

# FACING THE RISKS:





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## DRUGS AND ALCOHOL IN THE WORKPLACE DON'T MIX.

Substance abuse in the workplace is happening now. And it's putting your company at risk. Unfortunately, most employers are unaware of what's at stake—and how ignoring the problem could lead to serious financial loss and reputation damage for their business. So, we did the research and compiled hard data that outlines the various risks involved with substance abuse-related issues in the workplace.

## HOW MANY HAS YOUR COMPANY EXPERIENCED?

**70%**  
**of employers**

reported that their business had been affected by prescription drug abuse. (National Safety Council)<sup>1</sup>





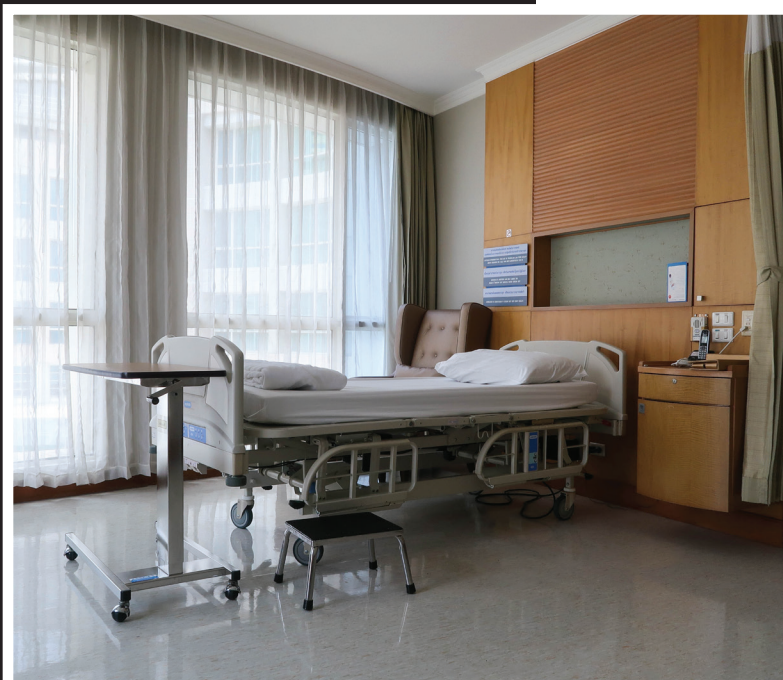




# 2X more

in health care costs, hospital visits,  
and length of hospital stays for employees  
addicted to pain meds versus their peers.

(NCBI)<sup>2</sup>



## HEALTH CARE COSTS

Substance use disorder can be expensive to treat. But ignoring the issue could wind up costing you more. And if you are one of the many employers that offers health insurance coverage for employees and their family members, refusing to address addiction in the workplace could be driving up your health care costs.

## THE HEALTH CARE COSTS OF ADDICTION

Employees suffering from substance use disorder normally face myriad health issues. Drugs and alcohol take a toll on a person's immune system, not to mention accidents and injuries that could occur when someone is under the influence—which leads to higher health care costs for you. Workers who are addicted to pain medication are more than twice as likely to wind up in the hospital than their peers. Those that do usually stay up to twice as long as an employee who isn't suffering from SUD.<sup>2</sup> And each hospital visit means more money out of your pocket to cover their health care costs.



## BEYOND EMPLOYEE HEALTH CARE

Most employers don't realize that the cost of substance use disorders extends far beyond their staff members. If you offer a family option for your employee health care plan (as many employers do), then you're not just covering the costs of people in your company — you're covering the costs of their spouses and children, too. In most cases, employers cover 73% of family premiums, which includes the increased costs of family members suffering from addiction.<sup>2</sup> On average, family members struggling with an untreated SUD could cost employers an additional \$1,267 per person each year.<sup>2</sup>

## BOTTOM LINE

Whether it's for your employees or their dependents, your company is footing a large portion of the health care bills related to substance use disorder. And ignoring the issue only leads to higher costs.

