

USA Today

CVS Caremark to stop selling tobacco products

Kelly Kennedy, February 5, 2014 8:50am

WASHINGTON — Drug store giant CVS Caremark announced Wednesday it will no longer sell tobacco products at its 7,600 pharmacies by Oct. 1.

CVS sells \$1.5 billion in tobacco a year, but CVS officials said selling cigarettes while promoting wellness doesn't make sense.

"Selling tobacco is very inconsistent with being in that business," said Helena Foulkes, CVS's president. "We really thought about this decision as it relates to the future as a health company — it's good for customers and our company, in the long run."

Foulkes told USA TODAY that CVS sees its future as an alternative to the doctor's office, with 26,000 pharmacists and nurse practitioners counseling customers about how to control their high cholesterol, diabetes and high blood pressure.

"Any form of tobacco use makes those chronic conditions more difficult to deal with," she said. "This is good for business and the right thing to do."

President Obama -- a former smoker -- hailed the announcement, saying in a statement Wednesday: "As one of the largest retailers and pharmacies in America, CVS Caremark sets a powerful example, and today's decision will help advance my administration's efforts to reduce tobacco-related deaths, cancer, and heart disease, as well as bring down health care costs – ultimately saving lives and protecting untold numbers of families from pain and heartbreak for years to come."

CVS officials met with tobacco company executives Tuesday to

explain the decision, understanding that eliminating tobacco products from the pharmacies would likely affect the tobacco industry's bottom line, as well.

Other pharmacies are expected to eventually follow suit, and some cities in California and Massachusetts have banned tobacco sales at all pharmacies. The American Pharmacists Association asked for a ban on sales in 2010 at pharmacies, including at grocery stores that have pharmacies, according to an article published in the *Journal of the American Medical Association* (JAMA) Wednesday

As the Affordable Care Act is implemented, it's important to help people stay healthy, said Troy Brennan, the company's chief medical officer.

"It's expensive to provide health care for all the people through the ACA," Brennan said. The company will announce a "very large" smoking cessation program in the spring.

Foulkes said seven out of 10 smokers would like to stop, and half have tried to in the past year.

Ezekiel Emanuel, a University of Pennsylvania bio-ethicist and one of the architects of the health care law, said he sees smoking as one of the top health issues facing the United States. He agrees that reducing smoking-related costs is important as more people become insured so others don't have to take on the burden of those costs and called working to reduce smoking "kind of a no-brainer."

CVS expects to lose about \$2 billion in sales annually, Foulkes said, but the company hopes to recoup its losses in other ways, including an increased focus on its pharmacy management benefit program to help insurers save money on employees' health.

More than 480,000 people die from smoking-related ailments a year, according to the JAMA article by Brennan and Steven Schroeder, director of the Smoking Cessation Leadership Center at the University of California.

Smoking has gone down significantly, from 42% of adults in 1965 to

18% today. This comes after increases in taxes, and public areas — such as airports, bars and federal buildings — where smoking is prohibited. Advertising also diminished the appeal of smoking. Just this week, the American Cancer Society launched an advertising campaign aimed at how teenagers would look in the future if they begin smoking now. Still, 42 million people smoke and 16 million are sick, according to JAMA.

The Rhode Island-headquartered company maintained that its exit from the tobacco category will not affect its 2014 operating profit guidance. Its shares are down about 1% in pre-market trading.

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