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By investing in substance abuse treatment, employers can reduce their overall costs. Substance use disorders cost the nation an estimated \$276 billion a year, with much of the cost resulting from lost work productivity and increased healthcare spending.¹ Given that 78 percent of people with drug or alcohol problems are employed², employers have a major stake in ensuring that employees have access to substance abuse treatment.

DID YOU KNOW?

About 19.2 million U.S. workers (15%) reported using or being impaired by alcohol at work at least once in the past year.³

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.⁴
- ◆ Employee turnover costs American industry an estimated \$11 billion a year.⁵
- ◆ Savings from investing in substance abuse treatment can exceed costs by a ratio of 12 to 1.⁶

Reduced productivity

- ◆ Employees who use drugs, consume alcohol at work, or drink heavily away from work are more likely than other employees 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.¹¹
- ◆ Employees who drink heavily off the job are more likely to experience hangovers that cause them to be absent from work; show up late or leave early; feel sick at work; perform poorly; or argue with their coworkers.¹²

More turnover

- ◆ People with drug or alcohol problems were more likely than others to report having worked for three or more employers in the previous year.¹³

Investing in Treatment Can Save Employers Money

When workers with substance use disorders get treatment both employers and employees benefit through:

- ◆ Better employee health and lower total healthcare costs over time,
- ◆ Less absenteeism,
- ◆ Improved job performance,
- ◆ Reduced costs associated with short- and long-term disability and workers' compensation, and
- ◆ Fewer accidents and less corporate liability.¹⁴

Two types of employer sponsored programs can help employers reduce costs:

- ◆ Comprehensive workplace programs that incorporate wellness and substance abuse education components and
- ◆ Employee assistance programs (EAPs)* that provide substance abuse screening and treatment referral.¹⁵

How Substance Use Disorders Impact Employers

A substance use disorder refers to misuse of, dependence on or addiction to alcohol or other drugs. Alcohol is by far the most widely used drug in the United States: 11% of workers have a problem with alcohol.⁷ About 19 million people used illegal drugs in 2004 and 6 million used prescription drugs non-medically. Most drug users are employed: of the 16.4 million illicit drug users aged 18 or older in 2004, 12.3 million were employed either full or part time.⁸

Substance abuse imposes a variety of costs on employers:

Increased healthcare and insurance costs

- ◆ Healthcare costs for employees with alcohol problems are twice those for other employees.⁹
- ◆ People who abuse drugs or alcohol are three and one-half times more likely to be involved in a workplace accident than other workers.¹⁰



For example:

- ◆ Xerox workers who participated in a wellness program and limited their alcohol consumption enabled the company to reduce its costs for both healthcare and health insurance over four years, achieving a five to one return on investment.¹⁶
- ◆ ChevronTexaco found that 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.¹⁷
- ◆ Gillette Company saw a 75 percent drop in inpatient substance abuse treatment costs after implementing an EAP.¹⁸

Providing comprehensive health insurance benefits for substance abuse treatment, including screening, counseling, therapy, and aftercare can also help employers save money.¹⁹

***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.

PREVALENCE OF PAST-MONTH SUBSTANCE USE AMONG FULL-TIME WORKERS (AGES 18-49) IN 2000, BY INDUSTRY (Rates of Use %)

Industry	Estimated Population (000s)	Past Month Heavy Alcohol Use	Past Month Illicit Drug Use
Construction & Mining	8,267	15.7	12.3
Srvcs (Business & Repairs)	7,883	9.4	9.0
Manufacturing	14,610	9.4	6.7
Wholesale & Retail	15,881	9.2	10.8
Trans., Communications, & Other Public Utilities	6,541	7.6	7.2
Government	4,252	6.3	3.7
Finance, Insurance, Real Estate & Other Services (personal & recreational)	8,320	5.9	7.7
Services (Professional)	19, 125	4.0	5.0

Nat'l. Household Survey on Drug Abuse, Office of Applied Studies, SAMHSA, 9/6/02.

For More Information

- Substance Abuse and Mental Health Services Administration, www.samhsa.gov
- National Clearinghouse for Alcohol and Drug Information, <http://ncadi.samhsa.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov
- National Institute on Alcohol Abuse and Alcoholism, <http://www.niaaa.nih.gov/>

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² SAMHSA, Office of Applied Studies. *Overview of Findings from the 2004 National Survey on Drug Use and Health*. Rockville, MD, 2005. <http://oas.samhsa.gov/2k5/2k5nsduh/2k5Results.htm#1.1> (Accessed May 30, 2007)

³ M.R. Frone, "Prevalence and distribution of alcohol use and impairment in the workplace: A U.S. national survey," *Jn. of Studies on Alcohol*, 67, 1 (1/06): 147-156.

⁴ F. Leigh Branham, "Six Truths about Employee Turnover," NY: American Management Association. http://www.amanet.org/books/catalog/0814405975_s.htm (Accessed May 30, 2007).

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⁶ Measuring the effectiveness of drug addiction treatment. Hearing Before the Subcommittee on Criminal Justice, Drug Policy and Human Resources. Measuring the effectiveness of drug addiction treatment. 2004. <http://a257.g.akamaitech.net/7/257/2422/06nov20041230/www.access.gpo.gov/congress/house/pdf/108hr/96744.pdf>, p. 11. (Accessed May 30, 2007).

⁷ M.R. Frone, "Prevalence and distribution of alcohol use and impairment in the workplace: A U.S. national survey," *Jn. of Studies on Alcohol*, 67, 1 (1/06): 147-156.

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¹⁰ Ibid.

¹¹ Harwood, H., Fountain, G. & Livermore, G. (1998). *The Economic Costs of Alcohol & Drug Abuse in the U.S. 1992*. Rockville, MD: National Institute on Drug Abuse and National Institute on Alcohol Abuse and Alcoholism.

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¹³ National Household Survey on Drug Abuse, Office of Applied Studies, SAMHSA, September 6, 2002. <http://www.drugabusestatistics.samhsa.gov/2k2/workers/workers.htm>. (Accessed May 30, 2007).

¹⁴ Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Treatment. (January 1999). *Substance Abuse in Brief: Effective Treatment Saves Money*. Rockville, MD: Author.

¹⁵ Ibid.

¹⁶ 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).

¹⁷ 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.

¹⁸ Marsh and McLennan Companies. (1994). *The economics of Drug-Free Workplace programs*, N.P.

¹⁹ Belenko, Patapis, French. *Economic Benefits of Drug Treatment: A Critical Review of the Evidence for Policymakers*. (2005). Treatment Research Institute at the University of Pennsylvania.



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America's workforce is getting older. As members of the baby boom generation—people born between 1946 and 1964—age, the proportion of workers over 55 years old will increase dramatically. As this population grows so, too, will the number of older adults with substance use disorders.¹

DID YOU KNOW?

As of November 2006 there were approximately 26 million individuals in the U.S. labor force who were over age 55, accounting for 17 percent of all workers.² This percentage is expected to grow to 19 percent by 2012.³

FAST FACTS

- ◆ Employee turnover costs American companies an estimated \$11 billion a year.⁴
- ◆ Turnover decreases with age until employees reach their mid- to late-50s, then increases sharply because of retirements.⁵
- ◆ Nearly 7 in 10 baby boomers plan to work at some time during the traditional retirement years.⁶

Drug and alcohol problems cost the nation an estimated \$276 billion a year, with much of the cost resulting from lost work productivity and increased healthcare costs.⁷ Given that 78 percent of people with drug or alcohol problems are working,⁸ employers have a major stake in ensuring that employees have access to substance abuse treatment.