# AN ADDITIONAL

# \$1,267

## per person each year

in premium costs to cover employee family members struggling with an untreated SUD. (NCBI)<sup>2</sup>









# 1 IN 5 workers

have reported that they were injured on the job or felt danger due to a coworker's drinking. (NCBI)<sup>2</sup>



## WORKPLACE LIABILITY

In addition to lost productivity and rising health care costs, workplace liability is the biggest threat to your business when it comes to drugs and alcohol in the workplace. Whether it's an accident caused by an employee under the influence or a harassment case filed after an uncomfortable situation with a manager or coworker, substance misuse increases your chances of a potential lawsuit — which means higher financial risks and possibly irreparable damage to your company's reputation.

## DANGERS IN THE WORKPLACE

Keeping your employees safe should be your number one concern. That's why companies hold trainings and seminars to teach their employees about workplace safety. But adding drugs and alcohol into the mix could greatly diminish your efforts — and lead to catastrophic results.

### Workplace Injuries

Drinking on the job is prohibited at most companies — but that doesn't mean it never happens. And an inebriated employee could cause big problems for your business.



When an employee is injured on the job, the employer could be held responsible. That means you may have a workman's comp claim, in addition to covering the increased health care costs for the injured employee. Not to mention the training and replacement costs if your employee needs to miss a few days of work to recover. Then there's the added financial and reputation risk if the injured party decides to sue your company. But most importantly, addiction puts your employees at risk. One in five workers has reported that they were injured on the job or felt in danger due to a coworker's drinking.<sup>2</sup>

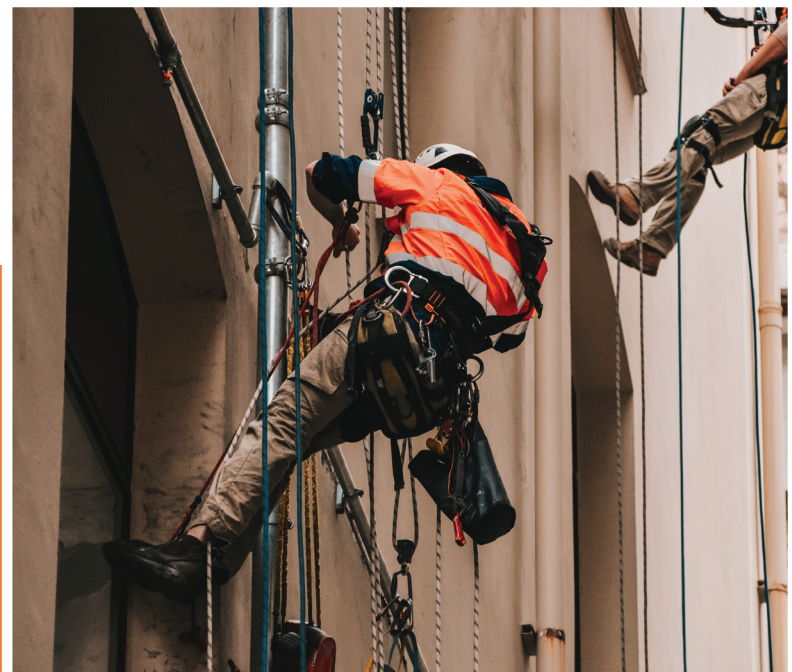
### **Drinking and Driving**

And it's not just in the workplace you have to worry about. Work functions and other company events that serve alcohol could become a liability for your business as well. If there is an alcohol-related accident following a business event, your company could be held responsible for over serving. And given that 16% of working adults admitted to driving under the influence at some point, it's a large risk to take if you're not monitoring how much your employees imbibe during work functions.<sup>2</sup>

# 25%

## increase in

workplace overdose deaths every year for the past five years. (U.S. Department of Labor)<sup>3</sup>





## Workplace Overdoses

Ignoring substance abuse in the workplace could cost more than your reputation or bottom line — it could cost the lives of your employees. The opioid epidemic is sweeping across America, leaving a string of tragedies in its wake. And the work force is not immune to the impact of opioid addiction.

