

# Intangible Costs of Victims Due to Someone Else Drinking

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## INTRODUCTION

Harms can be classified as tangible and intangible. Most costing efforts to date tend to focus on measuring tangible aspects such as injury and adopt intangible estimates from other studies. However intangible costs can be expected to exceed tangible costs when intangible harm exceeds tangible harm such as in the case of victims of alcohol harms. There is a growing though small body of evidence that has attempted to value the costs associated with intangible harm.

## AIM

This study aims to measure and estimate intangible costs of victims who are affected due to someone else drinking

## RESULTS

The difference in health for those who identified 1 drinker within the household relative to those who identified no drinker is 0.003 QALY. The corresponding cost of loss of health was \$150. When the number of identified drinker was increased to two or more, the difference in health increased substantially to 0.064 QALY and the corresponding cost of loss in health increased substantially to \$3,200. The difference in health for those that identified 1 drinker outside the household relative those who identified no drinker is 0.006 QALY. The corresponding cost of loss of health was \$300. When the number of identified drinker increased to five or more, the difference in health increased to 0.03 QALY and the corresponding cost of loss in health increased substantially to \$1,500. When the survey data are weighted to the entire Australian population, these cost estimates result in total intangible costs to the Australian population of approximately \$1.5bn due to living with heavy drinkers and \$7.0 billion due to knowing heavy drinkers outside of the household.

Figure 1: Intangible cost due to drinkers in household

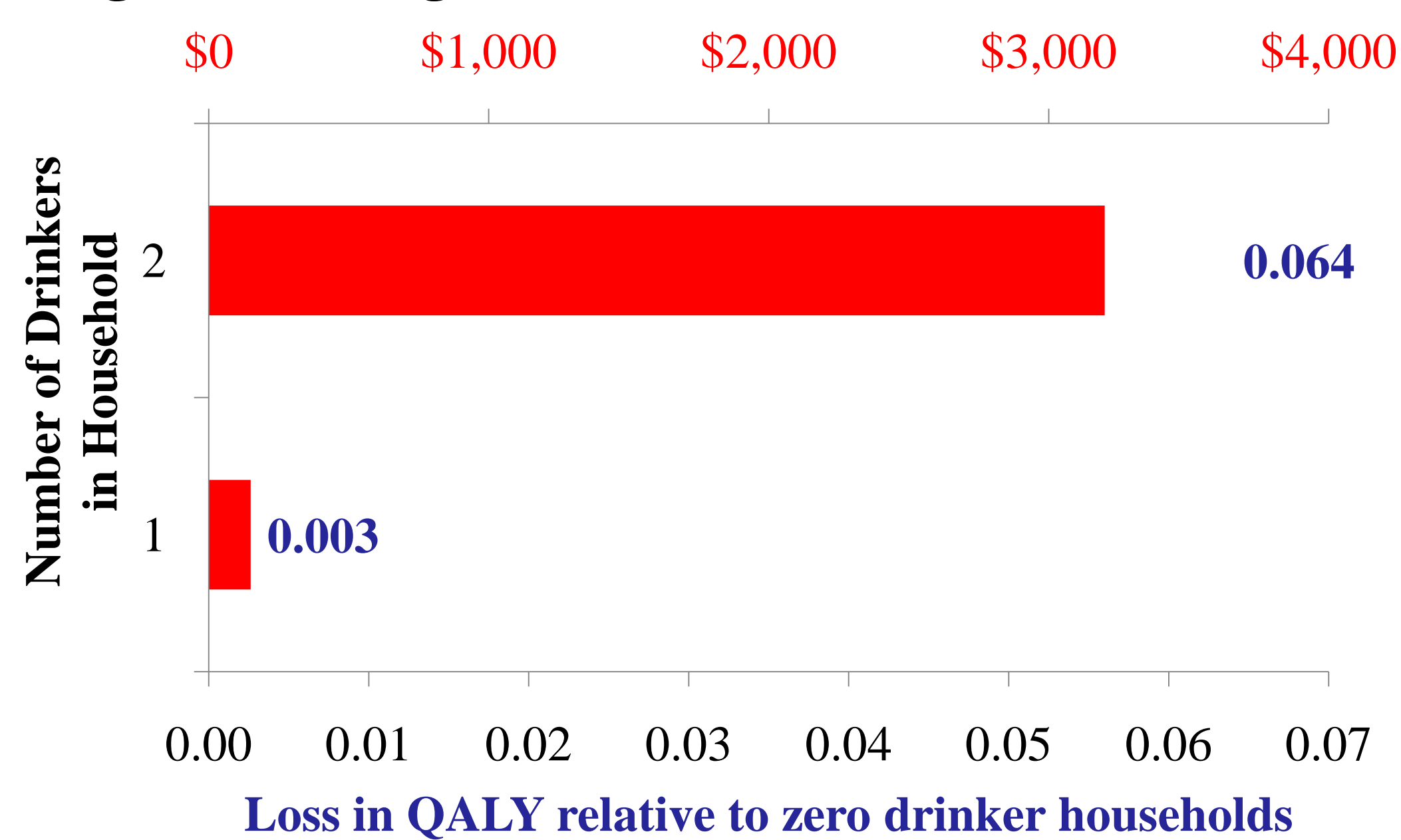


Figure 3: Intangible cost due to drinkers in household, Australian population estimates

