

Quality Alcohol Treatment is Good Medicine

by Eric Gopelrud

A recent study from the RAND Corporation, reported in the June 26th issue of the New England Journal of Medicine, found that alcoholism – an illness that is the third leading cause of preventable death in this country – goes largely untreated. The study indicates that the quality of care for alcoholism is abysmal, that screening is not routinely done, and that, when identified, patients aren't being referred to treatment specialists. And this isn't surprising.

What's keeping people from getting the treatment they need? Like many things, it has mostly to do with money. Alcohol treatment is singled out for particularly harsh coverage limits by health plans and insurers, making proper medical management of these illnesses financially impossible. This deters hospitals and physicians from aggressively screening for the condition and referring patients for care. Why bother when there is no way to pay for the treatment?

While many states pass laws requiring that private health insurance companies cover various illnesses and injuries, we found, in our own study, that the largest health plans in one third of states did not even meet the minimum statutory requirements for coverage of alcohol treatment. Worse, state laws actually discourage the health system from doing its job. Insurance laws in 38 states exempt insurers from having to pay for treatment costs if a person is injured while under the influence of alcohol.

Public health insurance programs often miss the mark. Medicare requires patients to pay 50 percent of the costs for outpatient alcohol treatment, but only 20 percent for other illnesses. The State Children's Health Insurance Program (SCHIP), which provides health insurance for millions of poor children, does not require coverage of alcohol treatment, despite high rates of alcohol problems among youth.

We can afford to do a lot better. For example, the nine million government workers and their families covered by the Federal Employees Health Benefit Program have equitable coverage. The cost to the program has been insignificant, an increase of far less than one percent of the premium. Covering treatment for alcohol problems the same as for other illnesses would increase costs by only \$5.11 per person per year – about the same as two lattes at Starbucks.

What the business and insurance communities do not seem to realize is that the longer alcohol problems go untreated, the more costly it is to the patient, to the family, to the workplace, and ultimately, to the taxpayer. The annual bill for treating alcohol-related illnesses and injuries is close to \$20 billion.

But that's just a fraction of the \$185 billion drained from America's coffers each year to cover the costs generated from alcohol-related problems – costs resulting from traffic accidents, subsequent illness and hospital fees, and unproductive missed work days. It becomes a vicious cycle, when in fact, an investment in treatment would actually bring down both costs and the number of alcohol-related problems.

Companies and government should encourage treatment by investing in coverage. Pinched by rapidly escalating health care costs, the RAND researchers have pointed them toward a real opportunity. Investing in increased access to quality alcohol treatment is good medicine and good economics.

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