According to the U.S. Department of Labor, overdose deaths in the workplace have been consistently rising 25% each year for the past five years.<sup>3</sup> Yet despite the staggering numbers, 76% of employers reported that they weren't trained on how to address addiction in the workplace.<sup>4</sup>

## BOTTOM LINE

Workplace overdoses are occurring at a rapidly increasing rate, leaving employers unprepared to respond. And companies are quickly realizing that it's time to take action.



## DRUGS, ALCOHOL, & SEXUAL HARASSMENT

Happy hour in the office. Kegs in the break room. Work functions with a bottomless bar. These are all modern-day perks that companies are using to draw in new employees and keep their teams happy. And while it appears to be working on the surface, there's a dark side to the "good times" that employers are offering.

### The Dark Side of Office Party Culture

While it's perfectly reasonable to want to keep your employees happy, it shouldn't come at the expense of their safety. Drugs and alcohol lower inhibitions, which means people feel more embolden to indulge in bad behavior. This could come in the form of ignoring social cues, saying something inappropriate to a coworker, or even becoming aggressive — and in some cases, an employee under the influence may get physical.

Many companies have faced these types of situations, but it was not something that was widely discussed — normally, sexual harassment cases were quietly dealt with or brushed under the rug.

Then, the #MeToo movement started.

### Substance Abuse and the #MeToo Movement

As victims started coming forward in the wake of #MeToo, sexual harassment in the workplace became something that employers could no longer ignore. And soon, a clear pattern started to emerge between substance abuse and sexual harassment.

IN THE U.S.,



**21%**  
OF WOMEN

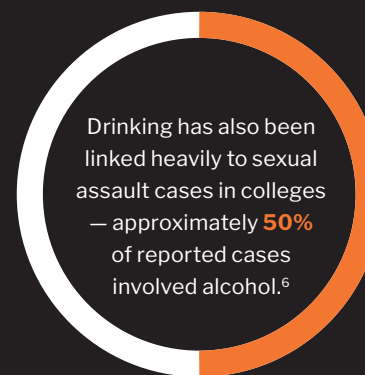
**23%**  
OF MEN

reported that they experienced some form of harm  
due to another person's drinking.



**16%**

of participants reported  
that the most common  
alcohol-related harm  
was harassment.



Drinking has also been  
linked heavily to sexual  
assault cases in colleges  
— approximately **50%**  
of reported cases  
involved alcohol.<sup>6</sup>



The U.S. military  
recently reported  
that alcohol was  
involved in **62%** of  
its reported sexual  
assault cases.<sup>7</sup>

*No matter the industry, no matter the sector, no matter the business:  
Sexual harassment is happening. And in many cases, drugs and alcohol are involved.*

# 20% of sexual harassment

claims reported at Google involved  
alcohol. (*Google Statement*)<sup>11</sup>



## SPOTLIGHT: THE GOOGLE LAWSUIT

Even industry giants aren't immune to the impact of drugs and alcohol in the workplace. In 2018, Google was forced to rethink the way it handled sexual harassment complaints after a case that led to a company-wide walkout and global backlash.<sup>8</sup> Two top executives at Google (Andy Rubin, the creator of the company's highly-profitable Android software, and Amit Singhal, the head of search) were accused of sexual harassment by female employees. One of the cases allegedly took place during a "boozy off-site event" where an employee reported that Mr. Singhal groped her.<sup>9</sup> Google parted ways with the executives — but also paid them \$135 million in exit packages, which drew criticism from employees as well as accusations of attempting to cover up the sexual harassment cases.<sup>9</sup> Due to the widespread criticism in how they handled the sexual misconduct allegations, Google released a statement that discussed the issue of sexual harassment at the company. A section of the statement focused on the role that alcohol played in sexual harassment cases at Google and how the company planned to address it moving forward:

“Harassment is never acceptable, and alcohol is never an excuse. But one of the most common factors among the harassment complaints made today at Google is that the perpetrator had been drinking (~20% of cases). Our policy is clear: Excessive consumption of alcohol is not permitted when you are at work, performing Google business, or attending a Google-related event, whether onsite or offsite. Going forward, all leaders at the company - Directors, VPs and SVPs - will be expected to create teams, events, offsites and environments in which excessive alcohol consumption is strongly discouraged.”<sup>10</sup> — Google Statement



