Good Reasons to Have a Drug- and Alcohol-Free Workplace Program

In its simplest form, *managed care* describes a variety of techniques that, when properly deployed, can help support an effective risk management program. These strategies can be most effective when they concentrate on both injury prevention and post-injury techniques.

Testing May Equal Savings

One effective managed care strategy is a **drug-free workplace program**, which, when used where appropriate, often includes **pre-employment, random, or post-incident drug testing**. An appropriately utilized and compliant program can help monitor and prevent drug and alcohol use. A drug-free workplace program can also offer benefits over and above its initial intent.

Direct savings may come in the form of premium credits. Some states offer work comp discounts for a certified drug-free workplace program. Insurance carriers in other states may have discretionary underwriting credits available.

Indirect savings are those realized by simply reducing the negative consequences of workplace drug and alcohol use. Intuitively, it makes sense that employees who are under the influence of drugs or alcohol are more likely to experience a workplace injury. These workers jeopardize their productivity, safety, and the safety of others. Estimates indicate more than 70 percent of illegal substance users are employed[1]. Few businesses are immune from this issue.

What Can a Drug/Alcohol Policy Impact?

An effective drug-free workplace program can have an impact on your business in a few different ways.

Pre-employment drug testing can help sidestep the risk before you hire it into your business.

Random drug testing sends a strong message to employees that workplace substance abuse will not be tolerated. It may also help you identify and manage employees with risky behavior.

Post-incident drug testing can be a critical component of claims management. The mere presence of this type of test may result in fewer claims.

The End Result

When using any of these drug testing measures, a worthwhile goal is to help eliminate negative consequences of drugs and alcohol. You’re not testing to “catch” anyone; in fact, it could be argued that the best testing program is one that catches no one. Success can be defined by the absence of these substances.

Taking appropriate measures to help reduce the number of claims could create a distinct competitive advantage, not to mention the overall positive effect on your business. A compliant and well-managed program is a technique you can use to enhance your work environment. It is important to note, however, that legal rules and restrictions may apply to policies that involve workplace drug use or testing; therefore, be sure to seek qualified legal counsel before developing and implementing a policy.

Federated Insurance offers clients access to vendors who provide drug and alcohol testing resources. For more information, contact your local Federated representative or log in to Federated’s Shield Network®.

[1] “Drugs and Alcohol in the Workplace”; National Council on Alcoholism and Drug Dependence, Inc. https://www.ncadd.org/about-addiction/addiction-update/drugs-and-alcohol-in-the-workplace; accessed November 2016

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