How Substance Abuse Costs Employers

Drug and alcohol abuse can be costly to employers in a variety of ways:

Increased healthcare and insurance costs

- ◆ Healthcare costs for employees with alcohol problems are twice those for other employees.⁹
- ◆ People who abuse drugs or alcohol are three and a half times more likely than others to be involved in a workplace accident.¹⁰

Reduced productivity

- ◆ Lost work productivity (including absenteeism and poor job performance) associated with substance abuse costs the nation an estimated \$197 billion a year.¹¹

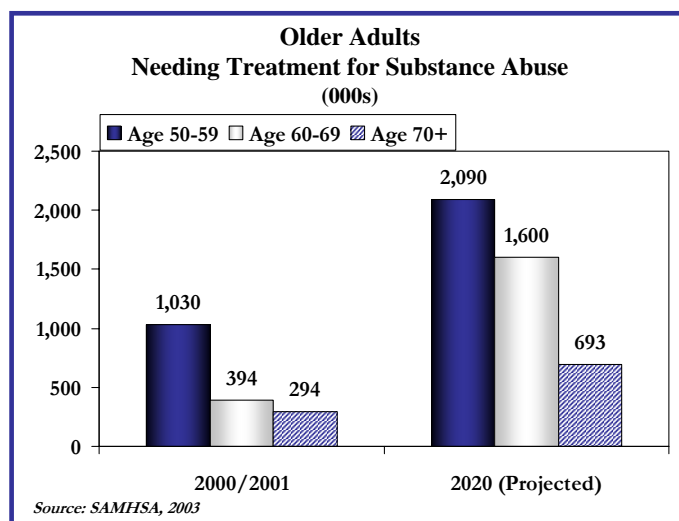
Increased worker turnover

- ◆ People with drug or alcohol problems were more likely than others to report having worked for three or more employers in the previous year.¹²

How Substance Abuse Affects Older Workers

Misuse of drugs, alcohol, or prescription medications by older adults can have serious negative consequences:

- ◆ Substance use disorders can exacerbate already costly medical conditions, such as heart disease and diabetes, which are more common among older than among younger adults.¹³
- ◆ Older people who consume alcohol are highly susceptible to the damaging effects of drug-alcohol interactions not only because they are more likely to be taking multiple medications but also because they metabolize both medications and alcohol more slowly than younger people.¹⁴



- ◆ Because over-consumption of alcohol suppresses the immune system, it puts drinkers at increased risk of infection. It also impairs the balance and judgment of older adults, increasing the likelihood of falls and other accidents.¹⁵
- ◆ Older adults with alcohol problems also are more likely than people without drinking problems to manage their physical pain with alcohol.¹⁶

How Employers Can Help Older Workers

Substance abuse treatment that is tailored to an individual's needs has proven as effective as treatment for chronic diseases such as asthma and diabetes.¹⁷ Investing in substance use treatment for employees can yield savings that exceed costs by a ratio of 12 to 1.¹⁸

By taking just a few important steps, employers can contribute to the overall health of older workers while improving their own bottom lines:

1. Ensure that employee assistance programs (EAPs)* or company wellness programs include substance abuse screening, education, and support for recovery. Be sure providers of these programs understand the unique impact substance use disorders may have on older workers and how to communicate with this specific population about the effects of drug and alcohol use on their health.
2. Ask health plans to require their providers to confidentially screen all patients for substance use disorders.
3. Provide employees with comprehensive health plan benefits that support a broad range of services, including screening, brief intervention, counseling and medical services, and promote customized treatment 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

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- National Clearinghouse for Alcohol and Drug Information, <http://ncadi.samhsa.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov
- National Institute on Alcohol Abuse and Alcoholism, <http://www.niaaa.nih.gov/>

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Workers between 18 and 25 are an integral part of our dynamic and diverse workforce. Helping these young employees develop healthy work habits and addressing issues that may affect their on-the-job performance can have a positive, long-lasting impact on an employer's bottom line. But when it comes to building a healthy, productive workforce, employers may overlook an area where they can be particularly influential: substance abuse.

DID YOU KNOW?

- ✓ Savings to employers from investing in substance abuse treatment can exceed costs by a ratio of 12 to 1.¹
- ✓ Substance abuse treatment improves work performance and productivity while reducing interpersonal conflicts, job turnover, drug- and alcohol-related accidents and insurance costs.²

FAST FACTS

- ◆ Employee turnover costs American companies an estimated \$11 billion a year.³
- ◆ Light and moderate alcohol users, higher in number than alcoholics, cause 60 percent of alcohol-related absenteeism, tardiness, and poor work quality.⁴
- ◆ Younger employees are more likely than older ones to work under the influence of alcohol or with a hangover.⁵

Why Addressing Substance Abuse Matters

Drug and alcohol problems cost the nation an estimated \$276 billion a year, with most of the tab resulting from lost work productivity and avoidable healthcare costs.⁶

Because 78 percent of people with drug or alcohol problems are employed⁷—and given that replacing an employee costs from 25 to 200 percent of annual compensation⁸—employers have a major stake in addressing workers' substance use disorders.

Younger workers are more likely than their older counterparts to drink heavily, binge drink (see definitions in chart) and use illicit drugs.⁹ These behaviors can lead to increased absenteeism, poor job performance, and increased accidents and injuries on the job.

Excessive drinking and drug use also can increase a person's risk of developing other serious health problems (e.g., heart disease, liver disease, certain types of cancer) down the road as well as exacerbate existing conditions such as diabetes or mental disorders.

How Substance Abuse Costs Employers

Drug and alcohol abuse are costly to employers in a variety of ways:

Increased healthcare costs

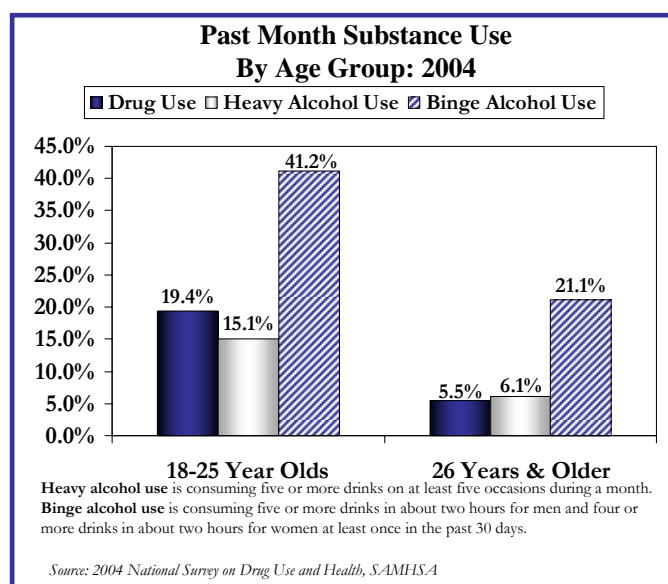
- ◆ Healthcare costs for employees with alcohol problems are twice those for other employees.¹⁰

Higher risk

- ◆ People who abuse drugs or alcohol are three and a half times more likely to be involved in workplace accidents.¹¹

Reduced productivity

- ◆ Lost work productivity (including absenteeism and poor job performance) associated with substance abuse costs the nation an estimated \$197 billion a year.¹²



- ◆ Employees are nearly two times more likely to call in sick the day after drinking heavily than on other days.¹³

Increased turnover

- ◆ People with drug or alcohol problems were more likely than others to report having worked for three or more employers in the previous year.¹⁴
- ◆ People under age 25 have higher rates of turnover than other employees.¹⁵

How Employers Can Help Younger Workers

Employers can save money—and retain valued employees—by ensuring that workers with substance use problems get the help they need. It takes just a few crucial steps:

Educate, Prevent, Promote

- ◆ Employee assistance programs (EAPs)* or company wellness programs can help employers develop materials aimed at educating workers about the health and safety risks associated with drug and alcohol use and preventing substance abuse. In addition, these programs can
 - Have clinicians perform confidential screening to identify employees with substance use disorders;
 - Refer employees to appropriate treatment options; and
 - Provide support for persons in recovery.
- ◆ Be sure EAP or wellness providers understand the unique impact substance use disorders may have on younger workers and how to tailor communication about the effects of drug and alcohol abuse to this specific population.

Demand more of your health plan

- ◆ Be sure that your health plan requires its physicians to screen all patients for substance use disorders.

Provide employees with comprehensive health plan benefits that support a broad range of services, including

- ◆ Confidential substance abuse screening,**
- ◆ Brief intervention,

***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.

****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.

- ◆ Counseling and medical services, and
- ◆ Treatment follow-up services.