## A Widespread Issue

Google isn't the only company facing sexual harassment cases as a result of alcohol in the workplace. It's a common factor in most sexual harassment complaints. Richard Curiale, a well-known Bay Area employment and labor attorney who also leads sexual harassment trainings for companies, noted that alcohol has been linked to a majority of cases he's seen "A lot of my sexual harassment complaints are alcohol-fueled... I would say 60% of the complaints I get wouldn't have happened if there hadn't been drinking."<sup>11</sup> To reduce liability and risks, many employers started taking measures like cutting back on serving alcohol during work hours or at company-related events. According to a study by Challenger, Gray, & Christmas, there was a 13% drop in companies serving alcohol at their holiday parties the year that the #MeToo movement started.<sup>12</sup>

## BOTTOM LINE

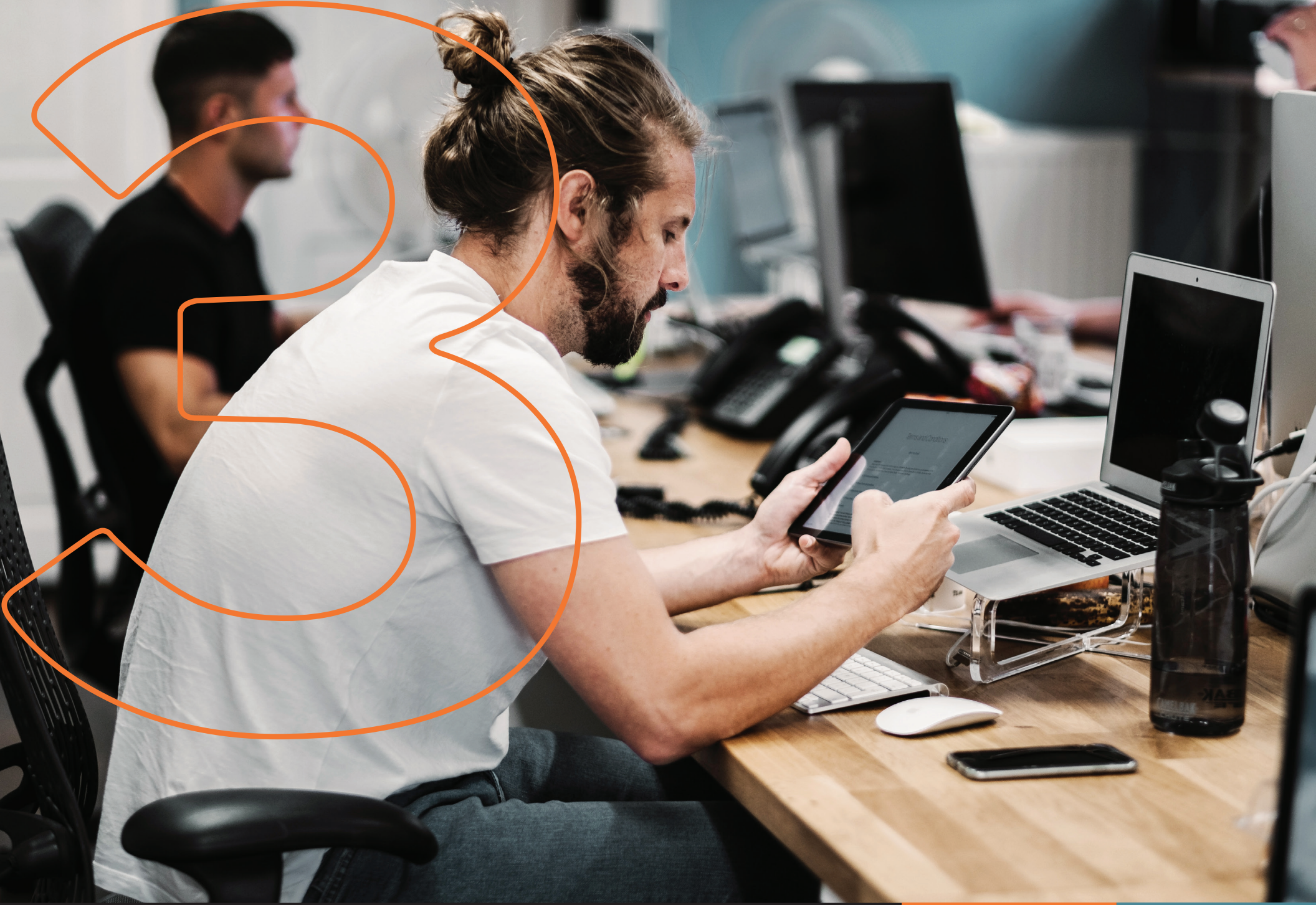
Restricting alcohol at workplace events is a good first step to reducing harassment cases. But to truly protect your business and employees, companies need a long-term system in place that effectively addresses substance use disorder.

