

# Drug Testing in the Workplace: *An Unintentional Case Study*

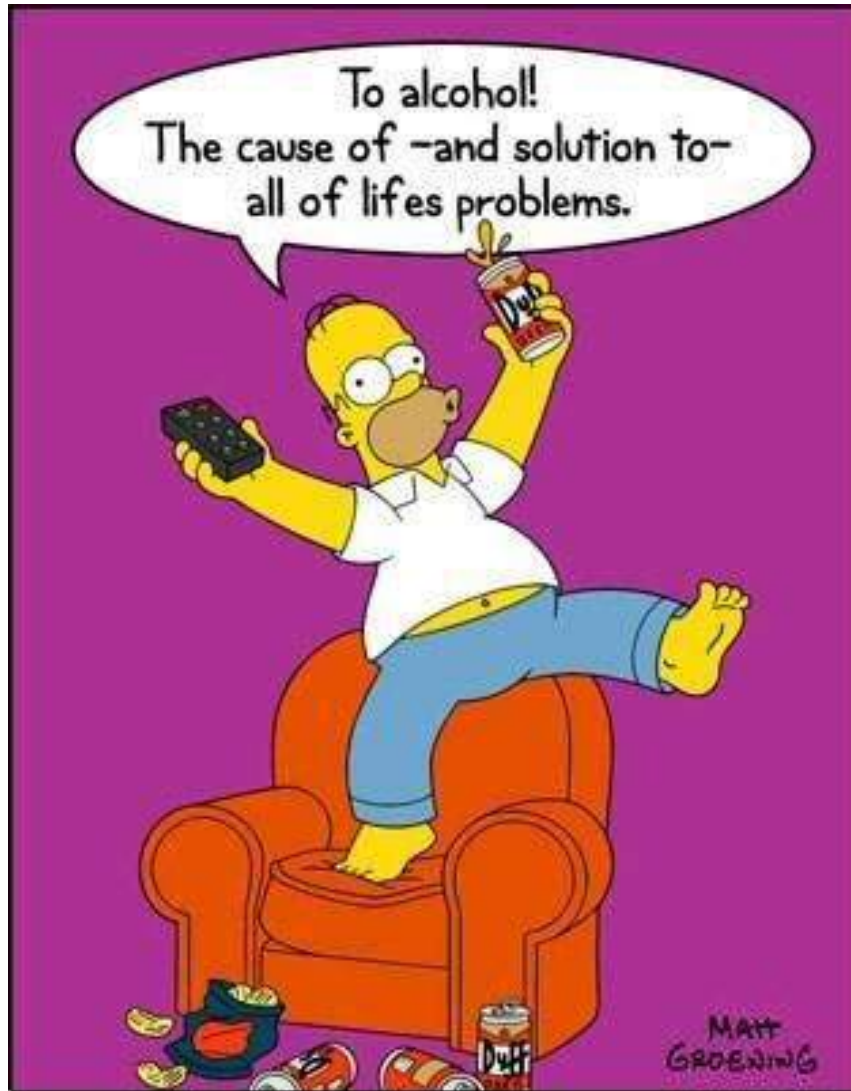
Joel H. Sherman  
APMA Meeting  
January 29, 2015

# **Grimmway: Who Are We?**

## ***Grimmway Farms***

- Grower, packer, shipper of carrots and organic vegetables
- 7,500+ employees/contract employees
- 39 locations (5 states, 9 counties)
- 9 production facilities
- Self-insured (not self-administered)
- Non-union

# Drug & Alcohol Abuse:



*A  
National  
Problem*

# The Scope of the National Problem

## ***According to the 2009 National Survey on Drug Use and Health:***

- 21.8 million Americans (8.7% of total population aged 12 or older) were current (past month) users of illicit drugs in 2009.
- 17.1 Million people (1 in 12 adults) report heavy alcohol use.
- 59.6 million people (23.7 % of total population aged 12 or over) participated in binge drinking during the past 30 days

# Substance Dependence & Abuse

***According to the 2009 National Survey on Drug Use and Health:***

- **22.5 million** persons classified with substance dependence or abuse in the past year
  - **15.4 million** (alcohol only)
  - **3.9 million** (illicit drugs only)
  - **3.2 million** (both drugs and alcohol)

# Top Drugs (2009)

## *Number of Past Month Users, Aged 12 or Older:*

- **Marijuana** - 14.7 Million
- **Psychotherapeutics** – 7.0 Million
- **Cocaine** (including crack) – 1.6 Million
- **Ecstasy** – 800,000
- **Inhalants** – 600,000
- **Methamphetamine** – 500,000

# The Costs of Substance Abuse

*From “Economic Costs of Alcohol and Drug Abuse in the United States – 1995”*

- **\$276 Billion** (all effects on society)
  - **\$167 Billion** due to alcohol abuse
  - **\$109 Billion** due to illicit drug abuse
- Updated Costs for alcohol alone (1998) is **\$185 Billion**
- Some experts believe drug and alcohol abuse costs American businesses as much as **\$140 Billion** per year.

