

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 4 - 1 - 0
Yeas: Kruse, Prozanski, Walker, Burdick
Nays: Beyer
Exc.: 0
Prepared By: Bill Taylor, Counsel
Meeting Dates: 3/22

WHAT THE MEASURE DOES: Requires an individual health insurance policy, other than a disability income policy, to provide coverage or reimbursement of expenses for the medical treatment of injuries or illnesses caused by the insured's use of alcohol or a controlled substance to the same extent as injuries not caused by the insured's use of drugs or alcohol.

ISSUES DISCUSSED:

- Expenses mean medical expenses
- Oregon adopted the exclusion in 1967

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: According to a George Washington University web site (<http://www.ensuringsolutions.org/>), alcohol exclusion laws (Uniform Policy and Provision Laws, UPPL) were passed in the 1940s to discourage people from drinking alcoholic beverages and to save insurance companies money from injury claims. The belief was that people would be less likely to drive while impaired or intoxicated if insurance companies could deny medical payments or other claims associated with injuries linked to the consumption of alcoholic beverages.

Some states have not taken this approach or have moved away from it and explicitly prohibit insurers from denying payment for insurance benefits for losses due to the intoxication of the insured. For example, South Dakota law prohibits insurers from denying health/sickness insurance benefits for injuries sustained while under the influence of alcohol or drugs.

Proponents assert that with the advancements of alcohol and drug treatment programs, and with emerging evidence showing positive effects of brief intervention and initiation of treatment as part of the emergency care, that this policy is an example of the disjunction between evidence-based medical care advances and third-party payment policies.

The National Association of Insurance Commissioners, which drafted the Model Alcohol Exclusion Law in 1947, voted unanimously in 2001 to amend the UPPL to repeal the Alcohol Exclusion Law.