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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548



HUMAN RESOURCES  
DIVISION

*GAO 6/19/79*

JUNE 6, 1979

B-164031(5)



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The Honorable Joseph Fisher  
House of Representatives

Dear Mr. Fisher:

Your April 26, 1979, letter requested our findings and views regarding a complaint from constituents about the Department of Health, Education, and Welfare's Smokers program. An April 16 letter from Mr. and Mrs. Donald W. Brown expressed concern about possible misuse of public funds by the Department. The Department is offering to pay part of the costs of a program to help its employees quit smoking.

We have discussed the program with Department officials and have obtained documentation about the legal basis and the rationale for the Department's action. In summary, this information shows that:

1. Public Law 76-659, "To provide for health programs for government employees" (title V, U.S.C. 7901(c)(4)), provides the legal basis for the Department's action. This legislation stipulates that the head of a Government agency may establish a health service program which includes preventive programs relating to health. The Comptroller General has made no ruling regarding the sufficiency of this justification.

2. The Department justifies using tax funds for the program on its belief that reduced smoking improves the employees' overall health, decreases their use of sick leave, increases their productivity, and lessens the chance of their taking early disability retirement brought on by smoking-related illnesses. Other than the Surgeon General's reports on the impact of smoking on human health, the Department has not developed data to show that reduced smoking will directly affect productivity and retirement.

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3. The Department believes that the program is consistent with the efforts of other major public and private employers to help employees overcome habits or influences, such as smoking, alcohol and drug abuse, and mental stress, which may be detrimental to health. Based upon our request for information about this program's use among other employers, the Department learned from Smokenders that at least 165 private corporations in the United States have offered the program to their employees, and about one-third of these firms paid part or all of the fee.

4. The Department selected Smokenders on the basis of the results of a 4-year study by the New York State Psychiatric Institute. The study concluded that, 3-1/2 to 4 years after completing the Smokenders programs, 57 percent of the male graduates and 30 percent of the female graduates still were not smoking. According to Department officials a notice of intent to contract with Smokenders was published in the Commerce Business Daily, as required by Federal Government regulations, but no response was received from other interested parties.

5. The program began in April 1978; as of May 1979, 365 employees had completed or were attending the program. The total cost to the Government, including average salary costs, has been about \$80,000. The following schedule breaks down these costs.

<u>Number of participants</u>	<u>Cost of course paid by Department (note a)</u>	<u>Gross salary cost (note b)</u>	<u>Other costs (note c)</u>	<u>Total cost to Government</u>
365	\$23,725	\$47,205	\$9,280	\$80,210

a/The total cost of the Smokenders program per employee is \$125. Of this amount, the Department pays \$65, and the employee pays \$60.

b/Computed by multiplying the number of participants by the average gross salary cost for 2 full days.

c/Includes publicity and other administrative costs.

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The estimate of 8,000 employees to whom the program was offered includes all employees--smokers and nonsmokers. Therefore, a \$1.5 million estimate of costs to the taxpayer is unrealistically high. Moreover, the Department has not decided whether to offer the program in fiscal year 1980.

We believe the above information will meet your needs.

Sincerely yours,



Gregory J. Ahart  
Director