# The Scope of the **Business** Problem



*What, me worry?*

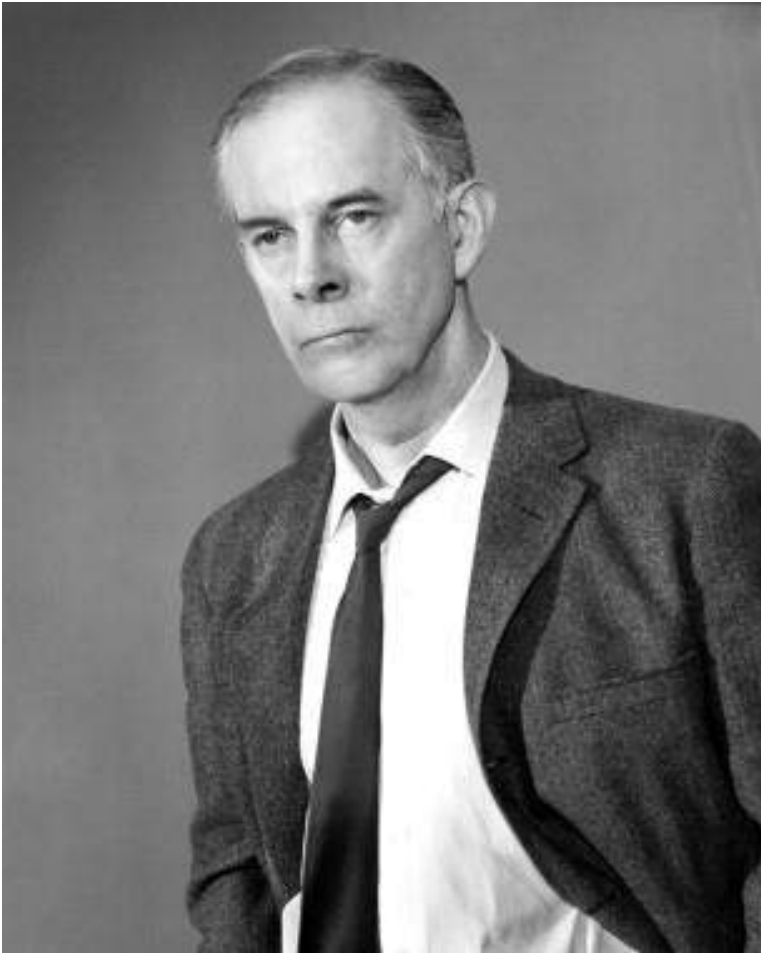


# *Just the Facts...(NSDUH 2009)*

- **66.6%** of current illicit drug users (over age 18) are employed.
- **74.9%** of all persons reporting heavy alcohol use are employed.
- **74.4 %** of all binge drinkers are employed
- **53.0%** of all adults classified with substance dependence or abuse are employed full time.



# *A Few more Facts...*



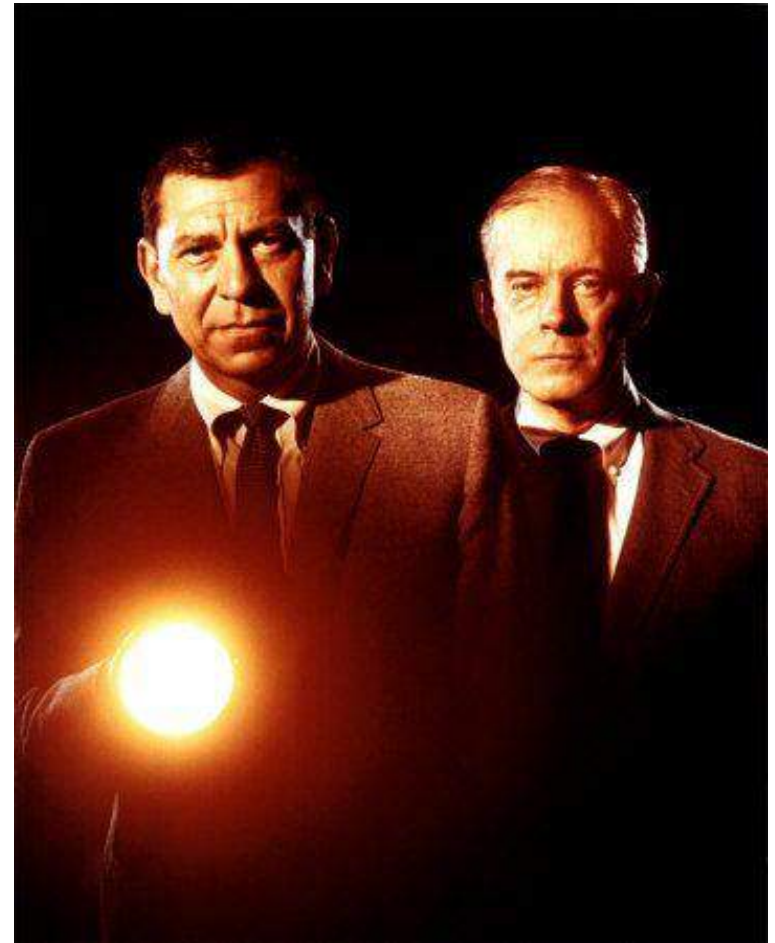
**According to the American Council for Drug Education, drug and alcohol abusers are:**

- **10** times more likely to miss work.
- **3.6** times more likely to be involved in an on-the-job accident (and **5** times more likely to injure themselves or others)
- **5** times more likely to file a workers' comp claim.
- **33%** less productive
- **3** times higher health care costs

# *Still more Facts...*

## **In the past year (2006):**

- **3.1%** of employed adults used drugs before reporting to work\*
- **2.9%** reported working while under the influence of drugs\*
- **1.8%** consumed alcohol before coming to work\*\*
- **7.1%** reported drinking alcohol during the work day.\*\*



\*From "Prevalence and distribution of illicit drug use in the workforce and the workplace: Findings and implications from a U.S. National Survey."

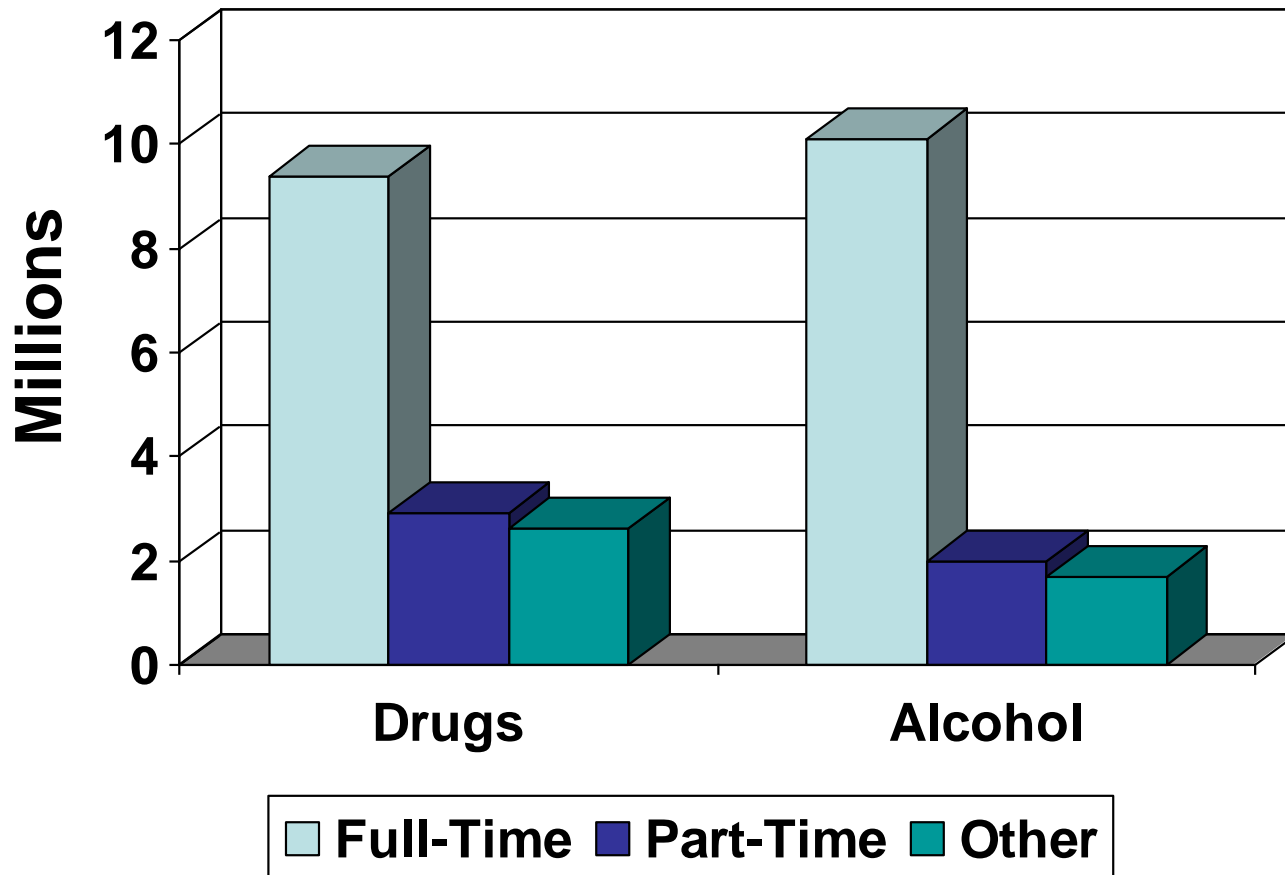
\*\*From "Prevalence and distribution of alcohol use and impairment in the workplace: A U.S. National Survey."