For More Information

- Substance Abuse and Mental Health Services Administration, www.samhsa.gov
- National Clearinghouse for Alcohol and Drug Information, <http://ncadi.samhsa.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov
- National Institute on Alcohol Abuse and Alcoholism, <http://www.niaaa.nih.gov/>

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- ⁸ F. Leigh Branham, "Six Truths about Employee Turnover," New York: American Management Association. http://www.amanet.org/books/catalog/0814405975_s.htm. (Accessed 5/30/07).
- ⁹ SAMHSA, Office of Applied Studies, "Overview of Findings from the 2004 National Survey on Drug Use and Health," NSDUH Series H-27, DHHS Publication No. SMA 05-4051, Rockville, MD. <http://www.oas.samhsa.gov/NSDUH/2k4NSDUH/2k4Overview/2k4Overview.pdf#search=%20NSDUH%20Series%20H-27%22>. (Accessed 5/30/07).
- ¹⁰ National Institute on Alcohol Abuse and Alcoholism, Tenth Special Report to the U.S. Congress on Alcohol and Health. Washington, DC: U.S. DHHS, 2000.
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- ¹³ National Household Survey on Drug Abuse, Office of Applied Studies, SAMHSA, September 6, 2002. <http://www.drugabusestatistics.samhsa.gov/2k2/workers/workers.htm>. (Accessed 5/30/07).
- ¹⁴ AARP. (December 2005). The business case for workers age 50+. Washington, DC: Author. Available at: http://assets.aarp.org/rgcenter/econ/workers_fifty_plus.pdf (Accessed 5/30/07).
- ¹⁵ F. Leigh Branham, "Six Truths about Employee Turnover," NY: American Management Association. http://www.amanet.org/books/catalog/0814405975_s.htm. (Accessed 5/30/07).



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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.¹

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.²

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.³
- ◆ Investing in substance abuse treatment can yield savings that exceed costs by a ratio of 12 to 1.⁴

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

When a person simultaneously has a mental disorder, such as depression, bipolar disorder, or anxiety 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.

Nearly 17.5 million adults had a serious mental illness in 2004; about 4 million or 23% of those also were dependent on or misused alcohol or illicit drugs. *Among people with co-occurring disorders, only 12 percent received both mental health and substance use treatment.*⁵

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.⁶
- ◆ Co-occurring disorders can complicate existing health conditions and increase the risk for developing other serious medical problems such as cardiac and pulmonary diseases.⁷
- ◆ 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.⁸

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).⁹
- ◆ Alcohol problems alone cost employers nearly \$134 billion in lost productivity in 1998, mostly due to absenteeism and poor work performance.¹⁰

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.¹¹

INDIRECT COSTS OF MENTAL & SUBSTANCE USE DISORDERS IN THE U.S.¹² (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

*National Institutes of Health, Office of Policy and Analysis, 2000; **ONDCP, 2004



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

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.¹³

***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.

****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.

For More Information

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- National Institute on Drug Abuse, www.nida.nih.gov
- Substance Abuse and Mental Health Services Administration, www.samhsa.gov
- U.S. Department of Labor Working Partners for a Drug and Alcohol-- Free Workplace, www.dol.gov/workingpartners/welcome.html
- National Clearinghouse for Alcohol & Drug Info., <http://ncadi.samhsa.gov/>

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Alcohol is the most widely used drug in the United States, and alcohol problems cost the nation nearly \$185 billion each year¹. Most of this cost results from lost work productivity and excess healthcare utilization, because 78 percent of people with alcohol problems are employed². 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:

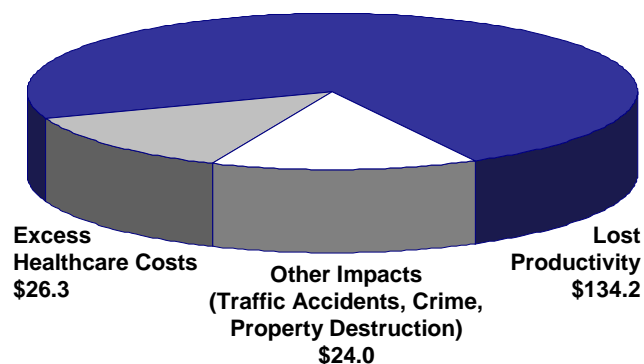
- ◆ **Higher healthcare spending:** Healthcare costs for employees with alcohol problems are twice those for other employees⁵. Almost half of all trauma and injury visits to hospital emergency rooms are alcohol-related, which helps to drive up employers' health insurance expenditures.⁶
- ◆ **Decreased productivity:** Alcohol problems in the workplace are associated with increased absenteeism, disability, and job turnover⁷. In addition, one in five workers surveyed said they had been injured, had to cover for a coworker, or needed to work harder because of a colleague'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
 - Eight-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)



Source: Harwood, 2000



- 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**.¹¹

◆ **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.¹²
- 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.¹³

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
- National Clearinghouse for Alcohol and Drug Information, <http://ncadi.samhsa.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov
- National Institute on Alcohol Abuse and Alcoholism, <http://www.niaaa.nih.gov/>

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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.¹

DID YOU KNOW?

- ✓ Marijuana is the most widely used (14.6 million current users) illegal drug.²
- ✓ About 6 million people used prescription drugs (e.g., painkillers such as oxycodone; tranquilizers, sedatives) for non-medical purposes in 2004.³
- ✓ Forty to 60 percent of all patients admitted to hospital trauma centers were injured while under the influence of alcohol or other drugs.⁴
- ✓ 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.⁵
- ✓ 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.⁶

FAST FACTS

- ◆ Investing in substance abuse treatment can yield savings that exceed costs by a ratio of 12 to 1.⁷
- ◆ Replacing an employee costs from 25 percent to almost 200 percent of annual compensation.⁸
- ◆ The average cost per visit for outpatient substance abuse treatment (by far the most frequent form of treatment) in 2002 was \$26.72.⁹

How Substance Abuse Costs Employers

Abuse of drugs other than alcohol cost the nation's economy an estimated \$181 billion in 2002.¹⁰

Given that

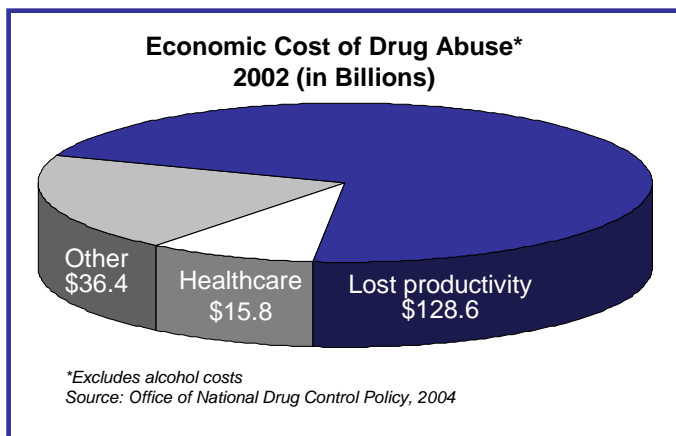
- ✓ 78 percent of people with substance use disorders are employed,¹¹
- ✓ Lost work productivity alone accounted for nearly \$129 billion of the total economic cost of substance abuse,¹² (see chart below) and
- ✓ Substance abuse by employees results in higher healthcare expenditures for injuries and illnesses, more absenteeism, reduced productivity and more workers' compensation and disability claims.¹³

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.¹⁴



◆ **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.

- 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.¹⁵
- Gillette Company saw a 75% drop in inpatient substance abuse treatment costs after implementing an EAP.¹⁶
- 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.¹⁷

◆ **Investing in substance use treatment** can yield savings that exceed costs by a ratio of 12 to 1.

- 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 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.¹⁸

- National Institute on Alcohol Abuse and Alcoholism, <http://www.niaaa.nih.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov
- U.S. Department of Labor, Working Partners for a Drug and Alcohol-Free Workplace, www.dol.gov/working_partners/welcome.html

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- ¹³ Office of National Drug Control Policy. (2004). The economic costs of drug abuse in the United States, 1992-2002. Wash. DC: Exec. Office of the President (Pub.No. 207303). Available from the World Wide Web at: http://www.whitehousedrugpolicy.gov/publications/economic_costs/economic_costs.pdf. (Accessed 5/30/07).
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For More Information

- Substance Abuse and Mental Health Services Administration, www.samhsa.gov
- National Clearinghouse for Alcohol & Drug Info., <http://ncadi.samhsa.gov/>



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Drug and alcohol problems in the workplace cost American employers billions of dollars each year¹. Understanding the impact of substance abuse on the workplace—and the benefits of facilitating workers' access to treatment—can help employers build a healthier workforce and a healthier bottom line.