I would say **60%** of the complaints I get wouldn't have happened if there hadn't been **drinking**.<sup>12</sup>

— Richard Curiale, Employment & Labor Attorney and Managing Partner (SevenFiftyDaily)









# 14.8 DAYS of unscheduled leave

on average each year for  
employees suffering from  
substance use disorders. (NCBI)<sup>2</sup>



## PRODUCTION LOSS

The stress of addiction can impair an employee's performance, causing them to make costly mistakes on projects that require time and resources to correct. Or, they may be too distracted by their addiction to churn out results at the pace you need to run your business efficiently. You may also have employees with a loved one at home who is suffering from addiction, which pulls their focus away from work.

And it's not just poor work performance you have to worry about. Absenteeism and high turnover rates are two other side effects of substance use disorder (SUD) in the workplace that hinder productivity: Employees with SUD reportedly miss nearly double the amount of work days each year compared to their peers, and 36% reported having more than one employer over the last year.<sup>2</sup> As a result, you're left covering the increased costs of missed work days and training due to substance abuse.

## BOTTOM LINE

Addiction in the workplace comes at a high cost for employers, due to production loss, absenteeism, and high turnover rates of employees struggling with an untreated SUD.



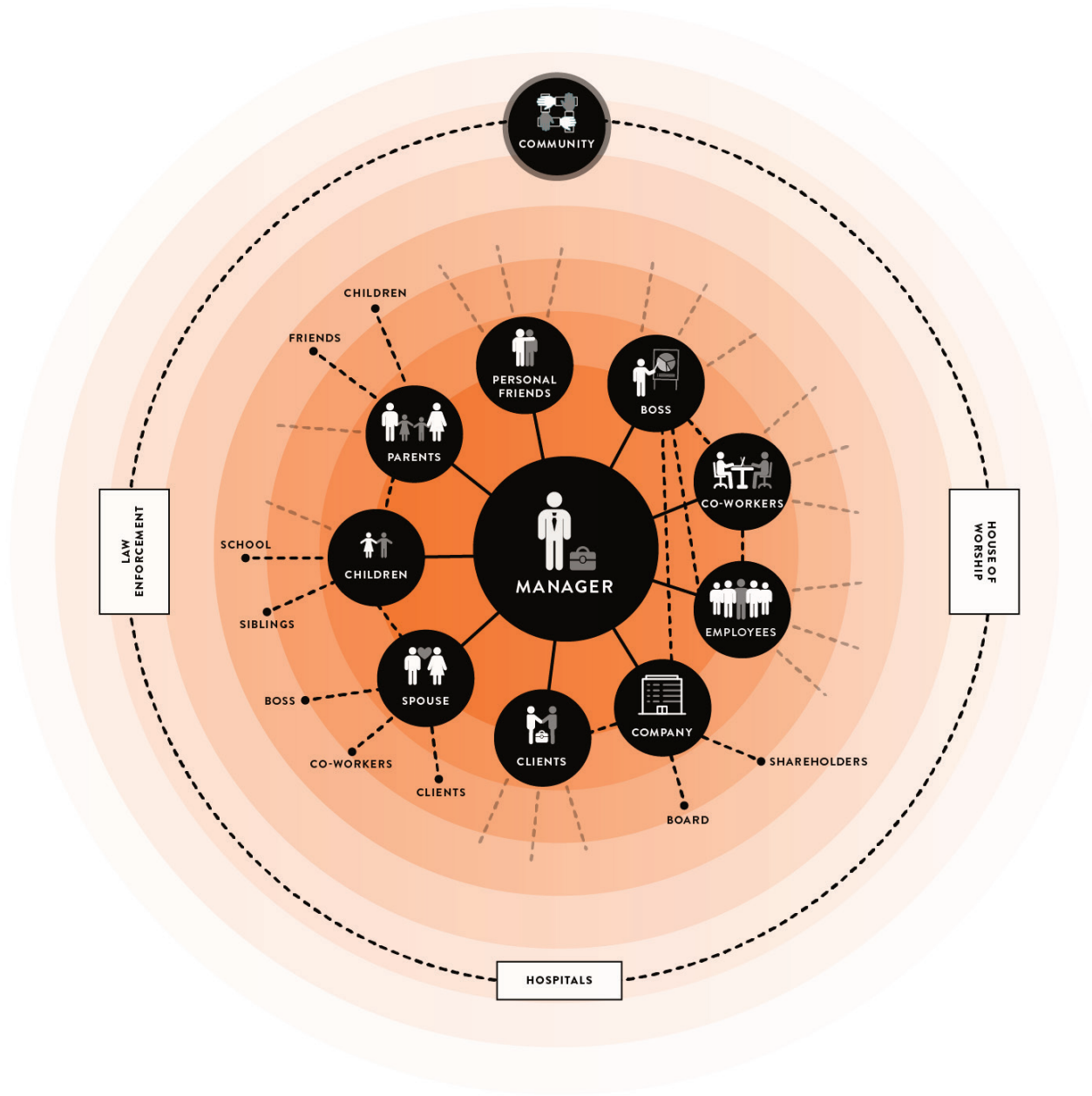


The cost of substance use disorder in the workplace adds up quickly. And as addiction rates continue reaching epidemic levels, the impact on the economy, individuals, and the workforce grows larger.

### The Ripple Effect

The United Hospital Fund released a report on the effects of children and families impacted by opioid use—a detailed review of the short- and long-term effects of the opioid crisis and how it extends beyond a single struggling individual. It explores the impact on children, spouses, caregivers, and the community.<sup>13</sup>