# The Workforce: *A Final Accounting*

***Per the SAMHSA Report 2007, among the approximately 140 million workers in the U.S. are:***

- 12.9 Million illicit drug users
- 12.4 million heavy drinkers
- 42.7 million binge drinkers
- 11.0 million “substance” abusers

# Past Month Illicit Drug or Heavy Alcohol Usage Past Month 2002-2004 Combined (by Employment Status)



**Past Month Illicit Drug Use among Full-Time Workers  
Aged 18-64, by Industry Category: 2002-2004 Combined**

- Accommodations & Food Services 16.9%
- Construction 13.7%
- Arts, Entertainment & Recreation 11.6%
- Information 11.3%
- Retail Trade 9.4%
- Wholesale Trade 8.8%
- Manufacturing 6.5%

**Past Month Heavy Alcohol Use Among Full-Time Workers  
Aged 18-64, by Industry Category: 2002-2004 Combined**

- Construction 15.9%
- Arts, Entertainment & Recreation 13.6%
- Mining 13.3%
- Accommodations & Food Services 12.0%
- Wholesale Trade 11.5%
- Information 10.4 %
- Manufacturing 9.5%
- Retail Trade 8.8%

# Your Workforce...

**Between 2002-2004, small & medium sized firms ( fewer than 500 FTEs) hired:**



- **90%** of all currently employed illicit drug users\*
- **90%** of all heavy/binge drinkers\*
- **90%** of all workers with alcohol or drug dependence issues\*

\*"Worker Substance Use and Workplace Policies and Programs" SAMHSA 2007



6'6"

five criminals . one line up . no coincidence

6'0"

5'6"

5'0"

4'6"

4'0"

3'6"

3'0"



# The Usual Suspects

# **Grimmway** Drug Testing Programs

- Pre-Placement Drug/Alcohol Testing
- DOT Drug/Alcohol Testing (Class A&B Commercial Drivers)
- Post-Accident Drug/Alcohol Testing
- Reasonable Suspicion Drug/Alcohol Testing
- Random Drug/Alcohol Testing (Safety Sensitive Positions)

# Greenway Statistics 2005-2007 (3 yr. Avg.)

- 5.6 Incident Rate (Recordables)
- 50 Positive Pre-Placement Drug Screens
- 12 Positive Post-Hire Drug Screens\*

*\*Includes post injury, post accident, random and reasonable suspicion drug tests.*

# Business Problem (2008)

- Increase ***Grimmway*** staffing by 1,000 to 1,200 employees within 4-6 months
- Receiving 50-75 job applications per week
- Estimate 2 applications per every staff member hired
- Estimate 1.5 hires for every FTE retained past probation period
- Estimated time to complete hiring 10-12 months

# Possible Barriers to Attracting Job Applicants

- Wages
- Hours
- Nature and Scope of Work
- Hiring Protocols
  - Pre-placement Physicals
  - Pre-placement Performance Testing
  - Pre-placement Drug Screens