Substance Abuse Imposes Significant Burdens on the Workplace

While some of the costs associated with employee drug or alcohol problems are easy to quantify, others are much harder to measure. All, however, are real.

- ◆ **Healthcare costs are excessive.** Healthcare costs for employees with alcohol problems are twice as high as those for other employees.²
- ◆ **Risk increases.** People who abuse drugs or alcohol are three and a half times more likely to be involved in a workplace accident, resulting in increased workers' compensation and disability claims.³
- ◆ **Other workers suffer.** One in five workers reports being injured or put in danger on the job because of a coworker's drinking, or having to work harder, redo work, or cover for a coworker as a result of a fellow employee's drinking.⁴

SMALL INVESTMENTS CAN YIELD BIG SAVINGS

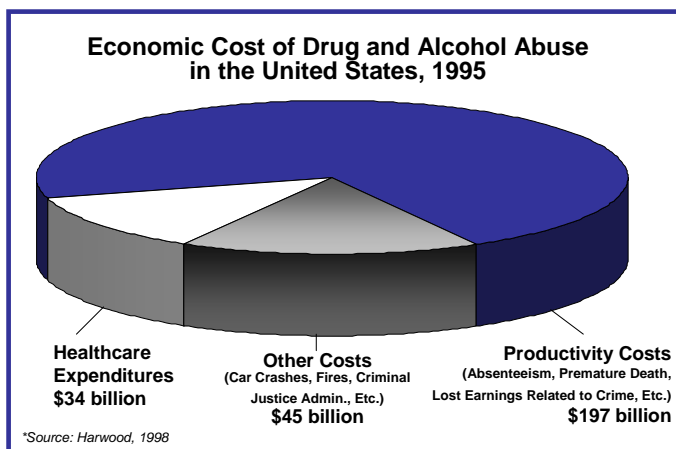
- ✓ Xerox workers who participated in a wellness program and limited their alcohol consumption enabled the company to reduce its costs for both healthcare and health insurance over four years, achieving a **five to one return on investment**.⁵
- ✓ One company found that workers who used its Employee Assistance Program (EAP) for help with mental health and substance use problems had fewer inpatient medical days than those who participated only 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**.⁶
- ✓ Research has shown that **savings from investing in substance abuse treatment exceed costs by a ratio of 12 to 1**.⁷

- ◆ **Employed relatives pay.** More than half of working family members of alcoholics report that their own ability to function at work and at home was negatively impacted by their family member's drinking.⁸
- ◆ **Absenteeism increases.** Alcoholism is estimated to cost 500 million lost workdays annually.⁹
- ◆ **Employment is less stable.** Individuals who are current illicit drug users are more than twice as likely (9.3 percent) as those who are not (4.3 percent) to have changed employers three or more times in the past year.¹⁰

Investing in Treatment Can Save Employers Money

Every employer has a major stake in promoting employee access to substance abuse treatment. That's because:

- ◆ 78 percent of people with drug or alcohol problems are employed.¹¹



- ◆ Substance abuse can exacerbate existing health conditions and increase the risk of developing a host of other illnesses, including cancer, heart disease, and gastrointestinal disorders.¹²

By promoting substance abuse education and access to treatment in the workplace, employers can realize many money-saving benefits:

- ◆ Reduced absenteeism and job turnover
- ◆ Improved worker productivity and job performance
- ◆ Reduced healthcare costs
- ◆ Fewer workplace accidents and disability claims¹³

STEPS TO A HEALTHIER WORKFORCE

- ✓ Initiate an Employee Assistance Program* that includes confidential substance abuse screening**, education, treatment referral, and recovery support.
- ✓ Develop a policy for dealing with substance abuse in the workplace: at a minimum, provide training for supervisors in recognizing and dealing with drug or alcohol problems and support treatment for and recovery from substance use disorders.
- ✓ Offer employees health insurance that provides comprehensive benefits for substance abuse treatment, including a broad range of service options, such as therapy, medications, and recovery support.
- ✓ Be sure that health plans require their physicians to screen patients confidentially for substance use problems.
- ✓ Support drug-free workplace policies.

***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.

****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.

For More Information

- Substance Abuse and Mental Health Services Administration, www.samhsa.gov
- National Clearinghouse for Alcohol and Drug Information, <http://ncadi.samhsa.gov/>
- National Institute on Alcohol Abuse & Alcoholism, <http://www.niaaa.nih.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov

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When it comes to workers' health and well-being, substance abuse is one area that is often overlooked. Seventy-eight percent of people with drug or alcohol problems are employed¹, 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?

Risk for more than 70 conditions that often entail hospitalization -- such as heart disease, cancer and digestive disorder -- is 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

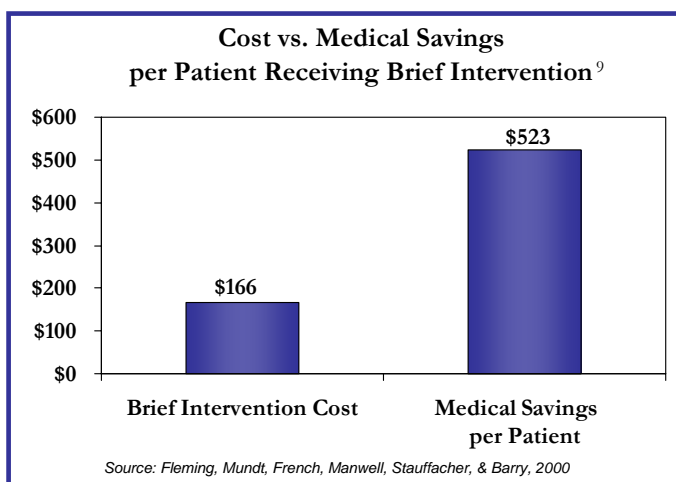
How Substance Abuse Impacts the Workplace

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
- ◆ Increased 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



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

enabled the company to reduce its costs for both healthcare and health insurance over four years, achieving a five to one return on investment.¹⁰

- ◆ One company found that when employees used its employee assistance program (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 treating 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.¹⁴
- ◆ 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. Savings that result from investing in substance use treatment can exceed costs by a ratio of 12 to 1.¹⁵

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
- National Clearinghouse for Alcohol and Drug Info., <http://ncadi.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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- ⁹ Chart: M.F. Fleming, M.P. Mundt, M.T. French, L.B. Manwell, E.A. Stauffacher, K.L. Barry, "Benefit-Cost Analysis of Brief Physician Advice with Problem Drinkers in Primary Care Settings," *Medical Care*. 38: 7-18, 2000
- 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).
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- 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.
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- ¹⁵ SAMHSA, Office of Applied Studies. Overview of findings from the 2004 National Survey on Drug Use and Health. Rockville, MD, 2005. <http://a257.g.akamaitech.net/7/257/2422/06nov20041230/www.access.gpo.gov/congress/house/pdf/1108hr96744.pdf>, p. 11. (Accessed 5/30/07).



An EAP that Addresses Substance Abuse Can Save You Money

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

Substance use disorders⁺ can negatively affect an employer's bottom line by increasing health care costs and reducing productivity. But employers have a simple and cost-effective tool available for addressing these risks: a workplace substance abuse program administered through an Employee Assistance Program (EAP).

DID YOU KNOW?

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 to on-site programs. Face-to-face programs provide more comprehensive services for employees with substance use disorders, including confidential screening, treatment referrals and follow-up care. Assuring that workers with substance use disorders receive treatment can help employers save money. Intervening early can prevent the need for more intensive treatment and hospitalizations down the road.

EMPLOYERS SEE SAVINGS WHEN EAPs ADDRESS SUBSTANCE ABUSE

- ◆ 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.¹
- ◆ 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.²
- ◆ Gillette Company saw a 75% drop in inpatient substance abuse treatment costs after implementing an EAP.³
- ◆ A large 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 saved an average of \$426,000 each year on mental health and substance abuse treatment as a result of employees' participation in the EAP.⁴

How Substance Abuse Impacts the Workplace

Substance abuse costs the nation an estimated \$276 billion a year.⁵ Lost work productivity and excess healthcare expenses account for the majority of those costs. The magnitude of the cost, coupled with the fact that 78 percent of people with drug or alcohol problems are in the work force⁶, gives employers a major stake in ensuring that employees have access to treatment.