While this report focuses primarily on children and family, the ripple effect of addiction also applies to the workplace. The impact of substance use disorder extends beyond the individual who is suffering and can influence their relationship with coworkers and managers.



It starts with one person who may be experiencing low productivity due to their addiction. Or an employee who is missing work to support a struggling family member at home. Whichever the case, the mental and emotional toll of addiction may cause the employee to miss deadlines, skip shifts, or carry a negative attitude around at work.

Whether it's a manager or a coworker, your team members will notice if one individual's performance is not up to par. This in turn could lead to feelings of resentment and low morale for your employees, which could negatively affect their work performance.

The ripple effect continues to spread, from coworkers to managers to clients and shareholders. And the source of the ripple effect can start at any level—from staff, management, and even board of directors—putting your company at an even higher risk.

And if left unchecked, the ripple effect can grow outside of your business—contributing to the overall economic and human cost of addiction in your community.

## **The Total Economic Cost of Addiction**

The national economic cost of addiction stems from a growing epidemic, which extends far beyond the walls of your company. It's not just about your employees—it impacts your community and our country as a whole.

## **The Cost of the Opioid Crisis**

Research shows that the opioid crisis has exceeded \$1 trillion dollars in costs from 2001 to 2017. And it's projected to grow another \$500 billion by the end of 2020.<sup>14</sup> That's a massive amount of profit and resources lost at the hands of addiction, with no signs of slowing down.