# *Hiring Solution???*

***Temporarily Suspend Pre-Placement Drug Screening!!!***

*(Pre-placement drug screening program  
suspended from 6/1/08 to 8/31/09)*

# Hiring Results

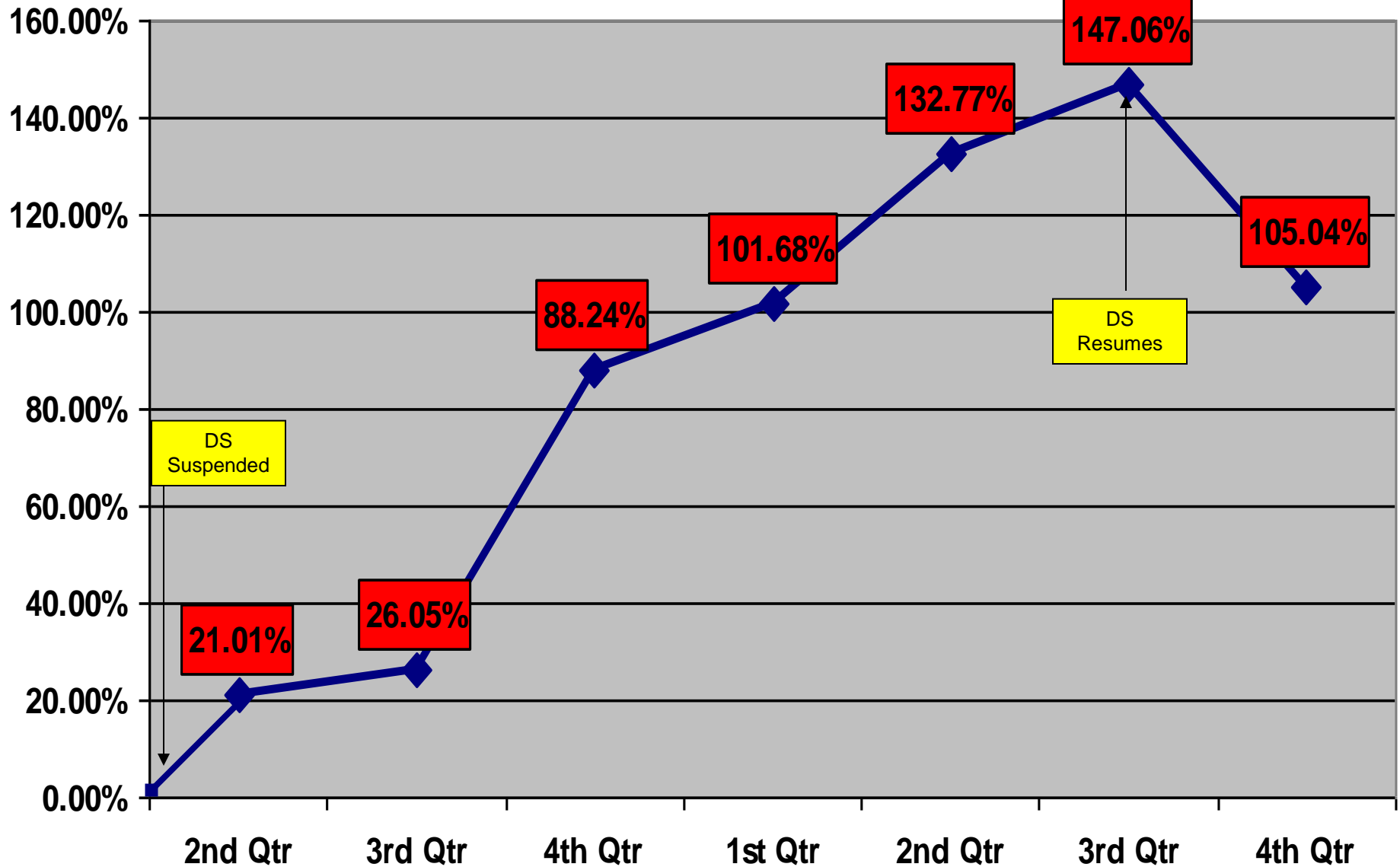
- Within three weeks of suspension of drug testing, job applications increased exponentially (during some weeks more than **500** applications were received)
- Over **10,000** job applications were received during the push
- 90% of positions filled within 12 months (annual W-2 count increased from 4403 in 2007 to 5609 in 2009)

# Unintended Consequences

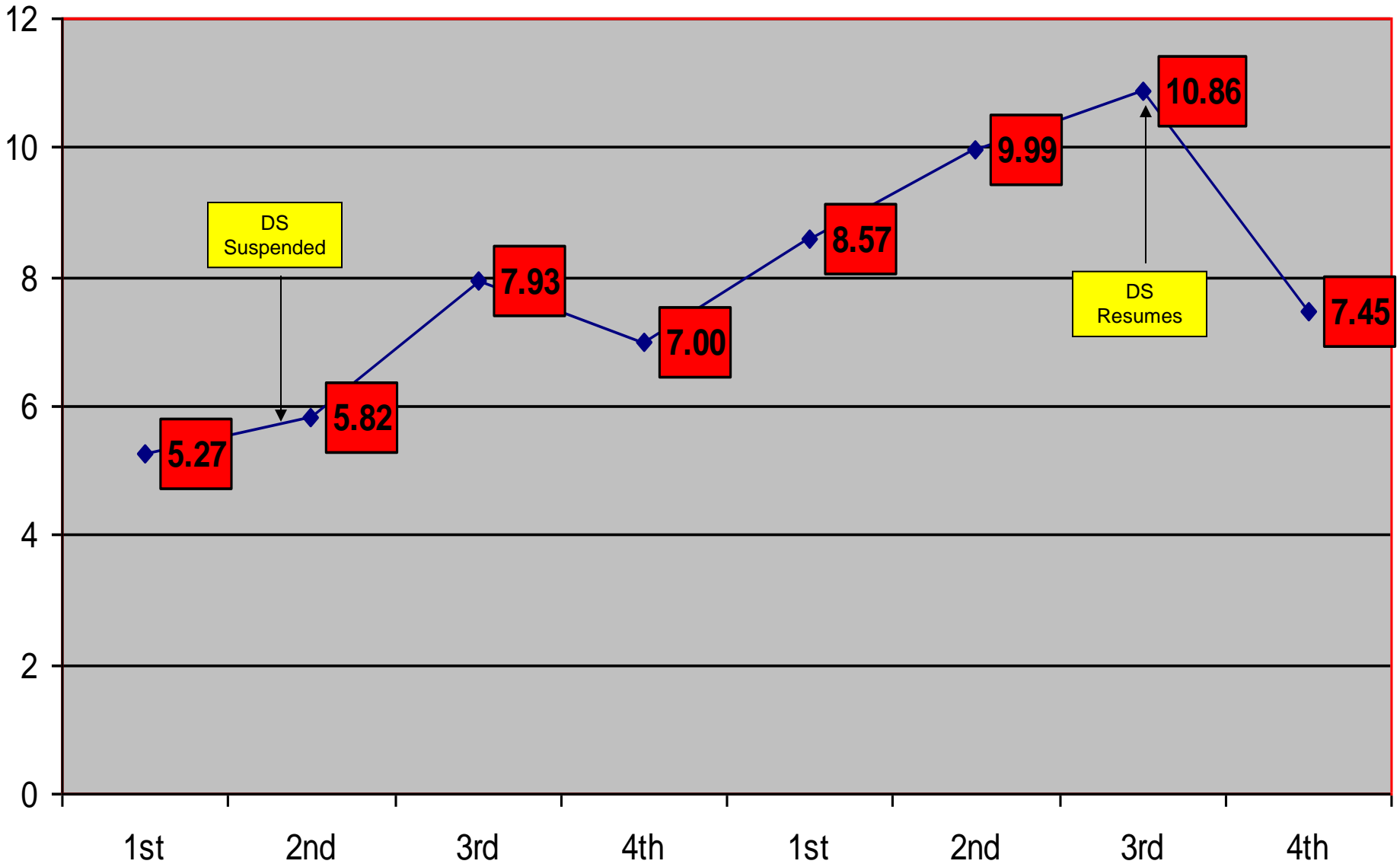
- Increased incident frequency
- Increased incident rate
- Increased number of positive post hire drug screens
- Increased number of recordable claims
- Increased number of indemnity claims
- Increased workers' compensation costs



