

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

Failure to deliver effective care to people with mental health and drug or alcohol problems results in significant costs to the nation's economy, including considerable costs to employers that result from employee absenteeism, poor job performance, disability and on-the-job accidents. But employers can take action to mitigate these problems.<sup>1</sup>

## DID YOU KNOW?

Mental and substance use disorders constitute the fifth leading cause of short-term disability and the third leading cause of long-term disability among employees in the United States.<sup>2</sup>

## FAST FACTS

- ◆ Replacing an employee costs from 25 percent to almost 200 percent of annual compensation—not including the loss of institutional knowledge, service continuity, and coworker productivity and morale that can accompany employee turnover.<sup>3</sup>
- ◆ Investing in substance abuse treatment can yield savings that exceed costs by a ratio of 12 to 1.<sup>4</sup>

## Mental & Substance Use Disorders Often Co-occur but Rarely Receive Adequate Treatment

When a person simultaneously experiences Serious Psychological Distress (i.e., has symptoms indicative of a mental disorder) and a substance use disorder (misuse of or dependence on alcohol or other drugs, including prescription drugs), these conditions are said to be co-occurring.

An estimated 24.9 million adults experienced Serious Psychological Distress in 2006; about 27.2% (6.8 million) of those individuals also used illicit drugs and 28.8% of them (7.2 million) were binge drinkers (drank 5 or more drinks on the same occasion at least one day in the past 30 days). *Among people with co-occurring disorders, only 8.4 percent received both mental health and substance use treatment.*<sup>5</sup>

## How Co-Occurring Disorders Cost Employers

Untreated mental and substance use disorders contribute to:

### Increased healthcare costs

- ◆ One study found that people with co-occurring substance use disorders and depression incurred healthcare costs that were about \$5,300 higher than those without the disorders.<sup>6</sup>
- ◆ Co-occurring disorders can complicate existing health conditions and increase the risk for developing other serious medical problems such as cardiac and pulmonary diseases.<sup>7</sup>
- ◆ People whose co-occurring disorders go untreated often access medical care at the acute stage and require high-cost services such as inpatient and emergency room care.<sup>8</sup>

### Decreased work productivity:

- ◆ Depression, the most common mental disorder, costs employers \$44 billion a year in lost productivity (including worker absenteeism and reduced job performance).<sup>9</sup>
- ◆ Alcohol problems alone cost employers nearly \$134 billion in lost productivity in 1998, mostly due to absenteeism and poor work performance.<sup>10</sup>

### Risk management concerns

- ◆ Both mental and substance use disorders represent significant risk management issues, because they are associated with increased injuries on the job and increased disability claims.<sup>11</sup>

## INDIRECT COSTS OF MENTAL & SUBSTANCE USE DISORDERS IN THE U.S.<sup>12</sup> (Including Lost Productivity/Workdays)

Health Problem	Indirect Cost	Year of Estimate
Alcohol Abuse & Dependence	\$134 Billion	1998
Drug Abuse & Dependence	\$129 Billion	2002
Mental Disorders	\$94 Billion	1992



## Treating Co-Occurring Disorders Can Save Employers Money

Substance abuse and mental health treatment tailored to the needs of individuals with co-occurring disorders can save companies money by

- ◆ Improving employee health and lowering healthcare costs,
- ◆ Reducing absenteeism,
- ◆ Reducing risk,
- ◆ Improving job performance, and
- ◆ Reducing costs associated with short- and long-term disability and workers' compensation<sup>13</sup>

The first step in helping employees get treatment is confidential screening\* conducted by qualified professionals

- ◆ As part of a workplace wellness program,
- ◆ Within an employee assistance program (EAP)\*\*, or
- ◆ In a physician's office.

Employees who are determined to need it can then be referred to appropriate treatment. Care and support following treatment may be required to help employees recover from and manage the chronic nature of many co-occurring disorders.

### EMPLOYER'S ACTION AGENDA

- ◆ **Integrate mental health and substance abuse education into workplace health and wellness programs.** Education can help workers recognize when they have a problem and make them feel more comfortable about seeking treatment.
- ◆ **Offer an EAP.** EAPs can provide confidential services to workers with mental and substance use disorders, including screening, referring employees for treatment, and offering follow-up care and support during recovery.
- ◆ **Invest in substance abuse and mental health treatment.** The Institute of Medicine recommends that health insurance policies cover screening, treatment and coordination of mental and substance use care as well as pay for peer support and illness self-management programs.<sup>14</sup>

\* **Confidential screening** for substance use disorders by trained and experienced clinicians involves the use of standard protocols to determine whether an individual may be abusing substances. Screening identifies the need for, but does not substitute for, a complete assessment. Screening is not the same as drug testing that is done either prior to employment or randomly during the course of employment.

\*\* **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

- National Institute on Alcohol Abuse and Alcoholism, [www.niaaa.nih.gov](http://www.niaaa.nih.gov)
- National Institute on Drug Abuse, [www.nida.nih.gov](http://www.nida.nih.gov)
- Substance Abuse and Mental Health Services Administration, [www.samhsa.gov](http://www.samhsa.gov)
- U.S. Department of Labor Working Partners for a Drug and Alcohol-- Free Workplace, [www.dol.gov/workingpartners/welcome.html](http://www.dol.gov/workingpartners/welcome.html)
- Drug-Free Workplace Program, <http://www.workplace.samhsa.gov/>

### References

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- <sup>8</sup> B.G. Druss and R.A. Rosenheck, 1999. *Op cit*.
- <sup>9</sup> W. F. Stewart et al., "Cost of Lost Productive Work Time Among U.S. Workers with Depression," *JAMA*, 2003; 289(23): 3135-3144.
- <sup>10</sup> H. Harwood, "Updating the economic costs of alcohol abuse in the US: Estimates, Update Methods, and data." Rockville, MD: Nat. Inst. of Health, Nat. Inst. on Alcohol Abuse and Alcoholism. Dec. 2000. <http://pubs.niaaa.nih.gov/publications/economic-2000/alcoholcost.PDF>. (Accessed 5-9-08).
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