

Issue Brief #8 For Employers

Save Money by Encouraging Workers to Get Help For Substance Use Problems

*This brief could save
your company money
and takes less than 2
minutes to read!*

When it comes to workers' health and well-being, substance abuse is one area that is often overlooked. Seventy-six percent of people with drug or alcohol problems are employed,¹ and substance abuse can negatively affect their mental, emotional, and physical health. By identifying and addressing substance abuse early, employers can realize savings, better manage their own risk and build a healthy, productive workforce.²

DID YOU KNOW?

Risks for more than 70 conditions that often entail hospitalization -- such as heart disease, cancer and digestive disorder -- are increased when the patient also abuses substances.³

FAST FACTS

- ◆ Pre-employment drug testing, while potentially useful, cannot guarantee that the employee won't develop a substance use problem later.
- ◆ Random drug testing during employment, followed by immediate firing of an offending employee, may be more costly for the employer than assuring access to treatment because replacing an employee costs from 25 percent to almost 200 percent of his or her annual compensation—not to mention the loss of institutional knowledge, service continuity, and coworker productivity and morale that can accompany employee turnover.⁴
- ◆ The Federal Occupational Health agency, in a prospective cost-benefit estimate of Employee Assistance Programs [see box, next page, for definition], showed that for every \$1 spent on the EAP, the expected savings for the first year would be \$1.27, and those savings would rise to \$7.21 by the fifth year.⁵
- ◆ The cost of employee wellness programs averages just 1 to 2 percent of a company's healthcare budget.⁶

How Substance Abuse Impacts the Workplace

Substance abuse costs the nation an estimated \$276 billion each year.⁷ Lost work productivity and excess healthcare expenses account for the majority of those costs.

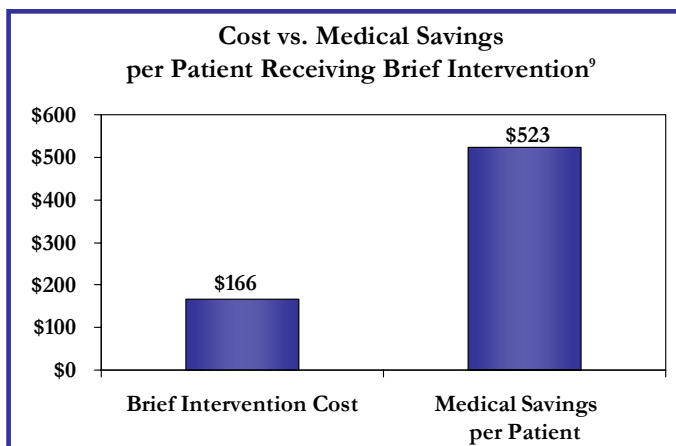
Substance abuse by employees results in:

- ◆ Higher healthcare expenses for injuries and illnesses,
- ◆ More absenteeism,
- ◆ Reductions in job productivity and performance,
- ◆ More workers' compensation and disability claims and
- ◆ Safety and other risks for employers.⁸

Investing in Early Intervention and Treatment Pays Off

Even modest investments in preventing and treating drug and alcohol problems can yield big savings for employers.

- ◆ Xerox workers who participated in a wellness program and limited their alcohol consumption enabled the company to reduce its costs for both



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
www.samhsa.gov

healthcare and health insurance over four years, achieving a five to one return on investment.¹⁰

- ◆ One company found that when employees used its EAP for help with mental health and substance abuse problems:
 - those workers had fewer inpatient *medical* days than workers who participated only in the company's medical insurance plan, and
 - the company averaged \$426,000 in savings annually on mental health and substance abuse treatment.¹¹

80 percent of federal workers and their family members who received treatment for alcohol or drug problems through the Federal Occupational Health EAP reported improvements in work attendance. A majority also reported improvements in both work performance and social relationships.¹²

A number of employers have found that brief intervention—a series of short counseling sessions that can be conducted in workplaces, physicians' offices, or hospitals—can be a cost-effective technique for alcohol and drug users who are not dependent on substances. [See chart on previous page.]¹³

- ◆ One study found that heavy drinkers who received brief intervention over a two-month period had significantly fewer accidents, hospital visits, and other events related to problem drinking during the following year.
- ◆ In the same study brief intervention yielded a 3 to 1 return on investment.¹⁴

Treatment for drug or alcohol addiction that is tailored to individual needs has proven as effective as treatment for other chronic, manageable conditions, such as diabetes and asthma.¹⁵ Savings that result from investing in substance use treatment can exceed costs by a ratio of 12 to 1.¹⁶

Employee Assistance Programs (EAPs) are designed to help identify and resolve productivity problems affecting employees who are impaired by personal concerns. EAPs come in many different forms, from telephone-based services to on-site programs. Face-to-face programs provide more comprehensive services for employees with substance use disorders, including screening, treatment referrals and follow-up care.

For More Information

- Substance Abuse and Mental Health Services Administration, www.samhsa.gov
- Drug-Free Workplace Program, <http://www.workplace.samhsa.gov/>
- National Institute on Alcohol Abuse & Alcoholism, <http://www.niaaa.nih.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov
- Employee Assistance Professionals Association, www.eapassn.org

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- ¹⁰ S. Musich, D. Napier and D.W. Edington, "The Association of Health Risks with Worker's Compensation Costs," *Journal of Occupational and Environmental Medicine*. 43, 6: 534-541 (June 2001).
- ¹¹ T. Blum, and P. Roman, "Cost-Effectiveness and Preventive Implications of EAPs," U.S. DHHS, SAMHSA, Pub. No. RP0907, 1995.
- ¹² R Selvik, D. Stephenson, C. Plaza, and B.Sugden, "EAP Impact on Work, Relationship and Health Outcomes," *Journal of Employee Assistance, Second Quarter* 2004, pp. 18-22.
- ¹³ Fleming, et al., 2000, *Op. Cit.*
- ¹⁴ *Ibid.*
- ¹⁵ Academy for Educational Development, "What Can We Expect From Substance Abuse Treatment?" (DHHS, CDC, February 2002). <http://www.cdc.gov/IDU/facts/ExpectationsFin.pdf>. (Accessed 5/21/08).
- ¹⁶ National Institute on Drug Abuse, *Principles of Drug Addiction Treatment: A Research-Based Guide, FAQ11*. Bethesda, MD, 1999. <http://www.nida.nih.gov/podat/PODAT6.html#FAQ11>. (Accessed 5-9-08).

