



EXECUTIVE SUMMARY

JULY 2017

# Financial case for action on liver disease

Escalating costs of alcohol misuse, obesity and viral hepatitis

Developed by the Foundation for Liver Research  
Endorsed by the Lancet Commission on Liver Disease

Liver disease has grown to become one of the most common causes of premature death in the UK and its burden continues to escalate. 62,000 years of working life are lost to liver disease every year and its impact on the poorest in our society is disproportionately severe, contributing to the widening of socioeconomic health inequalities in the UK.

Worsening liver disease health outcomes could be reversed through concerted preventive action to tackle its main causes: alcohol misuse, obesity and viral hepatitis. Voluntary agreements with the food and drinks and alcohol industries have proved ineffective.

The Foundation for Liver Research seeks to make the financial case for public health action in these areas and urges the implementation of targeted measures recommended by the independent Lancet Commission on Liver Disease. This paper summarises the escalating financial costs to the health and care system as well as the wider societal costs related to the three lifestyle-related risk factors.

**!** Worsening liver disease health outcomes could be reversed through concerted preventive action to tackle the main causes of liver disease.

The full paper including referencing can be found on the Foundation for Liver Research's website: [www.liver-research.org.uk](http://www.liver-research.org.uk)

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# Alcohol misuse



Alcohol misuse has been estimated to have a total societal cost in England and Wales of £21bn per year although more recent research suggests the true figure could be at least £27bn and as high as £52bn. Studies have identified severe cost challenges across many parts of society.

Alcohol misuse has contributed to escalating health burden and costs:

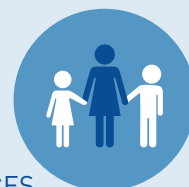
- Alcohol-related admissions increased approximately 17% between 2010/11 and 2015/16
- Working years lost due to alcohol rose from 46,000 in 2010 to 167,000 in 2015, 16% of all working years lost in England
- The number of claimants of Employment Support Allowance and Incapacity Benefit / Severe Disablement Allowance citing alcohol misuse as the primary medical condition grew from 38,910 in May 2011 to 57,940 in May 2015

**!** Unless the trends are reversed, it is projected that over the next five years, £17 billion in costs to the NHS will be incurred.

## COST CHALLENGES



**NHS**  
£3.5bn per year  
in England



**CHILD SERVICES**  
Up to £2.8bn per year  
in England



**LOST PRODUCTIVITY**  
£7.3bn per year  
in the UK



**CRIME**  
Up to £13bn per year  
in the UK

## RECOMMENDATIONS



- **Minimum unit price (MUP) for alcohol:** The first five years of a 50p MUP would generate £1.1bn of savings in total direct costs, whilst the total societal value would be worth £3bn. Scotland is awaiting the conclusion of a legal challenge on MUP led by the Scotch Whisky Association, whilst Wales also intends to legislate for MUP
- **Re-introduce the alcohol duty escalator:** A duty escalator 2% above inflation would result in a total saving of £226.9m to the NHS over a five year period
- **New higher duty band for cider based on alcohol content between 5.5% and 7.5%:** A 500ml can of cider at 7.5% ABV generates 19p duty, compared with 69p on a can of beer of equivalent size and strength. The Republic of Ireland has a higher rate of tax for cider above 6% to mitigate its harmful impact
- **Restrict trading hours for off-licence to 10am-10pm and limit alcohol availability for on-licence after midnight:** Australia has demonstrated large reductions in non-domestic assault by restricting trading hours
- **Stronger regulation of alcohol marketing and advertising:** Removing exposure to TV advertising for 11-18 year olds would lead to a fall of 9% in alcohol consumption



## Obesity

With 63% of adults aged over 16 obese or overweight in 2015, and one in three children in England obese or overweight by the time they leave primary school, the obesity epidemic is reaching a crisis point. A range of studies have broken down the cost challenges.

The burden and associated costs of obesity have escalated in recent years:

- The cost to society has grown from £15.8bn in 2007 to £27bn in 2016; the Treasury has suggested the figure could already be £46bn per year
- Finished hospital admission episodes where obesity was a primary or secondary diagnosis increased 150% from 211,783 in 2010/11 to 525,000 in 2015/16
- NHS spending on obesity-related conditions soared 65% in 10 years to £1.027bn each year

**!** Failure to take action on obesity could result in added health costs to the UK of £1.9-2bn each year and a £14bn cost to businesses annually by 2035.

### COST CHALLENGES



**NHS**  
£6.1bn per year  
in England



**SOCIAL CARE**  
£352m per year  
in England



**LOST PRODUCTIVITY**  
£5.6bn over 2 years  
in the UK



**WELFARE**  
Up to £6bn per year  
in England

### RECOMMENDATIONS



- **Implement further fiscal measures on foods high in sugar, salt and fat in addition to the Soft Drinks Levy:** NICE forecasted savings of £576m each year by year five if sugar was reduced to 5% of total daily energy intake
- **Close the loopholes in advertising to ban adverts for junk food and sweets before the watershed at 9pm:** A review of 22 studies worldwide found a link between children's exposure to junk food adverts and consumption
- **Introduce mandatory controls on supermarket price promotions for unhealthy food and drink:** Public Health England estimated that if future promotions were banned, 6.1% would be cut in overall sugar volume
- **Offer weight loss surgery to obese people with diabetes:** The initial cost of £6,000 for surgery pays for itself within two to three years by reducing the health burden



## Viral hepatitis

Viral hepatitis poses a major health risk to society and the associated costs are high. However, progress to overcome this cause of liver disease is hampered by gaps in data on the prevalence, health burden and financial costs of hepatitis B and C.

The number of individuals chronically infected with hepatitis C in the UK was estimated to be 216,000, although other studies have suggested the true figure could be as high as 466,000 with 86% unaware they are infected. Hepatitis B has also become a major challenge for the UK, with a similarly large pool of people affected by the disease. Marginalised populations face a greater risk, notably individuals who inject drugs, prisoners and immigrant populations.

Further efforts must be made to collate the necessary data to understand the total financial cost of viral hepatitis to society, but for hepatitis C alone, it is thought that lost productivity is worth up to £367m per year.

Moreover, there are signs of escalation in recent years. For example, between 2010 and 2015, preliminary estimates of cases of hepatitis C-related cirrhosis or hepatocellular carcinoma increased from 1,336 to 1,692 in England.

New opportunities are presented by the recent introduction of novel oral antiviral treatments for hepatitis C into the NHS. There is a cost associated with these treatments, with the NHS making a £190m ring-fenced investment into the new antiviral medicines in 2015. However, NICE deems their use as cost-effective, mitigating even higher costs of complications of advanced liver disease. A study of five European countries found that hepatitis C treatment resulted in savings of £435m annually due to improvements in work productivity.

**!** Disease detection and treatment of patients affected by viral hepatitis in the UK remains often sub-optimal.

### RECOMMENDATIONS



- **Immunisation for all individuals with risk factors for hepatitis B:** Immunisation for babies born after 2018 should be extended to all individuals with risk factors
- **Improve access to testing and diagnosis of hepatitis:** Public health budgets must be protected and boosted to offer effective testing and diagnosis in the community, with a particular focus on groups at greatest risk and/or not in regular contact with health services
- **Protect harm reduction services:** Funding for harm reduction services must be protected, and access enhanced for individuals in need in order to fulfil their important role in reducing the burden of hepatitis

**For further information regarding the work of the Foundation for Liver Research**

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