

HR Leadership's Strategic Opportunity to Improve Substance Use Disorder (SUD) Outcomes in the Workplace

Executive Research Brief



Executive Summary

Substance Use Disorder (SUD) is a critical challenge impacting workforces across industries, yet it often remains overlooked. 93% of individuals with SUD do not receive care¹ and only 23% of employers² have raised employee awareness of SUD as a workforce issue. Beyond its devastating personal toll, untreated SUD results in increased healthcare costs, diminished productivity, absenteeism, and high employee turnover.

Higher Costs

Employees with SUD incur 2.7 times higher physical and mental healthcare costs than those without SUD³.

Workforce Productivity Risks

Employees struggling with SUD take nearly 50% more days of unscheduled leave and have a 44% higher turnover rate, compared to employees without SUD⁴.

HR leaders play a pivotal role in addressing these far-reaching consequences by ensuring that employees experiencing SUD receive the right support at the right time.

Spring Health addresses these challenges with an innovative SUD care model that proactively identifies high-risk employees, targets outreach, and delivers evidence-based care across their recovery journey. Using a claims-based analysis, Spring found that this approach **reduced total healthcare spending by 57% for the highest-risk members** after they start treatment⁹. Employers **save nearly \$37,000 per employee on average in the first year of care, compared to the status quo**⁹. This includes savings from reduced healthcare costs (\$4,500), absenteeism (\$3,200), short-term disability (\$19,200), and avoided replacement hires (\$10,000).

By investing in proactive and personalized SUD care, HR leaders can transform the employee experience, drive significant cost savings, and foster a healthier, more engaged workforce—while mitigating financial and operational risks for their organizations.

57%

Reduction in total healthcare spending

\$36,900

Average total healthcare and workplace savings per employee in the first year of care, compared to the status quo

Research Methodology

This brief is based on a comprehensive Spring Health analysis of healthcare claims across multiple employers, evaluating the impact of proactive interventions on both healthcare costs and workforce productivity. The findings demonstrate how targeted SUD care can drive measurable financial and operational benefits for organizations.

Research Approach

Data was collected and analyzed in November 2024. Spring's fees and high-cost outliers were excluded to focus the analysis on typical healthcare spending patterns.

Claims Spending Analysis

- To be included, customers must have shared their medical claims data with Spring Health.
- We calculated medical claims spending per member per month (PMPM) across all claims available, including any physical or behavioral health spend. Then, we compared members with a SUD diagnosis to those without a SUD diagnosis.

Claims Saving Analysis

- Two customers in the technology and healthcare sectors met our criteria for inclusion:
 - Share medical claims data with Spring Health
 - Offer Spring Health's Specialty Care program to their employees
 - Employees have enrolled in the Specialty Care program
- We compared healthcare spending per member per month (PMPM) for individuals with an SUD diagnosis against those without. For example, if the medical claim occurred before the patient's Spring Health enrollment date, it was marked as "before".

Cost Analysis

Healthcare Costs

- Average healthcare cost *before* SUD treatment: \$1,318 PMPM
- Average healthcare cost *after* SUD treatment: \$572 PMPM. This is the projected monthly cost for six months following enrollment.

Absenteeism Costs

- Employees struggling with SUD lose an estimated 0.5 workdays per week. Over six months, this equates to 12 lost workdays per employee.
- We calculated daily wage to be \$267 using the median salary for a male worker in 2023 (\$66,790 annually; 250 workdays per year).

Turnover Costs

- The estimated cost to replace an employee is 15% of their annual salary, based on Workplace ROI Validation Institute study data and the median salary for male worker in 2023.

Short-Term Disability Costs

- Short-term disability benefits cover 60 – 100% of annual salary and the average duration is 24 weeks. We calculated 60% of the daily wage to be \$160 based on the median salary for a male worker in 2023.