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
- ◆ Increased safety and other risks for employers.⁷

Conducting random drug testing and firing offending employees can have a short-term impact but may ultimately be more costly because the cost of replacing employees is high and the risk remains that new employees may also abuse drugs or alcohol.⁸

HOW TO HIRE AN EAP

1. Develop specifications and request proposals from several EAP vendors.
2. Evaluate their capabilities, for example, the range of services they offer, the types of clients they currently serve, their ability to meet your company's specific needs.
3. Include performance standards in your EAP contract so you can measure the effectiveness of your investment.

⁺According to the American Psychiatric Association, a substance abuse disorder is a maladaptive pattern of substance use leading to clinically significant impairment or distress. It is manifested by one or more of the following: failure to fulfill major role obligations at work, school, or home; recurrent substance use in situations in which it is physically hazardous; recurrent substance-related legal problems; and continued substance use despite having persistent or recurrent social or interpersonal problems caused or exacerbated by the effects of the substance.

http://www.psych.org/psych_pract/treatr/pg/pe_substance_2.cfm



EAPs Can Reduce Costs Related to Substance Abuse

EAPs address a wide variety of concerns that may negatively affect job performance, including mental health issues, financial and legal problems, career advancement and other personal problems.

EAPs can:

- ◆ Screen for risky behaviors involving alcohol and drugs
- ◆ Educate employees about the health consequences of substance use
- ◆ When necessary, refer employees for appropriate treatment
- ◆ Provide support services that address recovery and the chronic nature of addiction

Incorporating a substance abuse component into an EAP can help reduce absenteeism, improve employee health and job performance, and reduce medical costs, all of which save employers money.⁹

FAST FACTS

- ◆ 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.¹⁰
- ◆ The Federal Occupational Health agency, in a prospective cost-benefit estimate of Employee Assistance Programs, 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.¹¹

Make an EAP Part of Your Benefits Package

Most EAP providers charge for their services on a per-person basis, and annual fees of \$12 to \$30 per employee are common. It also is possible to contract with an EAP provider for services used, usually at an hourly rate.¹²

Find an EAP Provider

To locate a provider in your area, check local directories for EAPs and for substance use information and treatment

centers. Good sources of information include chambers of commerce, trade associations and other employers, as well as local hospitals, health maintenance organizations and your insurance carrier. The Employee Assistance Professionals Association offers a Guide to Employee Assistance Programs and Services on its Web site: <http://www.eapassn.org/public/providers/>.

For More Information

- The Division of Workplace Programs in the Substance Abuse and Mental Health Services Administration offers an EAP “tip sheet” at <http://workplace.samhsa.gov/WPWorkit/ts8.html>.
- The Employee Assistance Professionals Association offers an online guide to EAP services at <http://eapassn.org/public/providers>.
- The U.S. Department of Labor’s Working Partners program provides information about EAP issues at <http://www.dol.gov/asp/programs/drugs/workingpartners/dfworkplace/ea.asp>

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- ¹⁰ F. Leigh Branham, “Six Truths about Employee Turnover,” NY: American Management Association. http://www.amanet.org/books/catalog/0814405975_s.htm. (Accessed 5/30/07).
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- ¹² Collins, Kenneth, 2001. Buying an Employee Assistance Program with Your Eyes Open. Society for Human Resource Management. Alexandria, VA.



People who have completed treatment programs for drug or alcohol addiction are said to be in recovery. Like other chronic diseases such as asthma, diabetes or high blood pressure, addiction to drugs or alcohol is a treatable and manageable condition. Just as people with diabetes or asthma need support and follow-up care to help prevent relapse and manage their illness, so do people recovering from substance use disorders.¹

DID YOU KNOW?

The Americans with Disabilities Act protects an individual with a disability from being discriminated against because of his or her condition. Workers who are in recovery from a substance use disorder (although *not* those who are actively using) are covered under the Act in most circumstances.²

FAST FACTS

- ◆ Replacing an employee costs from 25 percent to almost 200 percent of annual compensation—not to mention the loss of institutional knowledge, service continuity, and coworker productivity and morale that can accompany employee turnover.³
- ◆ 78 percent of people with drug or alcohol problems are employed.⁴ Firing these workers won't make the problem go away.
- ◆ Savings from investing in substance abuse treatment can exceed costs by a 12 to 1 ratio.⁵

By implementing policies and programs that support workers in recovery, employers can protect their investment in an employee's treatment and help employees recovering from drug or alcohol problems resume their productivity and contributions to the company.⁶

What Employers Can Do

In seeking treatment for a drug or alcohol problem, employees must overcome a number of risks and barriers,

including stigmatization, fear of losing their jobs and strained relationships with family members and coworkers. Returning to work after treatment has ended and recovery has begun brings many of the same challenges.

Employers can take many steps to help employees who are in recovery, such as:

- ◆ Providing flexible hours for employees, which allows people in recovery to attend treatment-related meetings, support groups and counseling sessions.
- ◆ Respecting employees' confidentiality. Employers may not know who among their workforce is in recovery, but if they do, they must recognize and appreciate the delicate balance between wanting to help and respecting an employee's need and desire for privacy.
- ◆ Offering affordable health insurance benefits that provide comprehensive coverage for substance use disorders, including aftercare and counseling.
- ◆ Ensuring that company wellness programs or Employee Assistance Programs* provide education, screening, and follow-up services for workers' drug and alcohol problems.

EAPs Can Support Employee Recovery

Employees who receive any kind of treatment for a drug or alcohol problem often require careful monitoring both during and after treatment to help them maintain sobriety. An EAP can:

- ◆ Help employees in recovery establish individualized plans to monitor progress and meet recovery goals,⁷
- ◆ Consolidate gains in workers' health and productivity that were achieved through treatment,⁸



- ◆ Help reduce disability claims that are related to drug and alcohol problems, and
- ◆ Help improve interpersonal and family relationships affected by a worker's substance use disorder.⁹

Confidential EAP follow-up has two main goals:

1. To help employees maintain work continuity during treatment (many employees remain on the job while they receive counseling on an outpatient basis) and afterwards.
2. To ensure that an employee adheres to the continuing-care component of his or her treatment plan and to provide continued monitoring if the employee fails to comply with company policies (such as testing positive for drugs).

***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
- Employee Assistance Professionals Association, www.eapassn.org
- National Clearinghouse for Alcohol and Drug Information, <http://ncadi.samhsa.gov/>
- National Institute on Alcohol Abuse and Alcoholism, <http://www.niaaa.nih.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov

References

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- ³ F. Leigh Branham, "Six Truths about Employee Turnover," NY: American Management Association. http://www.amanet.org/books/catalog/0814405975_s.htm ((Accessed 5/30/07).
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*This brief could save
your company money
and takes less than 2
minutes to read!*

Employers have a wide variety of resources at their disposal that can assist them in determining how best to mitigate the potential workplace problems associated with substance abuse.

DEFINITIONS

- ◆ **Substance abuse and addiction:** Refers to the abuse of alcohol and/or drugs. The formal psychiatric (DSM-IV) definition is: the maladaptive pattern of substance use leading to clinically significant impairment or distress such as failure to fulfill social or occupational obligations or recurrent use in situations in which it is physically dangerous to do so or which end in legal problems. At some point, changes in the brain can turn abuse into addiction, a chronic, relapsing illness.
- ◆ **Substance abuse treatment:** There are many effective forms of treatment for substance abuse, including brief intervention, individual therapy, group therapy, inpatient treatment, medication and self-help. Different types of intervention are appropriate for different individuals, and each individual may need a variety of therapies during the course of treatment. Treatment for substance abuse is as effective as treatment for other chronic conditions.
- ◆ **Employee Assistance Program (EAP):** An EAP helps 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.