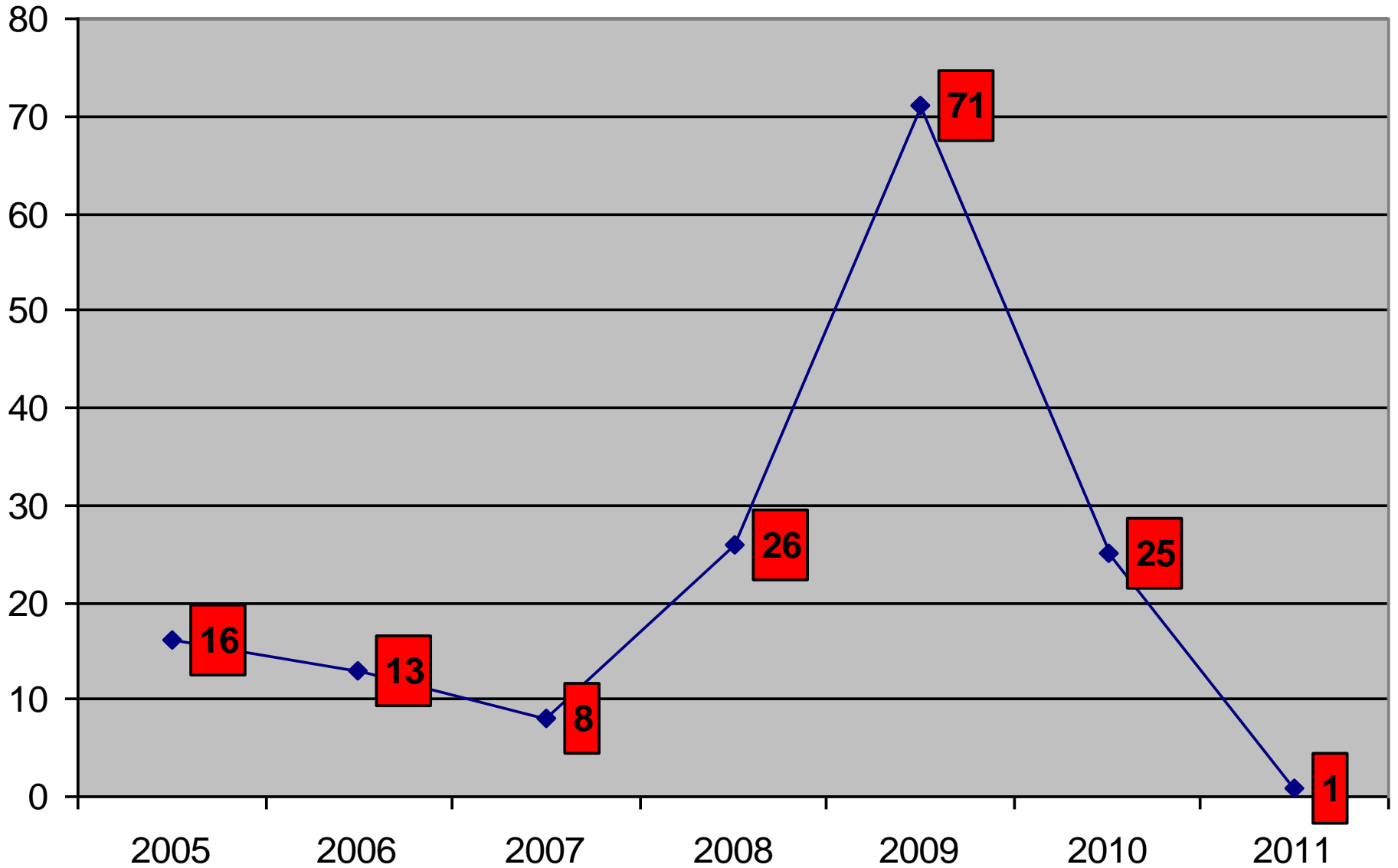
# Incident Frequency by Quarter 2008-2009



