What is it?

An Alcohol Exclusion Law (AEL) gives insurance companies the right to deny coverage to any person who, at the time of injury, seeks medical attention under the influence of alcohol or any drug not currently prescribed to them by a physician.

Texas currently has an Alcohol Exclusion Law in their insurance code. It is under the Uniform Accident and Sickness Policy Provision, UPPL, 1201.227: Intoxicants and Narcotics¹, for private insurance companies in Texas. The law even applies if alcohol is legally consumed and an injury is sustained.

Example One:

An older woman is celebrating her 25-year wedding anniversary with her family. She legally drinks some wine with her meal. They finish the celebration and along with her husband, she walks to their vehicle. On the way, she catches her heel in a crack in the sidewalk and falls, breaking her wrist in the process. She is transported to the emergency room and treated for her injuries. If the doctor issues a blood test and that test is positive for alcohol in her system, her insurance company can deny payment under the Alcohol Exclusion Law even though she was only walking to her car and did not break the law nor was she drunk.

The History

The National Association of Insurance Commissioners (NAIC), an organization of insurance regulators in the 50 states, adopted the Alcohol Exclusion Law as part of the UPPL model law in 1947.² State could individually adopt this law as part of their insurance code should they choose. In 1955, Texas voted to make UPPL a part of the state insurance code. To date, 27 states explicitly allow Alcohol Exclusion Laws, 9 states implicitly allow Alcohol Exclusion Laws and 14 states plus the District of Columbia have prohibited the use of Alcohol Exclusion Laws.³

Why is it a problem?

Alcohol Exclusion Laws create barriers for hospitals and prevention providers by restricting the collection of data related to injuries sustained under the influence.

Physicians are limited in their ability to recognize and refer youth and adults with alcohol related problems or risky drinking behaviors. By documenting substances in their system at the time of treatment payment denials could be triggered and supported by these laws. Without documentation, adequate data cannot be collected and screening and brief interventions cannot be carried out making it hard for the prevention community to implement evidence-based strategies that have a comprehensive approach.

How does this affect me?

Alcohol Exclusion Laws:

- Threaten public health by allowing risky drinking behaviors to escape detection contributing to injuries and fatalities
- Waste money by limiting the number of patients who receive alcohol screening and counseling in ER’s. For every $1 spent on alcohol counseling for injured patients, hospitals can expect to save almost $4
- Impede law enforcement by allowing drunk divers to escape detection and inhibiting identification of people with alcohol problems or engaging in risky behaviors before they drive drunk.⁴

Texas could save more than $175 million a year if ER patients were routinely screened for alcohol and drugs – followed by brief intervention when necessary.⁵

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Good Intentions
AELs were originally designed to:
• Assist in detecting drunk drivers
• Help prevent repeat drunk driving incidents
• Reduce the cost of health care
• Provide the opportunity for treatment of alcohol problems at the time when treatment can be the most effective

Bad Results
AELs currently:
• Discourage trauma centers from tracking and reporting people who are under the influence during the time of injury
• Discourage brief interventions and increase the chance of repeated visits to hospitals related to risky drinking
• Do not prevent insurance companies from paying for treatment
• Increase the cost of health care

Alcohol Exclusion Laws make it difficult to implement proven prevention strategies such as screening, brief intervention and referral to treatment (SBIRT).

Youth who drink before they turn 15 are four times more likely to develop alcohol dependence than those who start drinking at 21

Example Two:
A youth under age 21 falls while at a party. They hit their head on the ground and get a black eye. They are transported to the hospital for stitches and examination. The doctor and nurses smell alcohol on the youth. Because of the AEL, the youth is not screened to identify risky drinking behaviors; insurance covers the expense. A year later, the youth is at the ER for a broken wrist and again smelling of alcohol. The wrist is treated; insurance covers the costs: no data, no screening, and no intervention. The cycle continues.

For more information please visit www.TexansStandingTall.org

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1 http://law.onecle.com/texas/insurance/1201.227.00.html
3 http://www.ensuringsolutions.org/resources/resources_show.htm?doc_id=336649&cat_id=986
4 ibid
5 UPPL State Series: Texas – Insurance Loophole Increases Taxpayer Costs, Prevents Treatment and Denies Insurance Benefits, Ensuring Solutions to Alcohol Problems, The George Washington University Medical Center
6 http://www.ensuringsolutions.org/resources/resources_show.htm?doc_id=336649&cat_id=986
7 ibid
8 JAMA
9 http://www.ensuringsolutions.org/resources/resources_show.htm?doc_id=336649&cat_id=986