also, Medicare does not pay for over-the-counter smoking-cessation products, such as nicotine patches, or for telephone quitline counseling.

Counseling, available under Medicare Part B (physician and outpatient services), includes a limited number of smoking-cessation visits with a Medicare-approved provider. Medicare covers two cessation attempts per year, with a maximum of four sessions per attempt at quitting. Medicare-covered counseling services are subject to beneficiary deductibles and copayments, which can mean that a beneficiary must pay 20% of the Medicare-approved amount after meeting the annual Part B deductible. Those receiving Medicare Part D prescription drug coverage are also eligible for certain smoking-cessation medications.

The Campaign for Tobacco-Free Kids estimated in 2002 that paying for cessation counseling would cost Medicare \$112 million in 10 years. That cost would be offset, however, by healthcare savings of \$75 million for the Medicare program during that decade. According to the Centers for Medicare and Medicaid Services, smoking cessation would save another \$62 million in 10 years for states, third-party payers and individuals.

In its 2006 publication *A Practical Guide to Working with Health-Care Systems on Tobacco-Use Treatment*, CDC suggested eliminating or minimizing copays or deductibles for smoking-cessation counseling and medications. ❖

—Nancy Aldrich