Hidden Costs of Substance Use Disorder

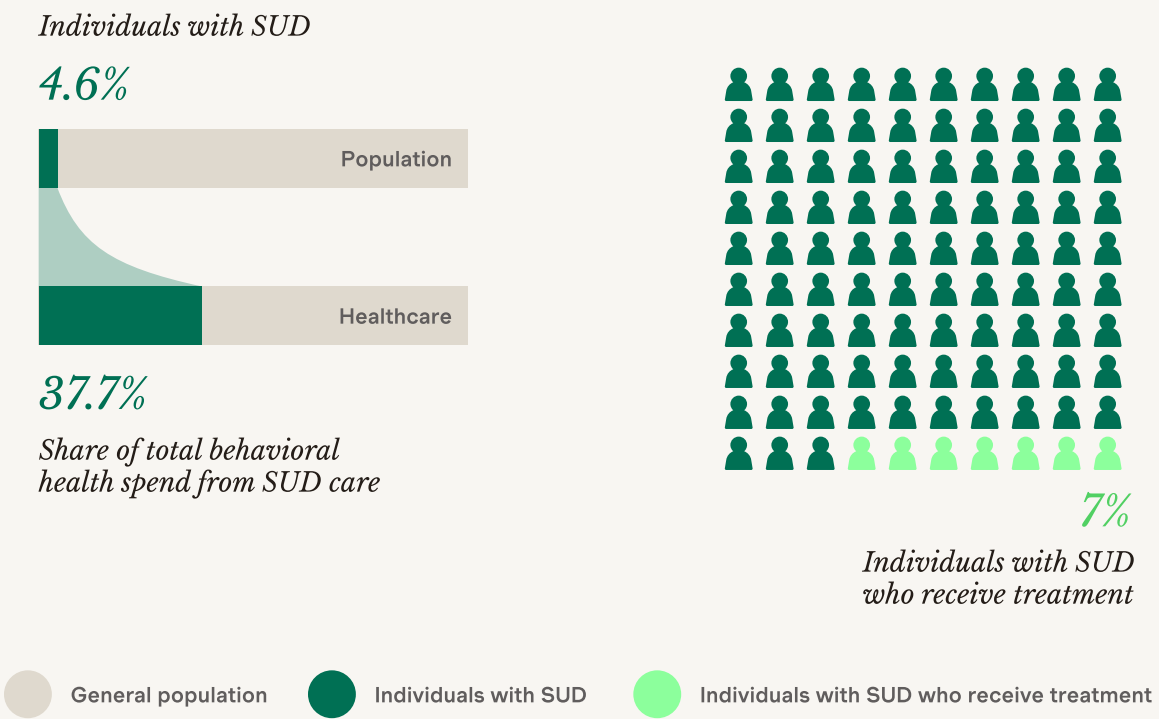
The prevalence of substance use disorders (SUD) in the U.S. has more than doubled in recent years, **rising from 8.2% in 2013 to 17.1% in 2020⁵**. **Overdose deaths now surpass fatalities from the COVID-19 pandemic⁶**, making this the worst public health crisis of our generation. It has significantly slowed the U.S. economy, shortened overall life expectancy, and destroyed families and workplaces alike.

Medical Costs

Among Spring Health’s customers, 4.6% of covered lives have SUD claims, yet they account for **37.7% of overall behavioral health spending³**. Employees with a SUD diagnosis incur **2.7 times higher physical and mental healthcare costs** than those without SUD. However, **only 7% of people with SUD receive any treatment¹**, often facing barriers like stigma, high costs, and lack of streamlined access.

For people who do seek SUD treatment, they often find themselves shuttled between multiple providers with little to no care continuity or follow-up. As a result, costs continue to escalate with frequent ER visits and inpatient stays. Since treatment is so fragmented, **40–75% of people with SUD relapse within six months.^{7 8}**

SUD Drives Disproportionate Healthcare Costs, Despite Treatment Gaps



Retention and Productivity Costs

Many employees struggling with SUD eventually leave their jobs, forcing companies into an expensive cycle of hiring and training new staff. **Replacement costs can reach 15% of an employee's annual salary**—often exceeding \$10,000 per employee.

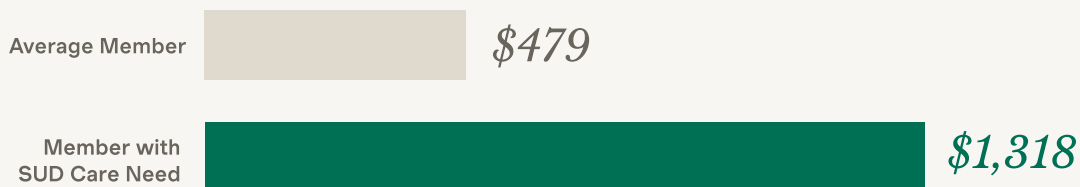
For employees who remain, SUD-related absences and disability claims result in significant financial strain for employers, as short-term disability benefits cover 60 – 100% of annual salary and the average duration is 24 weeks. This costs employers more than \$19,000 in lost productivity per employee⁹. Even when physically present, employees dealing with active SUD may struggle to perform at full capacity. Untreated SUD also increases the risk of workplace accidents, adding significant safety and liability concerns to the financial impact.

