



# **Surry County Office of Substance Use Recovery Research Brief on Addiction in the Workforce**

**March 2021**

## **Summary**

Addiction is an issue in every workforce unit in the United States, with one in 12 workers dealing with an untreated substance use disorder. The White House Council of Economic Advisors further estimated that the opioid crisis alone cost the U.S. economy \$696 billion in 2018. Employers are becoming more aware of the problem. In a National Safety Council survey, 86% of employers were concerned that prescription opioid use was having a negative impact on their workplace, and 74% were concerned about heroin and fentanyl having a negative impact on their workplace.

## **Reports from Employers**

This Research Brief is based on research and publications from the National Safety Council (NSC) and the National Opinion Research Center (NORC) at the University of Chicago. The National Safety Council reports that workers in recovery have lower turnover rates and are less likely to miss workdays, less likely to be hospitalized and have fewer doctor visits.

An NSC survey focused on opioids in the workplace found that:

- Employers were most concerned about the costs of benefits (86%), ability to hire qualified workers (90%) and costs of workers' compensation (86%), compared to misuse of opioids (79%-83%, depending on the type of opioids) and illegal drug sale or use (75%)
- Over 75% of employers have been affected in some way by employee opioid use, with 38% experiencing impacts related to absenteeism or impaired worker performance
- Only 17% of employers believe their organization is extremely well prepared to deal with opioid use in the workplace

While employee training and education is a main driver of preparedness, only 28% of employers offer opioid-specific training and education to their workforce

## **How Employers Can Make a Difference**

The National Safety Council and the NORC at the University of Chicago found health care costs for employees who have a Substance Use Disorder (SUD) are almost double the costs of an average employee with no SUD. The annual cost of an untreated SUD ranges from an average of \$8,255 to \$14,000 per employee, depending on their industry and role.

Based on the research collected by both the National Safety Council and NORC, employers can take simple steps to protect themselves and their employees, such as:

- Recognizing the impact of drug misuse on the bottom line
- Educating and engaging their workforce on the topic of opioids
- Enacting clear and strong company drug-free workplace policies, and ensuring consistent and comprehensive communication with employees
- Expanding drug panel testing to include opioids
- Training supervisors and employees to spot the first signs of drug misuse and impairment
- Treating substance use disorders as a medical condition that can and should be treated, and ensuring evidence-based treatment mechanisms are covered by employer health care plans
- Leveraging employee assistance programs and other similar resources to help employees return to work, and supporting employees in recovery

## **Calculating Employer Substance Use Cost<sup>1</sup>**

The National Safety Council has collaborated with an independent research institution, NORC at the University of Chicago, to update "The Real Cost of Substance Use to Employers" tool, originally developed in 2017 with national nonprofit Shatterproof. This cost calculator is an authoritative, easy-to-use tool providing business leaders with specific information about the cost of substance use (including prescription drug use and misuse, alcohol use and misuse, opioid and heroin addiction, as well as use of other illicit drugs and cannabis) in their workplace based on size of employee base, industry and state.

The calculator requires the following fields to be answered:

1. Where are your facilities/offices located?
2. How many employees in your organization?
3. What is your industry?
4. Email address of the requestor

For example, using the following sample characteristics of an employer the cost calculator provides details related a variety of employee driven expenses and opportunities for savings.

---

<sup>1</sup> The Substance Use Cost Calculator for Employers was designed by the National Safety Council and NORC at the University of Chicago, and funded by Nationwide. This easy-to-use tool gives employers information about the impact of substance use in the workplace, and what they can do to increase the safety, health and productivity of their employees. The Calculator gives a simple estimate of the financial toll faced by individual businesses and illuminates an area with significant potential for cost reduction and improved productivity. It also helps businesses see how much they can save by supporting employees through treatment and into recovery.

| Data Entered into NORC Calculator       |                |
|-----------------------------------------|----------------|
| Location                                | North Carolina |
| Number of Employees in the Organization | 850            |
| Industrial Sector                       | Agriculture    |

Based on the Substance Use Cost Calculator for Employers an Agriculture Sector Employer with an employee base of 850 within North Carolina is estimated to see a total cost of **\$347,244** annual dollars due to the impact of Substance Use Disorder. These estimates include lost time (\$56,792), Job Turnover & Retraining (\$79,112) and Health Care (\$211,340).