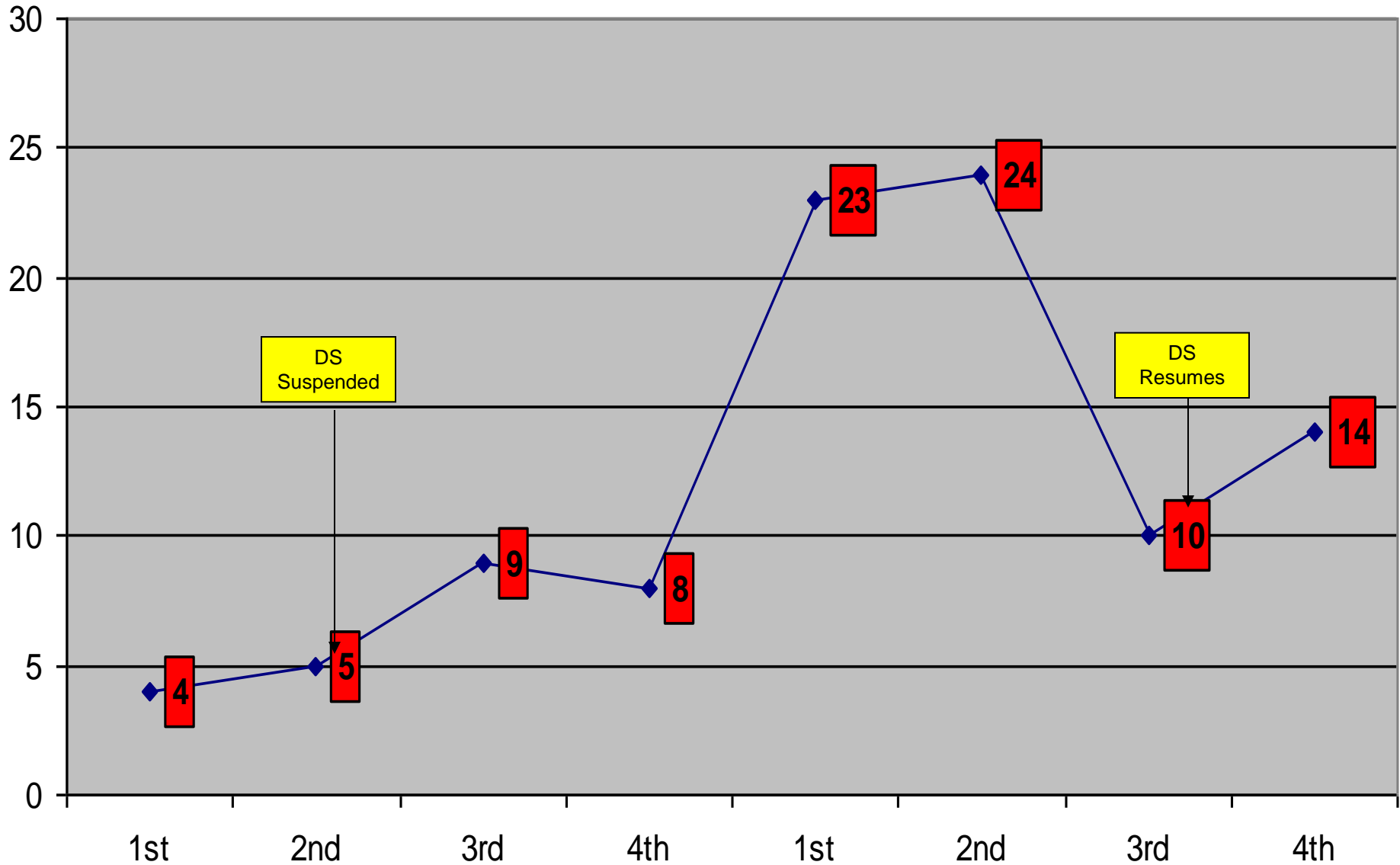
# Quarterly Incident Rate 2008-2009



# Positive Post Hire Drug Screens

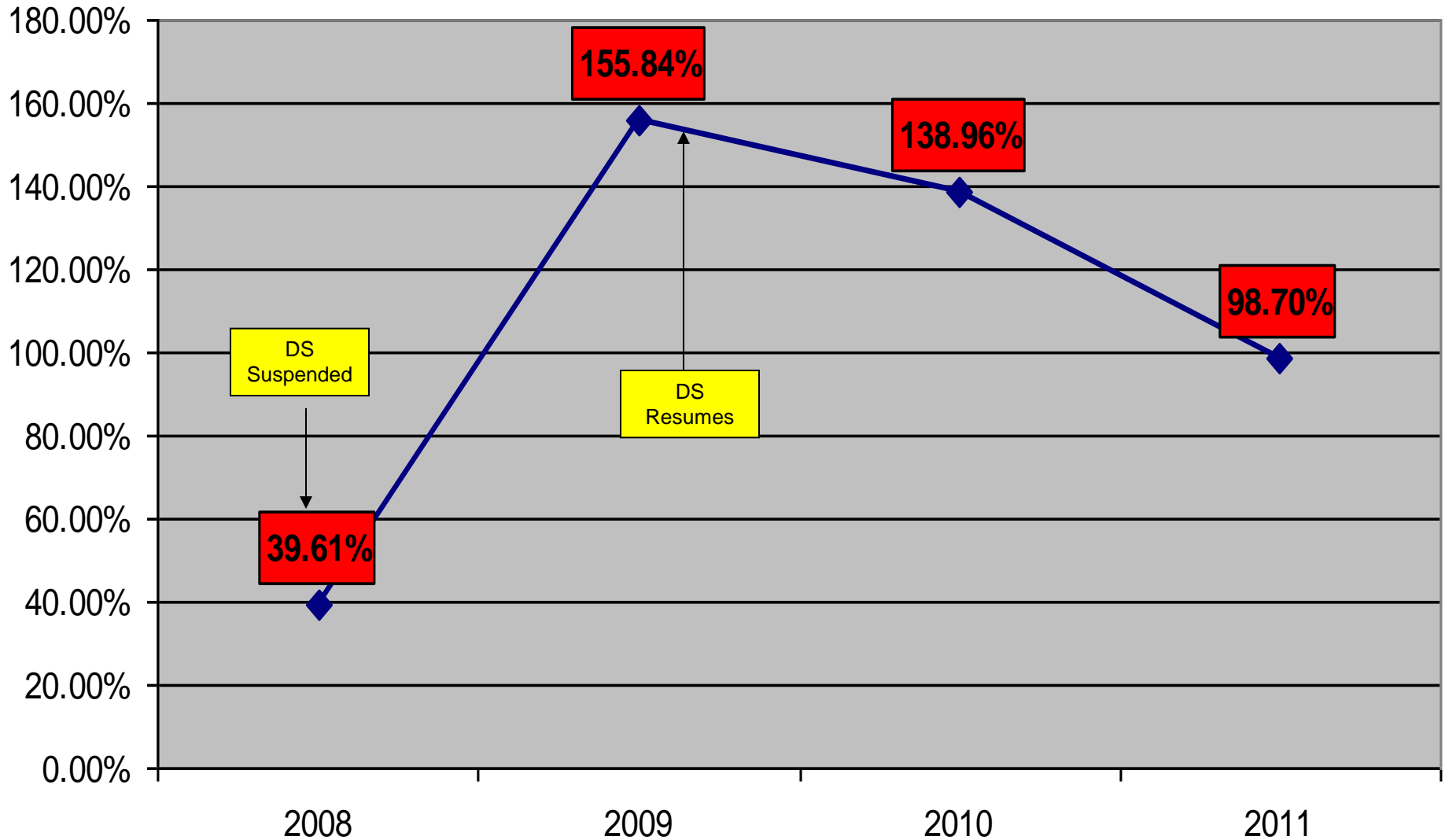