Basic Resources

An excellent resource for employers, covering most topics addressed in this Brief, is *An Employer's Guide to Behavioral Health Services: A Roadmap and Recommendations for Evaluating, Designing and Implementing Behavioral Health Services*, published by the National Business Group on Health. See: http://www.wbgh.org/pdfs/fullreport_behavioralhealthservices.pdf.

Addressing Substance Abuse in the Workplace

The following will provide employers with a general orientation to the issues involved in addressing substance abuse in the workplace:

- ◆ The **National Business Group on Health** offers extensive relevant information on its Web site, <http://www.wbgh.org/>.
- ◆ The Substance Abuse and Mental Health Services Administration (SAMHSA), a federal agency, has a Division of Workplace Programs that offers comprehensive information for employers: <http://dwp.samhsa.gov/index.aspx>.
- ◆ **Federal Occupational Health (FOH)**, a federal agency, is a component of the United States Public Health Service. FOH works with federal organizations to help them meet their occupational health needs. Its Web site provides helpful explanations of their work, much of which is relevant to private employers as well: <http://www.foh.dhhs.gov/Public/WhoWeAre/whoware.asp>
- ◆ Another federal government Web site offers information on a variety of **diseases and conditions**, including drug abuse and addiction and alcohol abuse and addiction: <http://www.healthfinder.gov/hg/files/?id=11896>
- ◆ The National Institute on Drug Abuse (<http://www.nida.nih.gov/>) offers extensive information on **specific drugs**, while the National Institute on Alcohol Abuse and Alcoholism (<http://www.niaaa.nih.gov/>) offers resources on prevention and treatment of **alcohol problems**.
- ◆ The Web site of the Office of National Drug Control Policy (**ONDCP**) also provides a variety of helpful resources and links: <http://www.whitehousedrugpolicy.gov/publications/index.html>.



Creating a Corporate Substance Abuse Policy

Several resources are available to help an employer create a corporate substance abuse policy:

- ◆ **SAMHSA's helpline** can assist employers directly: 1-800-967-5752 or <http://workplace.samhsa.gov/HelpLine/Helpline.htm>
- ◆ The U.S. Department of Labor has a **Drug-Free Workplace Program Builder** (<http://www.dol.gov/elaws/asp/drugfree/drugs/screen2.asp>) that helps organizations create policies that are appropriate to their own cultures, settings and needs.

Understanding Substance Abuse Treatment

There are further resources that can help an employer better understand substance abuse treatment:

- ◆ The Web site of the **Partnership for a Drug-Free America** offers explanations of substance abuse, its treatment and the meaning of recovery: <http://www.drugfree.org/Intervention/WhereStart/>
- ◆ The Web site of the U.S. Department of Labor's **Working Partners** program offers information about substance abuse addiction, treatment, recovery, screening and assessment. <http://www.dol.gov/workingpartners/welcome.html>

Finding and Using an Employee Assistance Program

An employer who is interested in finding or contracting with an Employee Assistance Program can look to the following resources for help:

- ◆ The Employee Assistance Professionals Association provides an on-line **"Guide to Employee Assistance Programs and Services"** that enables searches by geographic area and by specialty sought, including design and evaluation of EAPs, services to small businesses, substance abuse professional services and many others. <http://www.eapassn.org/public/providers/>
- ◆ The *Guide* developed by the **National Business Group on Health** (cited above) also provides information and advice about the use of EAPs.

Developing a Corporate Health Promotion Program

Organizational health promotion programs focus primarily on improving the corporate culture and on enhancing the environment in which people work. Here are some resources that can help employers better understand and create workplace health and wellness programs:

- ◆ <http://workplace.samhsa.gov/WPResearch/healthwelfare/WPHealthpromo.html> offers information about the **value of corporate wellness programs**.
- ◆ The American College of Occupational and Environmental Medicine has extensive information on its Web site regarding **importance of health in the work place**. At <http://www.acoem.org/>, under "Special Initiatives" see "Health and Productivity".
- ◆ The American College of Occupational and Environmental Medicine presents annual Corporate Health Achievement Awards that recognize organizations with exemplary health, safety, and environmental programs. Their **Corporate Health Excellence Checklist** offers a useful starting point for employers who are thinking about these issues: <http://www.chaa.org/pdfs/checklist.pdf>

Learning about Recovery

Treatment and recovery, while interconnected, are not the same. Here are some helpful **explanations of recovery** from substance use disorders:

- ◆ The U.S. Department of Labor's Working Partners Web site offers a variety of useful resources: <http://www.dol.gov/asp/programs/drugs/workingpartners/sab/recovery.asp>
- ◆ For those who are interested in reading the **individual stories of people who are in recovery**, the not-for-profit advocacy organization Faces and Voices for Recovery offers many on its Web site: <http://www.facesandvoicesofrecovery.org/about/ourstories.php>



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

Seventy-eight percent of people with drug or alcohol problems are employed, and substance abuse costs the nation's economy an estimated \$276 billion a year.^{1,2} Because the majority of the costs come from lost work productivity and increased healthcare utilization, employers have a major stake in ensuring that their employees get appropriate treatment.

WHY PROMOTE TREATMENT?

- ◆ **Reduce turnover costs:** Replacing an employee costs from a few thousand dollars for an hourly worker to as much as \$100,000 for a top executive. This does not include the loss of institutional knowledge, service continuity, and coworker productivity and morale that can accompany employee turnover.³
- ◆ **Reduce healthcare costs:** Excessive substance use can complicate existing health conditions and can lead to addiction to drugs or alcohol. Research shows that healthcare savings from investing in substance abuse treatment can exceed costs by a 12 to 1 ratio.⁴
- ◆ **Improve productivity:** Research indicates that substance abuse treatment improves work performance and productivity while reducing interpersonal conflicts and drug- and alcohol-related accidents.⁵

Outpatient treatment is the most common form of substance abuse treatment. With outpatient treatment, participants continue living at home and working while receiving counseling, social skills training, and case management services.⁷ Treatment may consist of attending individual or group counseling sessions for an hour or two each week, or it may involve longer, more intensive blocks of treatment during the day, evening, or on weekends. Treatment can last 90 days or more, with intensity usually declining over time.⁸

Inpatient substance abuse treatment programs address addiction to drugs or alcohol, including severe substance use disorders that require detoxification or that co-occur with serious medical or psychological conditions. This type of program may last from a few days to a month or more and involve round-the-clock care in a residential setting such as a rehabilitation center or hospital. Medical professionals provide substance use education; individual, group, or family therapy; life skills training and other services that address patients' medical, emotional, and/or behavioral problems.⁹

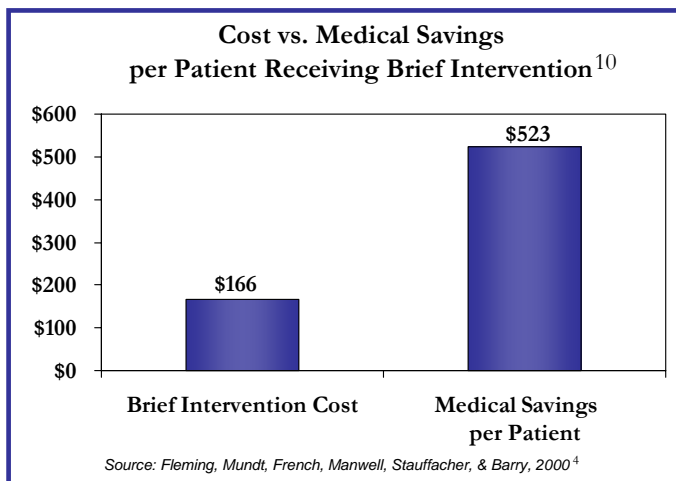
Identifying Substance Abuse Problems

Before workers can receive the treatment they need, they must be identified as having problems with drugs or alcohol. Physicians and other health professionals can offer confidential screening to determine whether an employee has a substance abuse problem. After a problem is identified, the individual and the healthcare professional must determine the appropriate treatment.

Treatment Options

Treatment options generally include brief intervention*, outpatient and inpatient treatment, medication and self-help. One study found that heavy drinkers who received brief intervention over a 2-month period had significantly fewer accidents, hospital visits, and other events related to problem drinking during the following year. **The cost for each brief intervention was \$166 per patient; the medical savings were \$523 per patient.**⁶ (See chart).

