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# MEMORANDUM

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Date: December 15, 2014

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator 

Re: **Agenda Item 8 on the December 16, 2014 Agenda Regarding Nicotine/Tobacco-Free Healthy Workforce Initiative**

I request that this item be continued to the February 10, 2015 meeting, at which time I will provide information to the Board of Supervisors regarding the Self Insurance Trust Fund and medical insurance rates for Fiscal Year 2015/16.

As an alternative to adopting a policy that prohibits the hiring of smokers after July 1, 2015, the Board could adopt a policy whereby smokers would pay the full actuarial-related cost of their health insurance as compared to nonsmokers. Based on preliminary information, it appears new hires that smoke should pay a surcharge of \$90 per month in order to pay their fair share of additional medical costs incurred as a result of choosing to smoke or use tobacco and/or nicotine products. This amount is based on a national standard by our insurance carrier regarding the additional insurance cost of smokers.

As I have indicated, Pima County has a significantly higher percentage of smokers than the national average – our 32 percent versus the national average of 18 percent. The values obtained as a national experience would be lower than those costs expected by Pima County.

During the period between now and the date I ask the Board to adopt self-insurance premiums for both the County and our employees, we will develop an actuarial analysis of the actual additional cost being incurred by the County in insuring smokers and/or those who use tobacco and nicotine products. This will allow the Board to consider, in addition to a policy prohibiting the hiring of smokers, a policy that requires smokers who are newly hired into Pima County service to pay the full additional cost of their expected actuarial-based medical services based on their smoking habits. This will minimize the concern I have regarding having taxpayers subsidize newly hired employees who smoke or use tobacco or nicotine products.

I have heard from a number of County employees who desire not to subsidize those employees who smoke. During the same period, I will ask for an actuarial review to

The Honorable Chair and Members, Pima County Board of Supervisors  
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determine what premium surcharge should be applied to existing employees who smoke to ensure the vast majority of our employees do not subsidize smoking employees.

I continue to believe the County has a public health objective in adopting a policy that prohibits the hiring of smokers. We have led the nation in adopting and advancing obesity and diabetes-related programs. Our public health agency has a national reputation of advancing community and public health. It is fitting and proper that the County take a leadership role in reducing the personal, financial and emotional toll taken by tobacco use and smoking-related diseases.

Continuing this item will allow the development of another option for the Board, which would ensure newly-hired employees will not be subsidized by the taxpayers in their health insurance and will provide the Board an option to adopt a premium surcharge that ensures existing County employees who do not smoke do not subsidize those who do.

CHH/anc

- c: Jan Leshar, Deputy County Administrator for Medical and Health Services
- Allyn Bulzomi, Director, Human Resources
- Dr. Francisco Garcia, Director, Health Department
- Robin Brigode, Clerk of the Board