# Positive Post Hire Drug Screens By Qtr 2008-2009



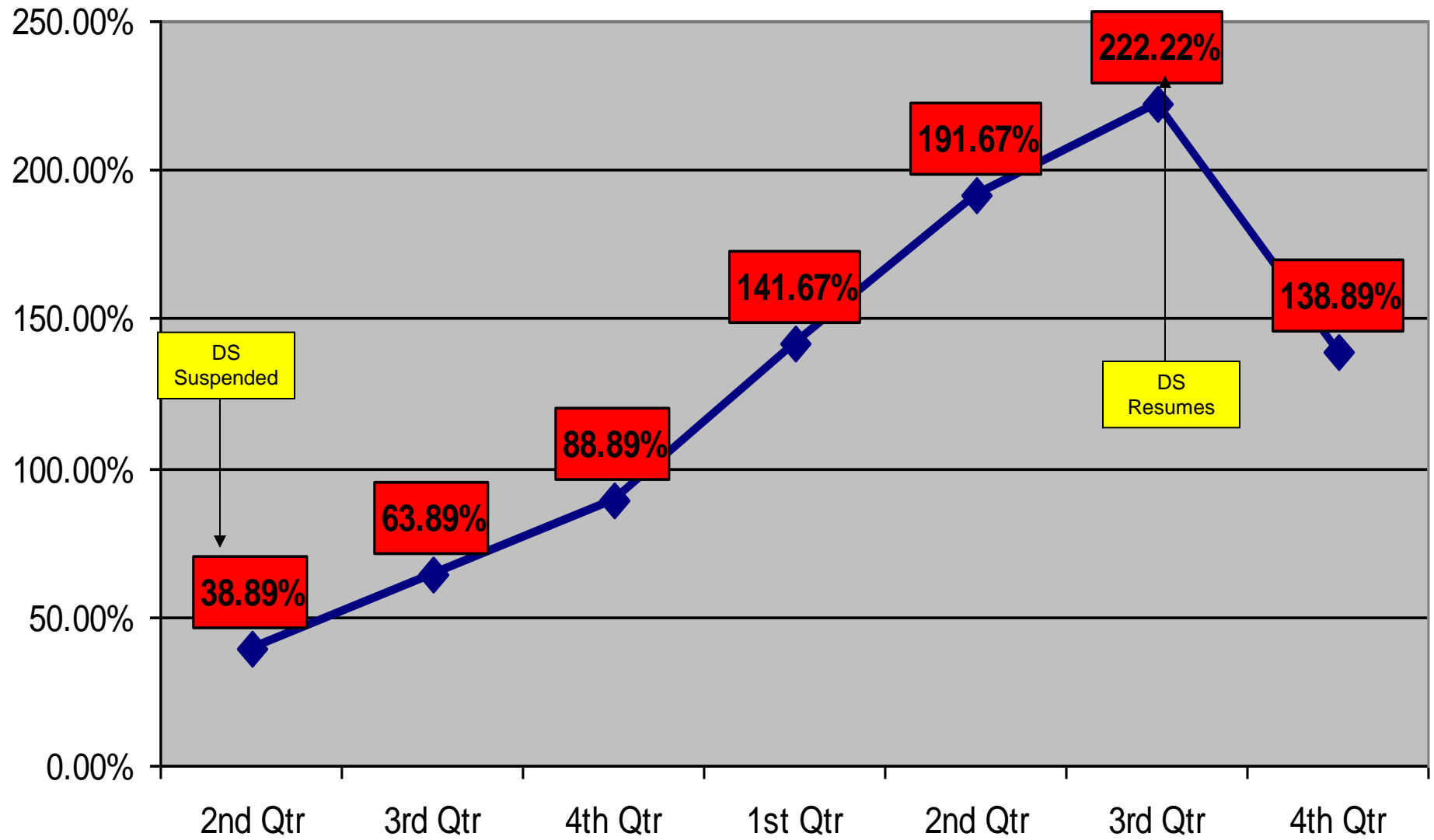
# % Increase Annual Recordable Injuries 2008-2011

(Compared to 2007)