*Brief intervention is a systematic, focused process that relies on assessment, client engagement and rapid implementation of change strategies. It aims to investigate potential substance abuse and motivate an individual to begin to do something about it. The goal is to reduce risky substance use before the individual becomes dependent or addicted.



Medications

Clients may also be prescribed medications to help with withdrawal symptoms, prevent relapse, or prevent cravings for drugs. Medications are used after detoxification and in conjunction with other interventions. Medications used to treat substance abuse include acamprosate and disulfiram for alcohol addiction; and methadone, naltrexone, LAAM (l-alpha-acetyl-methadol) and buprenorphine for opioid addiction.



Outpatient treatment minimizes an employee's time away from work; costs less than inpatient treatment; and can motivate people to change their behaviors, thereby reducing the risks and negative consequences associated with substance abuse.¹¹

Self-Help Groups

Most people have heard of Alcoholics Anonymous, Narcotics Anonymous and other such peer support groups, which are based on a 12-step model of recovery. Some people have learned to cope with substance use problems successfully through these groups alone. However, research indicates that formal treatment as described above, supplemented by voluntary participation in a peer support group, produces better outcomes than self-help groups alone.¹²

***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 Alcoholism and Alcohol Abuse, www.niaaa.nih.gov
- National Institute on Drug Abuse, www.nida.nih.gov
- Substance Abuse and Mental Health Services Admin., www.samhsa.gov
- National Clearinghouse for Alcohol & Drug Info., <http://ncadi.samhsa.gov/>
- National Institute on Alcohol Abuse & Alcoholism, <http://www.niaaa.nih.gov/>

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- ² Office of Nat'l Drug Control Policy, The Economic Costs of Drug Abuse in the U.S., 1992–2002, p. IV-1. http://www.whitehousedrugpolicy.gov/publications/economic_costs/economic_costs.pdf (Accessed 5/30/07).
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- ⁷ Substance Abuse and Mental Health Services Administration, Office of Applied Studies. (2006). Treatment episode data set (TEDS). Highlights—2004. National admissions to substance abuse treatment services. Rockville, MD: Author. Available at: <http://www.dasis.samhsa.gov/teds04/tedshigh2k4.pdf>. (Accessed 5/30/07).

FAST FACTS

- ◆ About 63% of people with substance abuse problems receive outpatient treatment, which minimizes time away from work and costs much less than inpatient treatment.¹³
- ◆ Brief intervention among heavy drinkers in one workplace study yielded a three to one return on investment. (See graph.)¹⁴
- ◆ Providing comprehensive substance abuse health benefits costs just \$.06 more per member than imposing a \$10,000 limit on those benefits.¹⁵

EMPLOYER'S ACTION AGENDA

- ◆ Offer employees health insurance that provides comprehensive benefits for substance abuse treatment, including therapy, medications, and recovery support.
- ◆ Require that health plans mandate physicians to screen patients for substance abuse.
- ◆ Ensure that company wellness or Employee Assistance Programs* include substance abuse screening, education, and support for recovery.

⁸ National Institute on Drug Abuse, National Institutes of Health. (1999). Principles of drug addiction treatment: A research-based guide. Bethesda, MD: Author. Available from the World Wide Web:

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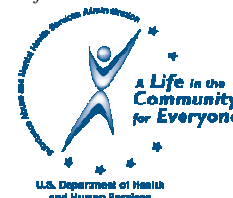
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¹³ Substance Abuse and Mental Health Services Administration, Office of Applied Studies. (2006). Treatment episode data set (TEDS). Highlights—2004. National admissions to substance abuse treatment services. Rockville, MD: Author. Available at:

<http://www.dasis.samhsa.gov/teds04/tedshigh2k4.pdf>. (Accessed 5/30/07).

¹⁴ M.F. Fleming, M.P. Mundt, M.T. French, L.B. Manwell, E.A. Stauffacher, K.L. Barry, "Benefit-Cost Analysis of Brief Physician Advice with Problem Drinkers in Primary Care Settings," *Medical Care*. 38: 7-18, 2000.

¹⁵ Sturm, Galvez and Edelman, "How Expensive are Unlimited substance Abuse Benefits Under Managed Care?" *Journal of Behavioral Health Services and Research*, 26:2, May 1999, pp.203-210.



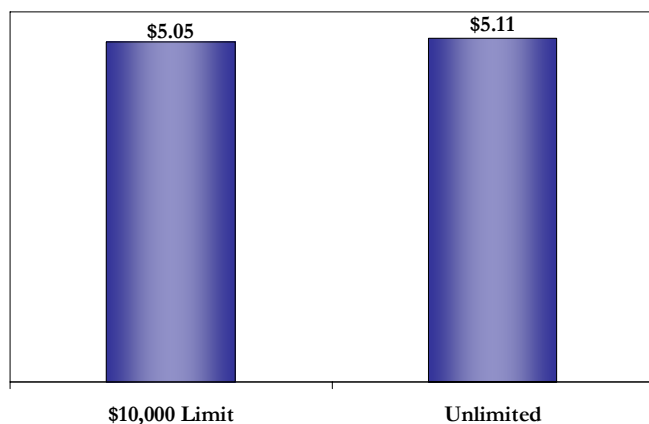
*This brief could save
your company money
and takes less than 2
minutes to read!*

Employees are among a company's most valuable assets. The skills, relationships and knowledge they bring to work each day drive success. When a valued employee has a problem with alcohol or drugs, promoting access to quality treatment is often a wise investment. One way for employers to accomplish this is by ensuring that their health benefits package provides comprehensive coverage for substance abuse treatment.

DID YOU KNOW?

The cost of providing comprehensive insurance coverage is just 1% greater than the cost of coverage with a \$10,000 limit on behavioral health treatment. The benefits can far outweigh the small additional cost.¹

Costs of Providing Insurance Benefits
For Substance Use Treatment
\$10,000 Limit versus Comprehensive Coverage²
(Costs per member per year)



Source: Sturm, Galvez & Edelman, 1999

FAST FACTS

- ◆ 78 percent of people with drug or alcohol problems are employed.³
- ◆ The average cost per outpatient visit (the most common type of substance abuse treatment) in 2002 was \$26.72.⁴
- ◆ One study found that when outpatient co-payments for alcohol treatment were \$20 or more per session, patients did not come for an initial appointment or failed to return for further treatment.⁵

Investing in Treatment Helps Employers Manage Risk

- ◆ Replacing an employee costs from 25 percent to almost 200 percent of annual compensation—not including the loss of institutional knowledge, service continuity, and co-worker productivity and morale that can accompany employee turnover.⁶

- ◆ Work productivity losses (including absenteeism and poor performance) related to illicit drug use totaled \$129 billion in 2002; for alcohol, productivity losses amounted to \$134 billion.⁷
- ◆ Even pre-employment drug testing and random testing during employment cannot totally eliminate the problem.
- ◆ Savings from investing in treatment for substance abuse problems can exceed costs by a ratio of 12 to 1.⁸
- ◆ Substance abuse treatment improves work performance and productivity while reducing interpersonal conflicts and drug- and alcohol-related accidents.⁹
- ◆ It is in the employer's interest to encourage an employee with a substance use problem to get the treatment s/he needs.

Screening Promotes Increased Treatment

The first step to promoting treatment is identifying those who need help. Confidential substance abuse screening, to determine whether an individual has a problem and if so how severe it is, can be done in a variety of settings. Potential sites include the workplace, as part of a company wellness program or employee assistance program (EAP)*, a physician's office or a hospital.

After a problem is identified, the individual and health professional can work together to determine the best treatment options.

Brief intervention—a series of short counseling sessions that can be conducted by an EAP or other qualified health professional—has shown promise in treating substance abuse, particularly among non-dependent drinkers. One study found that heavy drinkers who received brief intervention over two months had fewer accidents, hospital visits, and other events related to problem drinking, resulting in medical savings of \$523 per patient, during the following year.¹⁰



***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 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.

Designing a Benefit Package To Maximize Return on Investment

To effectively address substance abuse in the workplace, a comprehensive health benefits package should include several key features:

1. Early Identification & Screening

As with other health conditions, identifying substance abuse early can prevent workers and employers from incurring higher subsequent health and productivity costs. Ask workplace wellness programs, EAPs, and health insurance plans to include:

- ◆ A substance abuse education component,
- ◆ Confidential screening and treatment referrals, and
- ◆ Confidential follow-up care to support individuals in recovery.

