

Issue **Save Money** Brief #5 **By Addressing** For Employers **Employee Alcohol Problems**

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

Alcohol is the most widely used drug in the United States, and alcohol problems cost the nation nearly \$185 billion each year.¹ Most of this cost results from lost work productivity and excess healthcare utilization, because 78 percent of people with alcohol problems are employed.² With many effective forms of treatment available, businesses have both a major stake in ensuring that employees receive the services they need and a variety of ways to help them find access to those services.

DID YOU KNOW?

- ✓ Investing in substance use treatment can yield savings that exceed costs by a ratio of 12 to 1.³ Savings are greatest when treatment is tailored to the individual's needs.
- ✓ Providing employees with comprehensive health plan benefits that support a broad range of services, including screening, brief intervention, counseling and medical services, promotes customized treatment for alcohol problems.
- ✓ Light and moderate alcohol users, higher in number than alcoholics, cause 60 percent of alcohol-related absenteeism, tardiness, and poor work quality.⁴

How Alcohol Problems are Costly to Employers

Misuse of alcohol by employees contributes to:

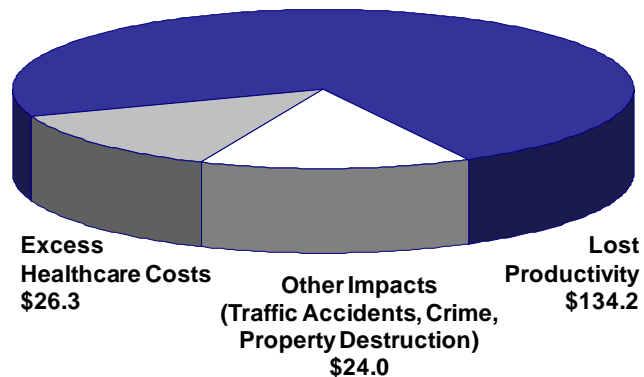
- ◆ **Higher healthcare spending:** Healthcare costs for employees with alcohol problems are twice those for other employees.⁵ Almost half of all trauma and injury visits to hospital emergency rooms are alcohol-related, which helps to drive up employers' health insurance expenditures.⁶
- ◆ **Decreased productivity:** Alcohol problems in the workplace are associated with increased absenteeism, disability, and job turnover.⁷ Furthermore, in one survey, 14 percent of workers said they had to redo work within the last year because of a coworker's drinking.⁸
- ◆ **Increased safety risks:** Up to 40 percent of industrial fatalities and 47 percent of industrial injuries can be linked to alcohol consumption and alcoholism.⁹ Alcohol-related accidents contribute to more workers' compensation claims, and more claims mean higher insurance premiums.

How Employers Can Reduce Alcohol-Related Costs

Employers have at their disposal several effective approaches to decreasing the costs associated with alcohol problems:

- ◆ **Workplace health and wellness programs** that promote healthy behaviors can reduce alcohol problems and help businesses realize savings.
 - One General Motors (GM) plant combined confidential counseling about cardiovascular disease risks with education about how drinking affects blood pressure, weight, and nutrition problems. After the program
 - Forty-two percent of the plant's at-risk drinkers reduced their drinking to safer levels;
 - Eighty-eight percent of employees with significant health risks continued to show improvement 3 years later; and
 - GM's medical costs dropped by 13 percent per plant employee.¹⁰

Cost of Alcohol Problems in the U.S., 1998 (in Billions)¹¹



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

- A study of Xerox workers who participated in a wellness program and limited their alcohol consumption found that, over four years, the company reduced its costs for both healthcare and health insurance, achieving a **5 to 1 return on investment**.¹²

- ◆ **EAPs*** can provide confidential services to workers with alcohol problems, including educating employees about the health consequences of alcohol use, screening for and early identification of risky behaviors involving alcohol, and referring employees for appropriate treatment.
 - 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.¹³
 - ChevronTexaco found that from 1990 to 1996, 75 percent of employees who entered the company EAP with alcohol problems were able to retain their employment, saving the company the cost of recruiting and training new employees.¹⁴

EMPLOYER'S ACTION AGENDA

- ✓ Make sure your health plan provides comprehensive benefits for substance abuse treatment, including therapy, medications, and support during recovery.
- ✓ Ensure that EAPs or company wellness programs include alcohol screening, education, and support for recovery.
- ✓ Require that health plans mandate physicians to screen patients for alcohol problems.

***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 Drug Abuse, www.nida.nih.gov
- National Institute on Alcohol Abuse and Alcoholism, <http://www.niaaa.nih.gov/>

References

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- ⁹ M. Bernstein and J. Mahoney, "Management Perspectives on Alcoholism: The Employer's Stake in Alcoholism Treatment," *Occupational Medicine*, 4, No.2, 1989.
- ¹⁰ M. Heirich, "Worksite Health Promotion: What Works?" Presentation at *Workplace Substance Abuse Prevention: Visualizing the Future — Research, Practice, and Policy*. Sponsored by the Center for Substance Abuse Prevention, Washington, DC, September, 2001.
- ¹¹ H. Harwood, December, 2000. *Op cit.*
- ¹² 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.
- ¹³ 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.
- ¹⁴ C.R. Cummings, Testimony on Workplace Substance Abuse Prevention Programs Before the Subcommittee on National Security, International Affairs and Criminal Justice of the U.S. House of Representatives, 1996.