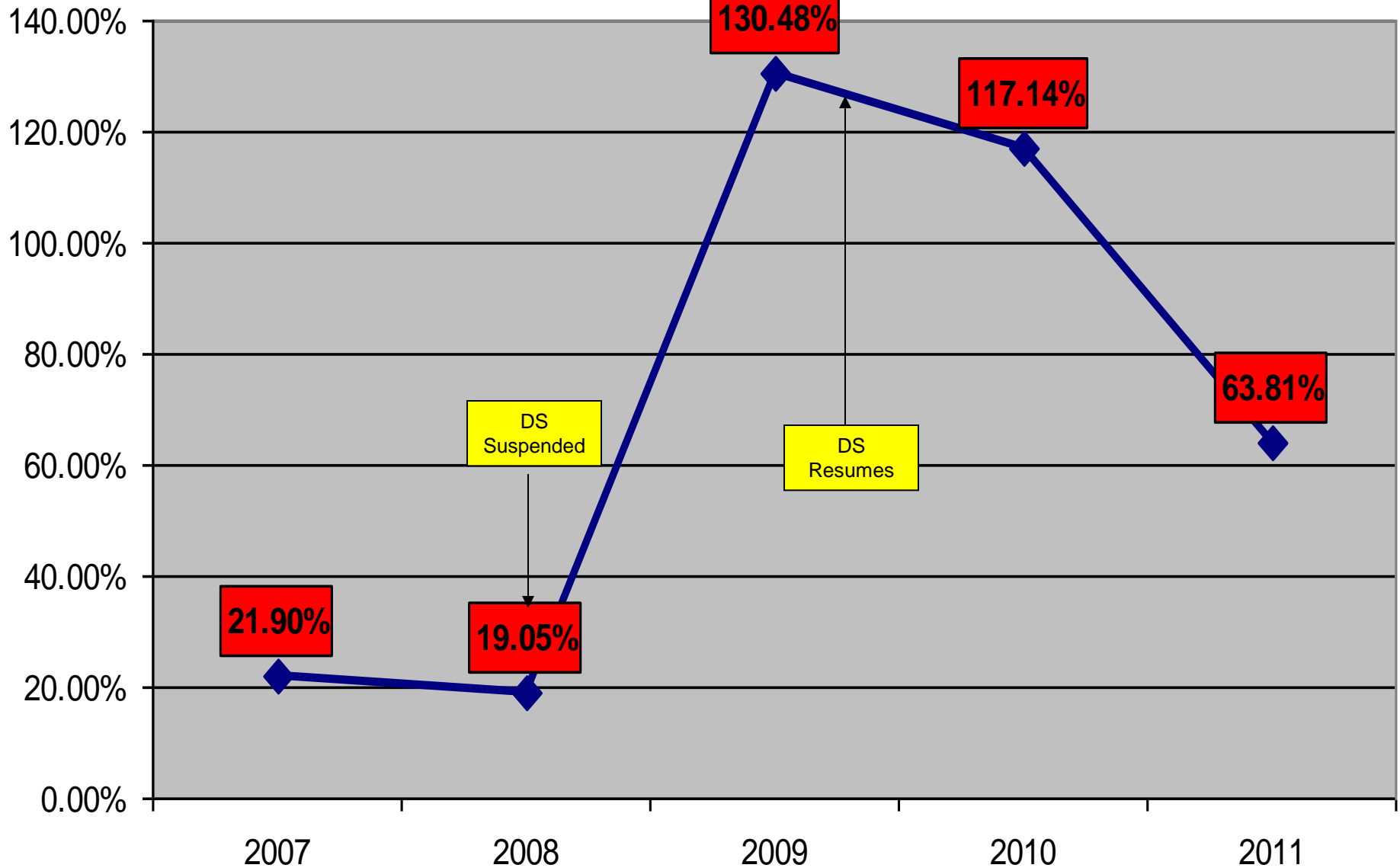


# % Increase Recordables by Qtr 2008-2009

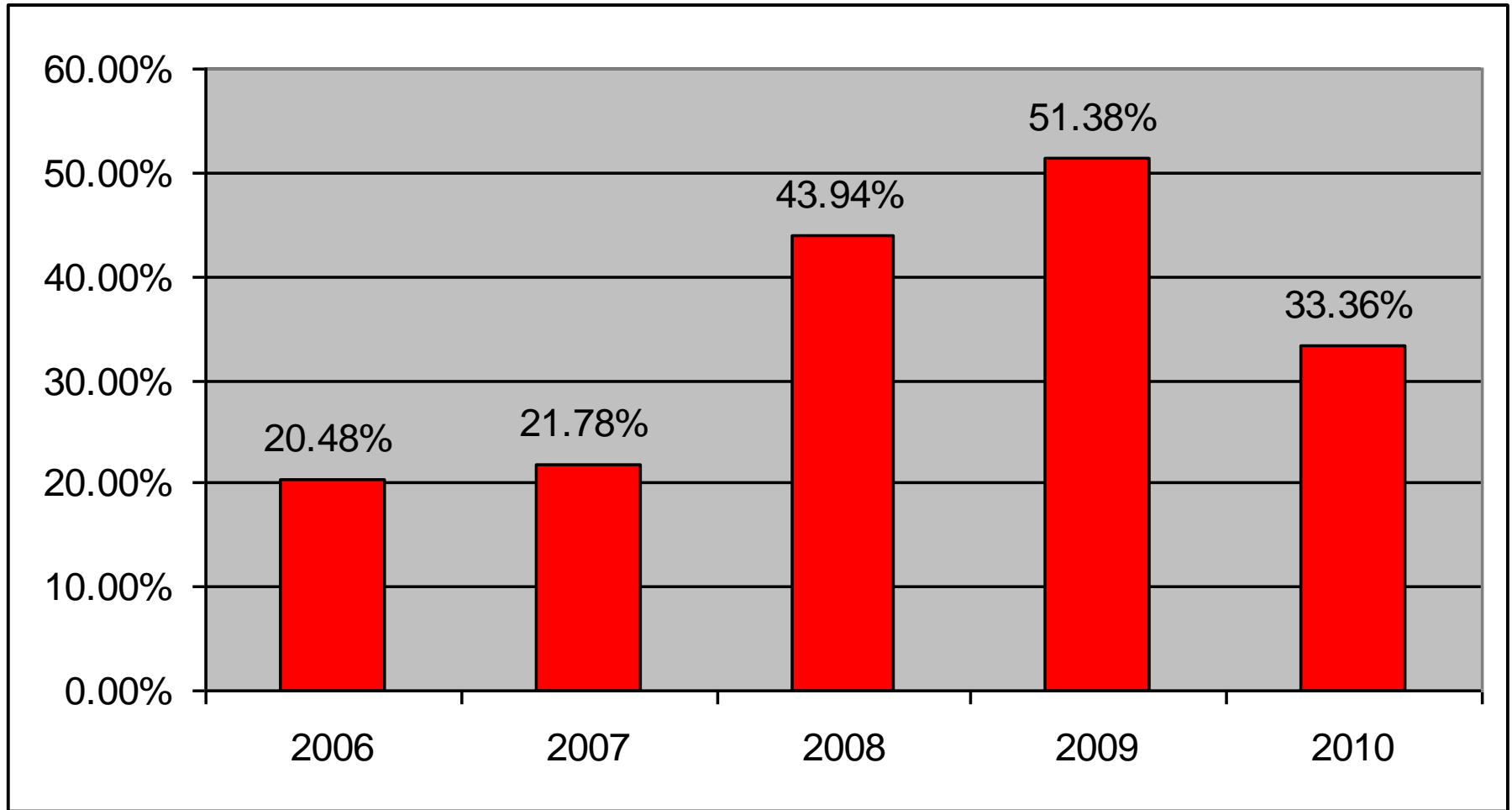
*Compared to 2007*



# Percentage Increase in Indemnity Claims 2007-2011



# New Employee\* Injury Analysis



*\*Less than one year on the job*



# Statistics Since Resuming Drug Screening (2010)

- 35 pre-placement positives
- 3 pre-transfer positives
- 25 post hire positives (52% of whom were hired between 6/1/08 and 9/1/09)
- 14.6% reduction in total incidents (injuries, property damages, first aids, etc. – 39.4% through 8/12)
- 8.9% reduction in recordable injuries (42.8% through 8/12)

# A Not-So-Final Accounting

- 27.3% increase in new hires
- 31% increase in hours worked
- 147% increase in total incidents
- 106% increase in recordable incident rate
- 787% increase in post hire positive drug screens
- 222% increase in recordable injuries
- 93% increase in indemnity claims
- 39.2% increase in W.C. costs

# A Few *Tentative* Conclusions

- More employees = more injuries
- New employees more likely to have accidents than seasoned employees
- More accidents = higher costs
- Pre-placement drug screens are an effective way to eliminate some drug users from the employee population

***But does pre-placement drug screening reduce work-related accidents?***

***Maybe...but if so, why???***

# Is Drug/Alcohol Testing Effective?

“Although the media often report on singular incidents attributed to substance use with grave consequences, current research confirms...the proportion of occupational injuries attributed to substance use is quite small.”

*The Effects of Substance Use on Workplace Injuries, Rand Corporation, 2009*

# ***Say What?***

“What is more likely is that workers who engage in harmful, substance-using behaviors ***may be more likely to take risks at work.***”

*(Emphasis added)*

***The Effects of Substance Use on Workplace Injuries, Rand Corporation, 2009***

# So, Which One is the *Risk Taker*?



A Pre-placement drug and alcohol test may help you choose the “safer” employee!

Questions?