Case 3 – BAZ, Inc.

BAZ, Inc. is a health benefits administration company in the State of Gould. BAZ, Inc. has 200 employees: 20 are smokers. BAZ, Inc. provides its employees with a health insurance plan as an employment benefit.

Concerned about BAZ’s rising health insurance premiums, Beth Zimmer decides to institute a new “no smoking policy.” Under this policy, which would become effective on January 1, 2006, employees would be prohibited from smoking on or off BAZ company property.

To ensure that they are following this rule, employees would be randomly tested for nicotine. Further, applicants for BAZ employment who smoke will not be hired. Employees will have until December 1, 2005 to sign a statement in which they agree to the policy as a condition of continued employment. Violation of the policy will be grounds for immediate termination.

Nicotine addiction is not considered a disability under federal or Gould state law. Further, while 29 other states prohibit employment discrimination against smokers, Gould does not.

Smokers are more susceptible to disease, and smoking is the leading cause of lung cancer. Health care costs for smokers are known to be higher than for nonsmokers.

Beth and her Board of Directors wants to meet with BAZ employees to explain her proposed policy and hear their opinion.