ALCOHOL PROBLEMS: PREMIUM INSURANCE

Solicitor Jonathan Goodliffe argues in favour of supporting private treatment for alcohol problems and the financing of that treatment through insurance – among other sources of funding.

GOVERNMENT ALCOHOL STRATEGY.

In their 2006 review for the National Treatment Agency for Substance Misuse on the effectiveness of treatment for alcohol problems, academics Raistrick, Heather and Godfrey remarked that "Treatment for alcohol problems is cost-effective.

"Alcohol misuse has a high impact on health and social care systems, where major savings can be made. Drinking also places costs on the criminal-justice system, especially with regard to public order.

"Overall, for every £1 spent on [evidence based] treatment, £5 is saved elsewhere".

The government's alcohol strategy recognises that alcohol misuse causes harm and that those affected might need professional help. Yet as a political issue in a financial recession, alcohol treatment is not a high priority.

So the need in England and Wales for alcohol treatment will be met only partly by the NHS and the voluntary sector.

PRIVATE TREATMENT FOR ALCOHOL PROBLEMS.

What then about private medical treatment? For most major health risks nowadays, it is a luxury. Significant progress has been claimed over the last few years in reducing waiting times for appointments and for costly medical procedures.

However, for alcohol problems in particular, private treatment has the potential to meet at least part of the need for treatment. It seems unlikely that this need will be wholly met at public expense, or through resources which are free to the user.

Private treatment is provided to people:

- who can afford to pay for it from their own resources
- who have taken out private medical insurance – PMI – which covers it, or
- who have PMI covering it which is provided for them by their employers, or
- when the public sector buys in services from the private sector.

WORKPLACE ALCOHOL POLICIES.

Employers which provide PMI to their workforce often also have policies aimed at reducing alcohol-related problems within the working environment. Some of these policies, with companies such as Dupont and Eastman Kodak, date back to the 1950s or earlier. The policy can be driven by health and safety considerations. Examples include drug companies and the construction and transport industries.

Alcohol misuse affects higher cognitive functions – such as creativity, professional judgment, and business standards and integrity – as much as if not more than motor skills. In the financial sector, for instance, many banks and insurance companies have active alcohol and drug policies and carry out random drug testing. Some of the professions, particularly my own, the law, have some catching up to do. When an employer has an active alcohol and drug policy, getting treatment for people who need it is a business priority as well as a health priority.

At least three insurers operating in the UK – Bupa, Axa and Cigna – offer PMI policies to individual or corporate customers which cover alcohol treatment. Most, if not all, other insurers do not. The main reason is probably because there is limited demand. Many businesses and individuals do not realise how important such cover could be, and that the extra expense can be worthwhile.

Another issue is that PMI is mostly aimed at acute rather than chronic conditions. Alcohol dependence is on the borderline. So even when it is covered, the insurer might pay for only one course of treatment.

GOVERNMENT ALCOHOL STRATEGY.

In a recent government paper on its alcohol strategy, Vernon Coaker, now minister of state for policing security and crime, said that "Promoting a sensible drinking culture that reduces violence and improves health is a job for us all… Business and industry should reinforce responsible drinking messages at every opportunity".

He was probably mainly targeting his remarks at the drinks industry rather than at business in general. Currently, the alcohol strategy is focused mainly on families, health and crime. It would benefit from more of a general business and commercial perspective.

The aims could include increasing the demand for healthy working environments. It would also be worth promoting more research and public discussion as to how substance-abuse problems in the workplace are successfully tackled.

FINANCING TREATMENT.

All this must be paid for. Insurance could be a part of the ultimate solution. Businesses might be willing to pay higher premiums, even in a recession, if they think they are getting adequate value. It is not clear, however, whether the government supports private treatment.

In a sense, such treatment creates social injustice. Affluent people might get earlier and more intensive treatment than the poor. On the other hand, treatment could also respond to a business need in the same way as do seven-figure salaries.

There is also scope for the private and NHS sectors to work more closely together, and to exchange know-how on treatment techniques.

This does not seem to happen much at present, partly, perhaps, because the two sectors exist in distinct subcultures. Many of the leading specialists in the addictions field do not have private practices and seem to have little interest in commercial considerations.

MIS-SELLING OF PMI.

Some PMI policies sold to private individuals do not cover mental-health problems at all. When that is the case, it is not unreasonable that alcohol treatment should also be excluded.

Cover does, however, extend to mental health in the more expensive policies and – usually – in those taken out by employers. In such cases, the question whether the cover also extends to alcohol and drug treatment, and the implications of that coverage, are not usually mentioned in policy summaries and key facts. So the issue is swept under the carpet.

The insurance regulator, the Financial Services Authority, has expressly approved this practice on the grounds that it makes the summary more readable!

One insurance company puts its incomplete policy summary on its web site – but not its full policy conditions, which contain the alcohol treatment exclusion.

COMORBIDITY.

It is in any event highly artificial for a PMI policy not to cover alcohol dependence but to cover, for instance, depression, since the two conditions are frequently comorbid.

Raistrick, Heather and Godfrey have commented that "People with complex problems, such as comorbidity, challenge the organisational effectiveness of and communication between provider agencies. Typically, there is a need to deliver integrated psychosocial interventions and integrated pharmacotherapies for both substance misuse and mental illness, and to access wraparound services.

"Service models need to be geared to these objectives. The management of severe and

enduring mental illness and neuropsychological complications of alcohol misuse are the province of specialists in psychiatry, clinical psychology and neurology..."

In relation to private treatment and PMI, Dr Brian Hore, consultant psychiatrist at Altincham Priory Hospital wrote as below in a letter to me.

"It is not possible to treat depression if the person is drinking, so it is essential that the individual stops drinking, otherwise the anti-depressant medication does not work. If the individual can be detoxed and then admitted to hospital, then obviously we can treat the depression in the hospital.

"If the patient is an outpatient then this is difficult as the individual continues to drink.

"An exclusion for alcohol in a PMI policy certainly does cause problems. Even if the insurance company would not be prepared to pay for a 28-day 12-step addiction programmes or such like, they ought to be willing to pay for withdrawal from alcohol.

"Otherwise the other psychiatric condition which they cover, for example anxiety, depression, cannot be treated."

It could also be asked whether patients suffering from both alcohol dependence and depression are more likely in some cases to receive inappropriate treatment if their insurance covers them for only one of these conditions.

ACROSS THE ATLANTIC.

In the US, most alcohol treatment is paid for by insurance companies, partly because there is no equivalent to the NHS.

My understanding (I am not a qualified US lawyer) is that parity in treatment for mental and physical health conditions is increasingly required in some states. It will apply under Federal law from 2010.

UK LEGAL ISSUES.

From a UK legal perspective, an insurance company, if sued, might find it difficult to rely on an alcohol treatment exclusion, particularly where the exclusion is not mentioned in the key facts or policy summary.

I have discussed this issue in more detail in an article in the *New Law Journal* published 28 November 2008 *(www.articles.jgoodliffe.co.uk/articles/ilaap.pdf)*. But few people are less-well equipped to take on the power of the insurance industry than patients withdrawing from alcohol and/or drugs.

CONCLUSION.

I hope that people working in the addiction field will take an interest in what I think is an important issue. If they do, they should consider raising their concerns with the government, the FSA, chief medical officers in leading insurance companies and the insurance industry's trade body, the Association of British Insurers.

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