The cost of the opioid crisis affects everyone and comes in several forms: the lost wages of individuals, the lost productivity, and health care costs in the private sector, and the lost tax revenue for state and local governments—as well as the “additional spending on health care, social services, education, and criminal justice.”<sup>14</sup>



**Whether it's a manager**

**or a coworker, your team members will notice if one individual's performance is not up to par.”**



# BREAKDOWN OF THE NATIONAL ECONOMIC COST OF THE OPIOID CRISIS

## INDIVIDUAL AND PRIVATE SECTOR

Lost productivity and wages from overdose deaths make up the largest cost of the opioid crisis, estimated at \$800,000 per person.<sup>14</sup>

## HEALTH CARE COSTS

Over six years, from 2001 to 2017, the opioid crisis reached \$251.7 billion in health care costs due to hospital care, emergency room visits, and ambulance use to help stabilize patients who have overdosed.<sup>14</sup>

## GOVERNMENT

Due to the added costs of Medicare for overdose treatment and the loss tax revenue due to overdose mortality, a healthy portion of the economic costs of the opioid crisis falls on state and local governments.<sup>14</sup>



## The Cost of Addiction for Employers

To fully grasp the financial risk of addiction, it's also important to understand how the nation's estimated \$400 billion in annual health care costs impacts businesses individually.<sup>2</sup>

In previous chapters, we've covered the costs of addiction in the workplace. Lost productivity due to absenteeism and high turnover rates. Added health care costs for struggling individuals and their families.

But there are other contributing factors that add up to those staggering numbers we see nationwide, such as complicated recovery, mental disorders, and turnover costs:



## COMPLICATED RECOVERY

It's not uncommon for SUD victims to be addicted to more than one substance—60% of workers addicted to an illegal substance also reported a marijuana use disorder while four in 10 reported a combined alcohol use disorder.<sup>2</sup> Unfortunately, dependency on multiple substances can further complicate recovery and add to medical costs.

## TREATMENT FOR MENTAL DISORDERS

Workers with an SUD are two times more likely to suffer from anxiety and depression, which can add to the already increased hospital visits and health care costs for treatment.<sup>2</sup>

## TURNOVER COSTS

The average cost for replacing workers due to turnover is 21% of the position's annual salary. Since victims of SUD have higher turnover rates than other employees, addiction contributes to the increased turnover cost that your company could have to cover.<sup>2</sup>



## The Human Cost of Addiction

The true cost of addiction is more significant than dollar signs and bottom lines—it's the people who work for you. And if they fall victim to an SUD, you will begin to see the effects in the workplace.

## Showing the Symptoms

Employees may not be able to identify the signs of addiction in their coworkers. And the ones who can may be unsure how to approach it. They won't know whether it's something they should report or if it's safer to brush it under the rug.

Too many drinks at happy hour? Happens all the time. Something to take the edge off? Completely understandable. Missing (another) work day due to hangover? Sure, they'll cover the shift.

Without proper tools, staff members may not recognize that their employee, coworker, or friend is at risk. And as managers and coworkers dismiss the signs, the suffering employee will silently spiral to rock bottom.

## Declining Health

We've talked a lot about the cost of health care for employees who are impacted by SUD, either directly or through their loved ones. But the mental stress and emotional toll of those health issues can manifest in ways that most managers are unprepared to deal with.

Your employee may become more and more withdrawn. They'll keep missing shifts. Eventually, their work performance will start to suffer. Your managers may recognize the signs—but without any education or training, it may feel as though there is nothing they can do to stop it.

You can issue warning after warning. But without understanding what your employee is going through, most of what you say maybe ineffective. And as other employees start to take notice, it will become the elephant in the room—the unspoken issue that distracts from work and lowers morale. And ultimately hurts people.



## BEYOND EMPLOYEE HEALTH CARE

And then there are companies who pay the ultimate price of addiction: losing an employee.

Overdose deaths at work are becoming more and more common. And each one leaves behind a string of tragedy and regret. Managers ask what they could have done differently. Coworkers wonder how they missed the signs. Family members crumble.

