

**EXTENT AND ADEQUACY OF INSURANCE  
COVERAGE FOR SUBSTANCE ABUSE  
SERVICES; VOL. II, COMMISSIONED PAPERS  
ON  
HISTORICAL, INSTITUTIONAL, AND ECONOMIC  
CONTEXTS OF DRUG TREATMENT; DRUG  
ABUSE SERVICES RESEARCH SERIES, NO. 3**

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Extent and Adequacy of Insurance  
Coverage for Substance Abuse Services  
*(Institute of Medicine Report: Treating Drug Problems)*

Volume 2

Commissioned Papers on Historical, Institutional,  
and Economic Contexts of Drug Treatment

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## NIDA DRUG ABUSE SERVICES RESEARCH SERIES

The *Drug Abuse Services Research Series* is issued by the National Institute on Drug Abuse's Financing and Services Research Branch within the Division of Applied Research. The National Institute on Drug Abuse (NIDA) is the Federal agency with primary responsibility for research on drug abuse. Such research includes the biological, pharmacological, psychological, and sociocultural aspects of drug abuse.

NIDA's Financing and Services Research Branch is responsible for coordinating and conducting research, demonstration, and evaluation studies on the capacity, efficiency, effectiveness, organization, structure, and financing of drug abuse treatment programs and delivery systems. The *Drug Abuse Services Research Series* disseminates the latest drug abuse services research on a range of topics, including quality of care, financing, and cost-effectiveness.

NIDA wishes to express its appreciation to the many members of the scientific and treatment community who reviewed the papers and reports in this issue as well as to the authors of these reports.

*The views and opinions expressed in this issue are solely those of the authors and do not necessarily constitute an endorsement, real or implied, by the National Institute on Drug Abuse or any other part of the U.S. Department of Health and Human Services.*

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CONTENTS

	Page
FOREWORD .....	vii
COMMITTEE FOR THE SUBSTANCE ABUSE COVERAGE STUDY .....	viii
PREFACE .....	ix
A CENTURY OF AMERICAN NARCOTIC POLICY .....	1
<i>David T. Courtwright</i>	
The Social and Legislative Origins of Narcotic Control	1
Life Under Anslinger	8
Minorities and Narcotic Use: The Second Transformation	11
The End of the Classic Period, 1960-1965	15
Drug Policy and Drug Use Since 1965	20
Notes	31
FEDERAL LEADERSHIP IN BUILDING THE NATIONAL DRUG TREATMENT SYSTEM .....	41
<i>Karst J. Besteman</i>	
Early Programs	42
Early Legislative Reform	44
National Addict Rehabilitation Act	44;
Other Legislation	46
Legislative Expansion	47
Special Action Office for Drug Abuse Prevention	47;
Governmental Reorganization	49;
Management Procedures	50;
The Ford Administration -- A Turning Point	51
Consolidation	51
Block Grants	52
Conclusions	53
Acknowledgment	54
References	54
Appendix: Federal Funding Policies From 1967 to 1980	56

DRUG TREATMENT IN STATE PRISONS . . . . . 59  
*Gregory P. Falkin, Harry K. Wexler, and Douglas S. Lipton*

Opposition to Prison-based Drug Treatment: A Response 60  
    The Belief That "Nothing Works" in Rehabilitation 60;  
    Belief in Imprisonment 61

The Need for Drug Treatment in Prisons 63  
    The Relationship Between Drug Use and Crime 64;  
    Assessing the Drug-Crime Connection From a Treatment Perspective 65

Evaluation Research on Prison-based and Community Drug Treatment Programs 66  
    Prison-based Drug Treatment Programs 66;  
    Stay'n Out 67;  
    Cornerstone 73;  
    The Simon Fraser University Program 75;  
    The Wharton Tract Narcotics Treatment Program 75;  
    The Terminal Island Drug Treatment Program 76;  
    Community-based Drug Treatment 76

What Works and What Does Not Work in Prison-based Treatment 78  
    Impediments to Prison-based Drug Treatment 78;  
    Elements of Effective Correctional Treatment Programs 79;  
    Guidelines for Effective Treatment 80

Project Reform: A National Project to Establish Drug Treatment Programs in Corrections 81  
Conclusion: The Future of Drug Treatment in Corrections 82  
Acknowledgment 83  
References 83

COURTS, JAILS, AND DRUG TREATMENT IN A CALIFORNIA COUNTY . . . . . 89  
*Mary Dana Phillips*

The Nexus Between the Drug Treatment and Criminal Justice Systems 90  
Historical Perspectives 91  
    The Criminalization of Drugs 91;  
    Reforming Drug Policy in the 1960s 92;  
    Diversion from the Criminal Justice System to Treatment in the 1970s 95

Case Study of a California County 99  
    County Drug Abuse Treatment System 99;  
    The Criminal Justice System: Processing the Offender 102;  
    Diversion and Probation: Pathways to Treatment 106;  
    Probation 110;  
    The Drug Abuse Treatment System and Inmates 113;  
    Case Study Conclusions 117

Discussion and Summary 121  
Footnote 124  
Acknowledgment 124  
References and Bibliography 125



DRUGS, THE WORKPLACE, AND EMPLOYEE-ORIENTED PROGRAMMING . . . . . 135  
*Paul M. Roman and Terry C. Blun*