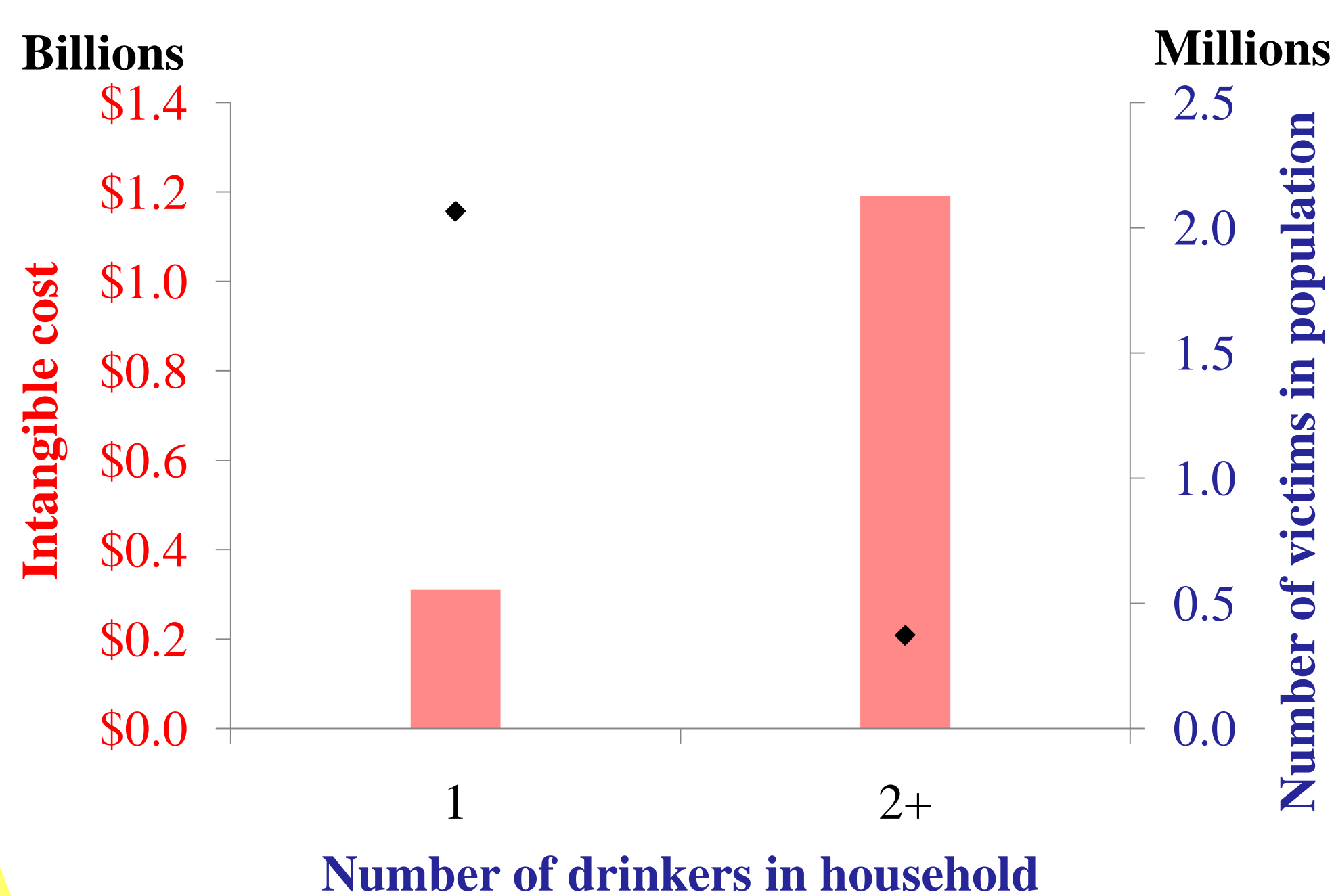
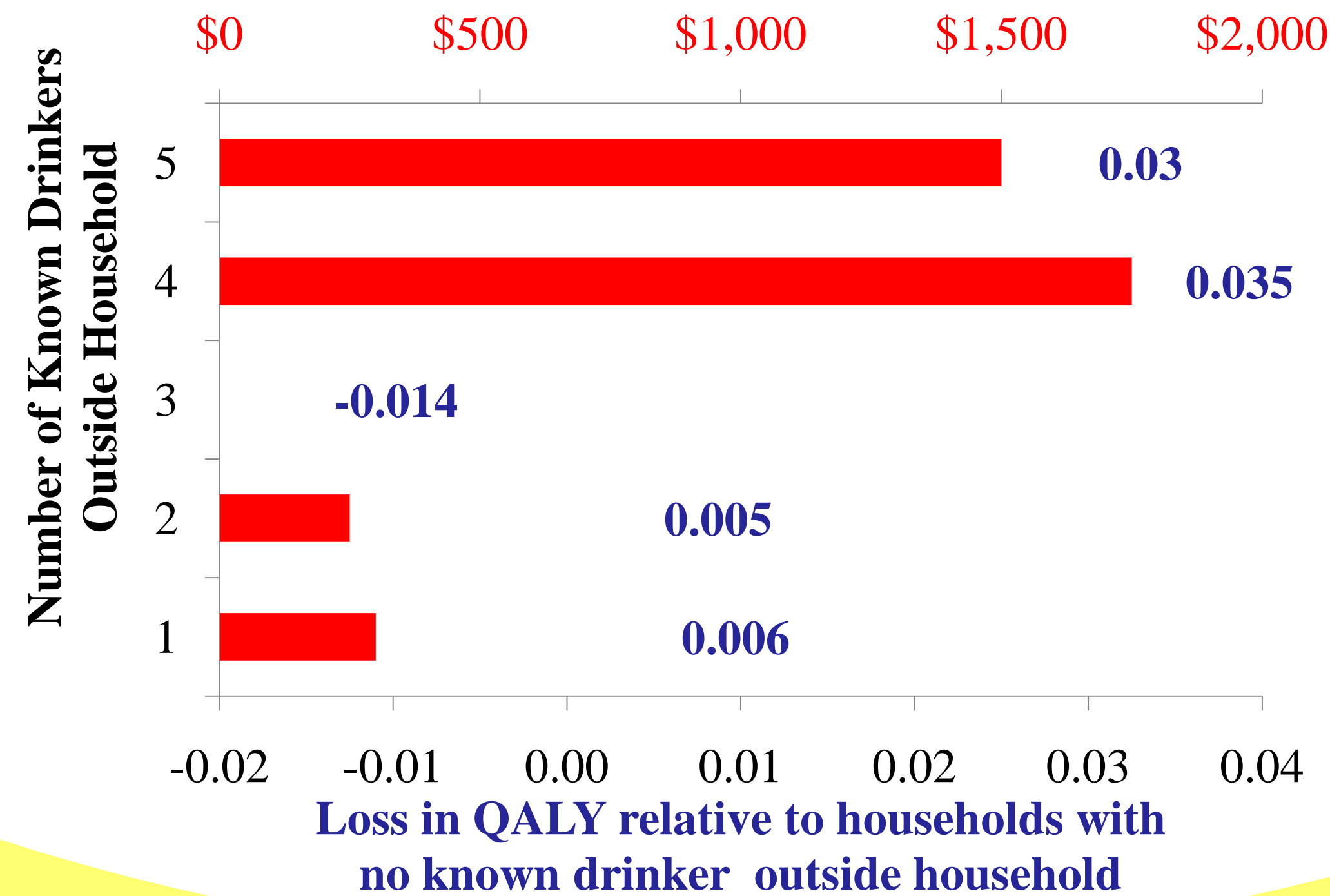


Figure 4: Intangible cost due to known drinkers outside household, Australian population estimates



Figure 2: Intangible cost due to known drinkers outside household



## METHOD

Using the mean EQ-5D scores obtained through the study survey, the difference in mean EQ-5D scores of those with no drinkers in the household and those with one or more drinkers in the household was calculated. This difference in mean EQ-5D scores represents the loss in health well-being related/due to the drinker/s in the household. This then is assumed to be a proxy for the intangible harm experienced by the respondent related/due to the drinker/s in the household. The same was repeated for those with no drinkers outside the household and those with one or more drinkers outside the household. These analyses do not control for any of the other socio-economic or demographic factors. Since the survey questions asked the respondent about the last 12 months, the respondent is assumed to be in that health state for the full year and therefore the health states scores and differences in the scores can be converted into QALYs. To convert the QALY loss into monetary terms, a threshold value of \$50,000/QALY was applied.

## Conclusion

This research provides the preliminary method to estimate intangible costs for victims due to someone else drinking.

There are several limitations to this method but it provides a great starting point. The results show the importance of incorporating wider range of intangible costs in alcohol social costs studies

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