

# Issue Brief #6 For Employers

## Save Money by Addressing Employee Drug Problems

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

**Use of illegal drugs and misuse of prescription drugs negatively affect workers' well-being and productivity and hurt employers' bottom lines.** But because of the stigma associated with illicit drug use, both employers and employees are often reluctant to address substance use disorders in the workplace. Employers can mitigate the problems and reduce costs by promoting employee access to substance abuse treatment.<sup>1</sup>

### DID YOU KNOW?

- ✓ Marijuana is the most widely used (14.8 million current users) illegal drug.<sup>2</sup>
- ✓ About 7 million people used prescription drugs (e.g., painkillers such as oxycodone; tranquilizers, sedatives) for non-medical purposes in 2006.<sup>3</sup>
- ✓ Forty to 60 percent of all patients admitted to hospital trauma centers were injured while under the influence of alcohol or other drugs.<sup>4</sup>
- ✓ A study of power company employees found that those with substance abuse problems had 1.5 times as many absences as their non-drug using coworkers, used twice as many medical benefits, and submitted more than twice as many workers' compensation claims.<sup>5</sup>
- ✓ Employees who used illicit drugs were more likely than other workers to exhibit job withdrawal behaviors, such as spending work time on non-work-related activities, taking long lunch breaks, leaving early, or sleeping on the job.<sup>6</sup>

### FAST FACTS

- ◆ Investing in substance abuse treatment can yield savings that exceed costs by a ratio of 12 to 1.<sup>7</sup>
- ◆ Replacing an employee costs from 25 percent to almost 200 percent of annual compensation.<sup>8</sup>
- ◆ The average cost per visit for outpatient substance abuse treatment (by far the most frequent form of treatment) in 2002 was \$26.72.<sup>9</sup>

### How Substance Abuse Costs Employers

Abuse of drugs other than alcohol cost the nation's economy an estimated \$181 billion in 2002.<sup>10</sup>

### Given that

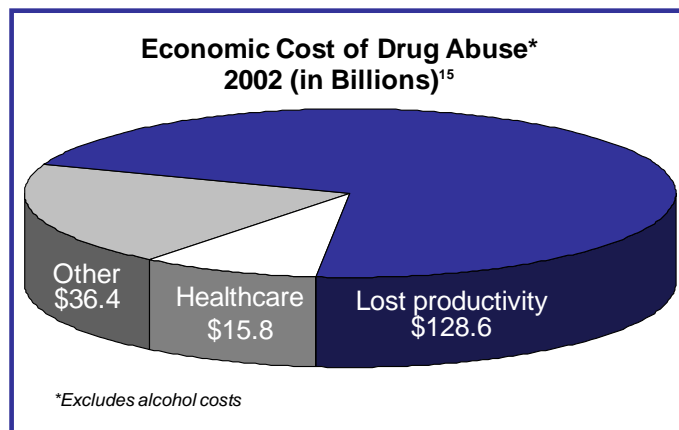
- ✓ 65 percent of people who abuse or are dependent on illicit drugs are employed,<sup>11</sup>
- ✓ Lost work productivity alone accounted for nearly \$129 billion of the total economic cost of substance abuse<sup>12</sup> (see chart below) and
- ✓ Substance abuse by employees results in higher healthcare expenditures for injuries and illnesses, more absenteeism, reduced productivity and more workers' compensation and disability claims,<sup>13</sup>

*Employers have a major stake in promoting employee access to substance abuse treatment.*

### How Companies Can Reduce the Costs of Substance Abuse

Employers do have effective methods at their disposal for reducing the costs associated with substance abuse:

- ◆ **Workplace health and wellness programs** (such as disease or stress management programs) that incorporate substance abuse education and prevention components can help reduce substance abuse rates. Doing so will also reduce overall healthcare costs. The wellness program is likely to pay for itself.<sup>14</sup>



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

### ◆ **A comprehensive Employee Assistance Program (EAP)**

can provide confidential services to workers with substance abuse problems, including educating employees about the health consequences of drug use, screening for substance abuse, and referring employees for appropriate treatment. An EAP is a program that is designed to help identify and resolve productivity problems affecting employees 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.

- Eighty 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.<sup>16</sup>
- Gillette Company saw a 75 percent drop in inpatient substance abuse treatment costs after implementing an EAP.<sup>17</sup>
- An international holding company found that employees who used an EAP for help with mental health and substance use problems had fewer inpatient *medical* days than those who only participated in the company's medical insurance plan. In addition, the company averaged \$426,000 in savings each year on mental health and substance abuse treatment as a result of employees' participation in the EAP.<sup>18</sup>

### ◆ **Tailoring treatment to the individual's needs yields the greatest savings.**

- 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 each individual.
- Treatment tailored to the individual has been demonstrated to be most effective, while only costing about six cents more per person per year than restricted benefits.<sup>19</sup>

## References

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## For More Information

- Substance Abuse and Mental Health Services Administration, [www.samhsa.gov](http://www.samhsa.gov)
- Drug-Free Workplace Program, <http://www.workplace.samhsa.gov/>
- National Institute on Alcohol Abuse and Alcoholism, <http://www.niaaa.nih.gov/>
- National Institute on Drug Abuse, [www.nida.nih.gov](http://www.nida.nih.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)