The Problem of Drugs and the Workplace	135
Scope of the Problem	135;
Employer Motives to Initiate Action	136;
Drug Screening/Drug Testing and Employee Assistance Programs	137
Contrasts Between Attitudes Toward Alcohol and Toward Other Drugs	139
Development of Employer Responses to Drug Use	140
Historical Perspective	140
The First War on Drugs in the Workplace	142
Why the Concern With Employee Drug Abuse?	144;
Developments During the 1970s and Early 1980s	146;
The Office of Worksite Initiatives	147
Employer Interest in Alcohol Problems	149
Scope of Employee Assistance Programs	153
Employee Assistance Program Distribution	153
Patterns of Employee Assistance Program Utilization	154
Comparisons of Drug Screening Programs and EAPs	156
Drug Screening and Employee Assistance Programs and Potential Future Dilemmas	159
Micro-Organizational Motives and Macro-Social Consequences	160
Variations in the Scope of Program Services	161
References and Bibliography	163

THE MARKET FOR DRUG TREATMENT . . . . . 168  
*Richard Steinberg*

The Facts	168
Rationale for Public Intervention	169
Welfare Economics and the Pareto Standard	169;
Addiction and Consumer Sovereignty	170;
External Effects of Drug Addiction	172;
Some Welfare Economics of Insurance	173;
Cost-Benefit Analysis	176
Market Equilibrium	177
The Basic Model	178;
Court-Ordered Treatment and Demand	178;
Insurance, Tax Breaks, and Other Price Subsidies	179;
Intertemporal Effects	180; The Market for Insurance Policies
Estimation and Simulation Issues	181;
Estimation and Simulation Issues	182
Some Policy Implications	183
The Supply of Treatment	184; Policies to Encourage Efficiency
Insurance Options	185;
Insurance Options	186
Notes	188
Acknowledgment	192
Figures	193

REPEATING CYCLES OF COCAINE USE AND ABUSE .....	200
<i>Ronald K. Siegel</i>	
The First Cycle: Use (3000 B.C.-1860 A.D.)	200
The Second Cycle: Abuse (1860-1914)	200
Treatment in the Second Cycle	202
The Third Cycle: Use (1970-1978)	203
The Social-Recreational User: 1970-1978	204;
Treatment in the Third Cycle	205
The Fourth Cycle: Abuse	205
Crack	207;
The War on Drugs	207;
Responses of Cocaine Users	208;
Changes in Use During the Fourth Cycle	209;
Long-Term Users	209;
Treatment in the Fourth Cycle	211
Discussion	211
Notes	214
References	214
Table	219
ACKNOWLEDGMENTS .....	220
INDEX .....	222

## FOREWORD

The Substance Abuse Coverage Study was prepared in response to Congressional direction contained in Section 6005, PL 99-570, the Anti Drug Abuse Act of 1986. This Section of the law provided for the National Institute on Drug Abuse (NIDA) to fund the Institute of Medicine (IOM) to study the extent and adequacy of coverage by public programs, private insurance and other sources of payment for the treatment and rehabilitation of persons with drug abuse problems. The report for the Substance Abuse Coverage Study resulted in two volumes. Volume 1 of the IOM report, "Treating Drug Problems: A study of the evolution, effectiveness, and financing of public and private drug treatment systems," is comprehensive and thought provoking. It looks at a broad range of drug treatment and service delivery issues and provides an important compilation and analysis of what is known and not known of the nation's drug abuse services delivery systems. Volume 2 contains commissioned papers which provide background reviews on drug controls, the drug treatment system, criminal-justice-system-based drug treatment, employee assistance drug programs, an economic model of drug treatment, and the cycles of cocaine use.

A Committee of outstanding drug abuse and health services researchers, practitioners and program planners was appointed by the IOM Division of Health Care Services to conduct this study. Their efforts included site visits to several treatment programs throughout the United States, analysis of available epidemiologic and services systems data on drug abuse, literature reviews, commissioned background papers, and interviews with experts in drug abuse treatment and services research, financing and delivery fields.

Recommendations made by the Committee address both research and policy issues based upon their assessment of the current state of knowledge. They address issues involving data acquisition systems and the generation of reliable performance and outcome data; the role of standards for admission, care and program performance; the provision of services to special populations such as adolescents, pregnant women and mothers of young children; and the establishment of priorities for expanding public treatment programs and services. A number of these recommendations directly relate to public and private financing and reimbursement for drug treatment and related services research. Among these are the future role for publicly financed (Medicaid) drug abuse services, and reimbursement for free-standing drug treatment facilities.

The recommendations in the Substance Abuse Coverage Study reflect the deliberations of the IOM committee. While NIDA does not necessarily agree or disagree with the conclusions and recommendations offered in this report, they will be useful and will be carefully considered as NIDA undertakes our research planning and management activities. The report will also contribute to the broader public dialogue regarding a number of drug abuse services issues. The solution to the complicated, difficult and costly problem of drug abuse and its vast consequences requires the concerted energies of us all. The wide distribution of both volumes of this report is an effort to further discussion among the scientific, policy making, service delivery, and the public and private sectors involved in efforts to address these problems.