2. Access to Multiple Treatment Options

Treatment for drug or alcohol problems that is tailored to individual needs has proven as effective as treatment for other chronic, manageable conditions such as diabetes and asthma.

Employers can help maximize the success of treatment by offering health insurance that covers a wide range of options, such as:

- ◆ Brief intervention,
- ◆ Outpatient and inpatient treatment,
- ◆ Counseling,
- ◆ Medication,
- ◆ Peer support groups,
- ◆ Illness self-management programs, and
- ◆ Follow-up care during recovery.

3. Integrated Care

Drug and alcohol problems can affect a person's overall mental, emotional, and physical health. That's why a recent report by the Institute of Medicine recommends that healthcare for physical, mental, and substance abuse problems and illnesses be delivered with an understanding of the inherent interactions between mind and body.¹¹

To achieve integrated care, health insurance plans should

- ◆ Include patients in making decisions about their care;
- ◆ Require coordination of care and clinical information sharing (with the patient's consent) among primary care, mental health, and substance abuse providers;

- ◆ Cover case management services that can help coordinate patients' care and identify treatment and recovery resources.

WHAT TO LOOK FOR IN A HEALTH PLAN

Accessibility

- ◆ Does not require pre-authorization, or referral from primary care physicians, for substance abuse treatment
- ◆ Places no restrictions on hospital stays, treatment episodes or lifetime expenditures on treatment

Affordability

- ◆ Offers low co-payments, comparable to those required for other medical services
- ◆ Minimizes out-of-pocket costs to employees

Flexibility

- ◆ Covers a wide variety of treatment options
- ◆ Includes a broad network of providers in a wide geographic area

More Information

- Substance Abuse and Mental Health Services Administration, www.samhsa.gov
- National Institute on Drug Abuse - www.nida.nih.gov
- National Clearinghouse for Alcohol and Drug Info. <http://ncadi.samhsa.gov/>
- National Institute on Alcohol Abuse & Alcoholism, <http://www.niaaa.nih.gov/>

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- ¹⁰ Fleming, M.F., Mundt, M.P., French, M.T., Manwell, L.G., Stauffacher, E.A., Barry, K.L.L.: Benefit-Cost Analysis of Brief Physician Advice With Problem Drinkers in Primary Care Settings. *Medical Care*. 2000;38: 7-18.
- ¹¹ Institute of Medicine. (2005). Improving the quality of health care for mental and substance use conditions. Washington, DC: National Academies.



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

Untreated substance use disorders are among the most costly health conditions in the United States: together, drug and alcohol problems cost the nation's economy \$276 billion a year.¹ Screening is the first step in helping employees get treatment for drug or alcohol problems.

ASSURE THAT YOU'RE HEALTH PLAN:

- ✓ Encourages confidential screening for substance use disorders
- ✓ Educates providers about the importance of screening

WHAT IS SCREENING?

Screening is a process through which individuals are identified according to characteristics that suggest they may be abusing substances. Screening identifies the need, but does not substitute, for a complete assessment.²

higher risk than other employees for on-the-job accidents.⁶

How Employers Can Promote Screening

Employers can take the following steps to ensure screening of employees who are at risk for substance abuse:

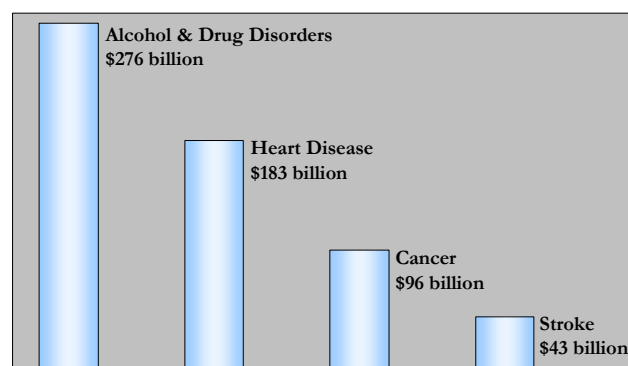
- ◆ Provide comprehensive health benefits that cover substance use screening, treatment, and aftercare.
 - Comprehensive coverage ensures that employees have access to the individualized care they need at every stage.
 - One study found that providing comprehensive substance use benefits costs just \$.06 more per member per year than imposing a \$10,000 limit on those benefits.⁷
- ◆ Evaluate current health plans to determine whether they require their providers to screen for drug and alcohol problems. If an existing plan doesn't, the employer may be paying more for healthcare than necessary.
- ◆ Establish standards and outcome measures for health plans to meet when they require routine

Screening and Treatment Can Cut Costs

Screening is the first step in helping employees get treatment for drug or alcohol problems. Treatment, in turn, helps to:

- ◆ **Reduce turnover costs:** Replacing an employee costs from a few thousand dollars for an hourly worker to as much as \$100,000 for a top executive, not including the loss of institutional knowledge, service continuity, and coworker productivity and morale that can accompany employee turnover.³
- ◆ **Reduce healthcare costs:** Healthcare costs for employees with untreated drug or alcohol problems are about twice those for other employees. Total savings from investing in substance abuse treatment can exceed costs by a 12 to one ratio.⁴
- ◆ **Improve productivity:** Substance abuse treatment improves work performance and productivity while reducing absenteeism, interpersonal conflicts, and drug- and alcohol-related accidents.⁵
- ◆ **Reduce risk:** Employees with substance use disorders that are undetected and untreated are at

Cost of Substance Use Disorders vs.
Cost of Top 3 Chronic Diseases in the U.S.⁸



Sources: Harwood, Fountain, & Livermore, 1998; ONDCP, 2002



screening for substance use problems in physicians' offices, emergency rooms, clinics and behavioral health centers. For instance, a company might negotiate with its plan to include within the terms of a new contract improvements in the identification rate of alcohol problems.

Ask Your Health Plan Provider About Screening

One simple way employers can encourage health plans to provide access to drug and alcohol screening for employees is by remembering to ask a few key questions about a plan's coverage and standards regarding substance use services:

- ◆ Does the health plan cover confidential substance use screening for all employees and brief intervention services for individuals who would benefit from them?
- ◆ Does the plan encourage physicians and other clinicians to screen for, diagnose and treat substance use problems in primary care settings, hospital emergency rooms and trauma centers?
- ◆ Does the plan work with other health plans, treatment providers and community groups to promote common approaches to screening and treatment for drug and alcohol problems?

Measuring Health Plan Performance

To maximize their investment, employers should also develop performance measures for health plans related to substance use services. Performance measures establish clear standards of accountability. Examples of appropriate performance measures related to substance abuse services include identifying the percentage of adults diagnosed with substance abuse or dependence who received a related service (treatment initiation) and identifying the percentage of adults diagnosed with substance abuse or dependence who received two additional services within 30 days after initiating treatment (treatment engagement).

Establishing performance measures can help employers evaluate their current health plans and compare among plans when making contractual decisions and negotiating

rates, fees and services. Performance measures also can help companies hold their health plans accountable for providing the highest quality of care.

- ◆ The National Committee for Quality Assurance (www.ncqa.org) provides the Health Plan Employer Data and Information Set (HEDIS), a performance measurement tool that contains measures for initiation and engagement in alcohol and drug treatment.
- ◆ The National Business Coalition on Health (www.nbch.org) offers another online resource, "eValue8 Request for Information," that provides an annual assessment of health plan quality using hundreds of benchmarks, including screening and treatment for alcohol use disorders.

For More Information

- National Committee for Quality Assurance, www.ncqa.org
- National Business Coalition on Health's eValue8 Tool, www.evalue8.org/eValue8
- Substance Abuse and Mental Health Services Administration, www.samhsa.gov
- National Clearinghouse for Alcohol & Drug Info., <http://ncadi.samhsa.gov/>
- National Institute on Drug Abuse, www.nida.nih.gov
- National Institute on Alcohol Abuse & Alcoholism, <http://www.niaaa.nih.gov/>
- The Washington Circle, <http://www.washingtoncircle.org/>
- National Quality Forum, <http://www.qualityforum.org/>

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