And ultimately, your employees will have to find a way to continue working without someone who played an integral part on the team. They will be missed. Morale will suffer. And sadly, a lesson will be learned.

## BOTTOM LINE

The emotional strain of individuals and loved ones suffering from addiction. The declining health of SUD victims. The loss of human life to overdoses.

These are costs of the SUD epidemic that can't be measured. And no amount of profit can compensate for them.

# \$1 TRILLION

in costs due to the U.S. opioid crisis from 2001 to 2017.  
(Altarum)<sup>14</sup>







## TAKE ACTION

You know the numbers. You've read the stories. So what can your company do to protect itself and its employees? That's where youturn comes in, with a long-term solution that helps your company address substance use disorder in the workplace. Our innovative video platform provides resources and support to help your company with:

- **Risk Mitigation:** We teach managers how to identify and address potential substance abuse-related issues before they become unmanageable.
- **Reputation Protection:** Having a recovery-focused solution in place demonstrates that your company is actively providing resources to help struggling employees take the proper steps in addressing their addiction.
- **Financial Security:** This cost-effective wellness/mental health option could help reduce the financial impact of addiction for your company, which could come in the form of potential lawsuits, higher health care costs, and lost productivity.

***Don't wait for rock bottom.  
Take the first step in protecting your  
business and your employees today.***

HeritageHealth  
Solutions.com/  
youturn



01\_ ***“National Employer Drug Survey”***

<https://www.nsc.org/Portals/0/Documents/NewsDocuments/2017/Media-Briefing-National-Employer-Drug-Survey-Results.pdf>

02\_ ***“A Substance Use Cost Calculator for US Employers with an Emphasis on Prescription Pain Medication Misuse”.***

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5671784/>

03\_ ***“National Census of Fatal Occupational Injuries in 2017”***

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04\_ ***Survey: HR Pros Not Equipped to Address Opioids in the Workplace***

<https://www.hartfordbusiness.com/article/survey-hr-pros-not-equipped-to-address-opioids-in-the-workplace>

05\_ ***“Alcohol’s Secondhand Harms in the United States: New Data on Prevalence and Risk Factors”***

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06\_ ***Alcohol and Sexual Assault***

<https://pubs.niaaa.nih.gov/publications/arh25-1/43-51.htm>

07\_ ***“Shanahan Calls for Reforms as Military Sexual Assaults Rise by 38%, Highest for Young Women”***

<https://www.usatoday.com/story/news/politics/2019/05/02/military-sexual-assaults-climb-2016-2018-pentagon-army-navy-marines-alcohol/3625405002/>

08\_ ***“Google Walkout: Global Protests After Sexual Misconduct Allegations”***

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09\_ ***“Google Agreed to Pay \$135 Million To Two Executives Accused Of Sexual Harassment”***

<https://www.foxnews.com/tech/google-agreed-to-pay-135-million-to-two-executives-accused-of-sexual-harassment>

10\_ ***Our Commitments And Actions***

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11\_ ***“Confronting Sexual Harassment in the Drinks Industry”***

<https://daily.seventy.com/confronting-sexual-harassment-in-the-drinks-industry/>

12\_ ***2017 Holiday Party Survey Report: Companies Plan Less Showy Shindigs***

<https://www.challengergray.com/press/press-releases/2017-holiday-party-survey-report-companies-plan-less-showy-shindigs>

13\_ ***The Ripple Effect: The Impact of the Opioid Epidemic on Children and Families***

[https://uhfnyc.org/media/filer\\_public/59/b2/59b20ad0-6acf-4980-ba9a-07ad5f565386/uhf-opioids-20190307.pdf](https://uhfnyc.org/media/filer_public/59/b2/59b20ad0-6acf-4980-ba9a-07ad5f565386/uhf-opioids-20190307.pdf)

14\_ ***“Economic Toll of Opioid Crisis in U.S. Exceeded \$1 Trillion Since 2001”***

<https://altarum.org/news/economic-toll-opioid-crisis-us-exceeded-1-trillion-2001>



you**turn**

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