| Annual Direct Employer Cost Impact of Substance Use Disorder |                  |
|--------------------------------------------------------------|------------------|
| Lost Time <sup>2</sup>                                       | \$56,792         |
| Job Turnover & Retraining <sup>3</sup>                       | \$79,112         |
| Health Care <sup>4</sup>                                     | \$211,340        |
| <b>Total</b>                                                 | <b>\$347,244</b> |

---

<sup>2</sup> Wage data from U.S. Bureau of Labor Statistics is multiplied by the estimated number of missed workdays annually either due to illness and injury for your employees estimated to suffer from substance use disorders (SUD). Average hourly, salary, and fringe statistics as reported by Bureau of Labor Statistics were used for each industry sector. Actual costs of missed work may be underestimated for employers who must cover missed work with substitutes or overestimated due to widespread use of Paid Time Off (PTO).

<sup>3</sup> Studies place the average cost to employers of recruiting and training replacement workers at 21% of a worker's annual salary. Replacement and retraining costs are greater for workers with more education and training and lower for workers who earn less and work in lower-skilled industries. Employers' turnover costs are computed from the difference in rates of one-year turnover of workers in an industry sector with and without an SUD, and the average costs of replacement in that sector.

<sup>4</sup> Respondents were asked about health care use in the prior 12 months: how many times they had gone to a hospital emergency room, whether they had been hospitalized overnight, and, if so, for how many nights, and the number of outpatient primary care visits. Respondents also were asked about lifetime substance use treatment. Data from the federal government and from hospitals regarding average paid claims for hospital nights, emergency department visits and outpatient care visits were used to project an employer's excess health care costs for its workforce and dependents of employees.

Using the calculation of 850 employees in a North Carolina Agriculture Business, it is estimated that 62 employees are impacted by a Substance Use Diagnosis. In addition, the 62 employees suffering from the effects of Substance Use Disorder also impacts 90 dependents and family members.

| <b>Human Impact of Substance Use Disorder on an 850 North Carolina Agriculture Employer<sup>5</sup></b> |    |
|---------------------------------------------------------------------------------------------------------|----|
| Impacted Employees Suffering from SUD                                                                   | 62 |
| Impacted Dependent and Family Members Impacted due to Employees SUD                                     | 90 |

Below is the breakout of factors that contribute to employer costs in lost time, job turnover and healthcare. Substance use is associated with other problems that can impact employees' productivity and safety, though these problems are more difficult to monetize.

| <b>Annual Supplemental Impact of Substance Use Disorder</b> |     |
|-------------------------------------------------------------|-----|
| Days off Work                                               | 595 |
| Total Turnover                                              | 16  |
| Days in Hospital                                            | 10  |
| Emergency Room Visits                                       | 17  |
| Outpatient Medical Visits                                   | 23  |
| Drove Under the Influence of Alcohol or Drugs Per Year      | 30  |
| Seldom or Never Wearing a Seat Belt When Driving            | 3   |

## **Supporting Substance Use Recovery is Good for Business**

Employees who are in active recovery and receive employer support for Substance Use Disorder not only improves their on the job performance but can be a good investment. For example, workers in recovery help employers avoid \$4,088 in turnover and replacement cost. Workers in recovery miss 13.7 days less per year than workers with an SUD. Finally, each employee who recovers from a Substance Use Disorder saves companies an estimated \$8,500 on average.

Employers nationally are beginning to realize substantial savings by investing in employee wellness and offering treatment options for employees suffering from substance use disorder. In the United States only 1 in 10 people with a Substance Use Disorder obtains treatment. While eliminating the total costs of employee Substance Use Disorder is impossible, we can reduce the cost within our society and

---

<sup>5</sup> The total number of employees with an SUD was determined by multiplying the prevalence of SUDs in the state and industry by the number of your employees. A similar process was followed to estimate the number of dependents with an alcohol use disorder (AUD), cannabis use disorder (CUD), opioid use disorder (OUD) or illicit drug use disorder (IUD).

workplaces. For example, if only fifty percent or 31 of the 62 impacted employees at an 850 Employee North Carolina Agriculture Company receive intervention and treatment services a workplace could avoid \$100,940 in expenses.

*This Research Brief was compiled from publications authored by the National Safety Council.*