Targeting Highest-Need and Highest-Cost Employees

Employees with SUD often incur significantly higher healthcare costs long before any targeted SUD interventions, due to frequent emergency room visits, inpatient stays, and disability claims. Traditional care models rely on individuals self-identifying their need for treatment, leaving many without support until they reach a crisis point. It's critical to identify and engage high-risk individuals early, before costs escalate and clinical outcomes further deteriorate.

Untreated SUD Drives 2.7x Higher Healthcare Costs³

Avg. Monthly Medical Spending Per Employee



Individuals diagnosed with SUD spend 2.7x more on physical and behavioral health, compared to those without SUD.

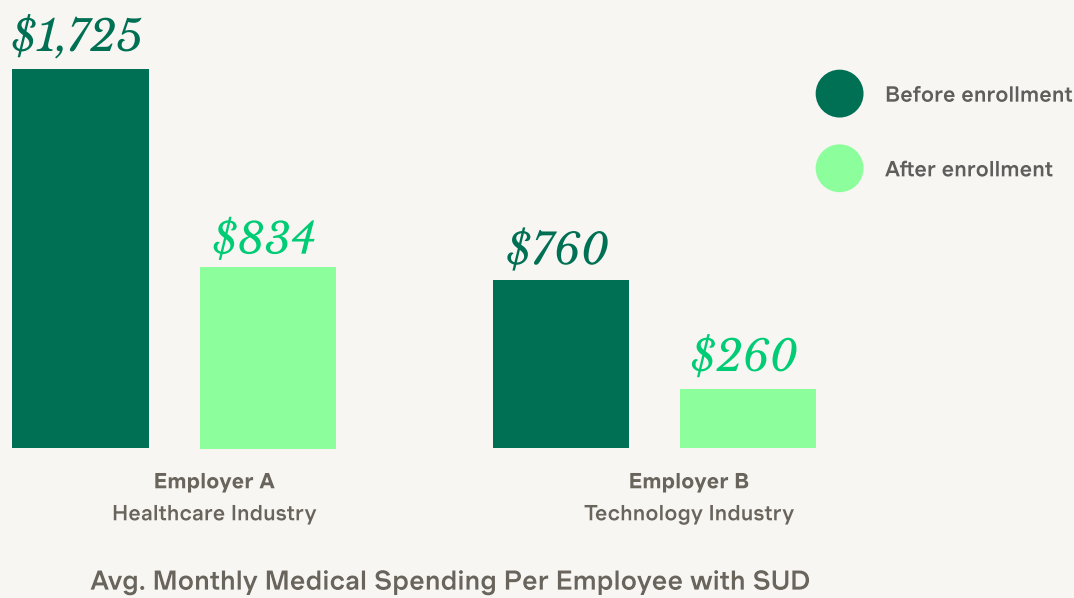
Financial Returns of Investing in Effective SUD Care

The good news is organizations don't need to accept the status quo. SUD is costly, but treatable. When HR leaders take action early, they see meaningful improvements in clinical outcomes and cost savings.

Reduced Total Healthcare Costs

Among employees flagged for SUD care, those who enrolled in an innovative care model with proactive intervention and longitudinal care management saw a **57% drop in total healthcare spending** per member per month (PMPM) after starting treatment⁹. This finding holds true across industries and demonstrates that targeted treatment positively impacts the health of individuals with high-severity needs.

Targeted and Proactive SUD Care Cuts Healthcare Costs in Half⁹



Note: While these comparisons are preliminary and not from matched cohorts, the directionality of cost reduction is consistent across customers.

This innovative SUD care model reduces healthcare costs, while helping employers avoid costly employee turnover and short-term disability expenses. Before enrolling in SUD treatment, healthcare costs average \$1,300 per member per month (PMPM) for both behavioral and physical health needs⁹. However, with consistent medication-assisted treatment and longitudinal care management, these costs drop to \$570 PMPM⁹.

Increased Employee Productivity and Retention

The greatest employer savings come from long-term benefits such as employee productivity, a more stable workforce, and a workplace culture that prioritizes well-being. Employers who invest in an innovative SUD care model with proactive intervention and longitudinal care management see **total workplace and healthcare savings nearly \$37,000 per employee on average in the first year of care, compared to the status quo⁹.**

This includes savings from reduced healthcare costs, absenteeism, short-term disability, and avoided replacement hires. Ultimately, this drives significant financial and operational benefits for employers.

Significant Employer Savings per Employee with Targeted and Proactive SUD Care⁹

\$4,500

Avg. healthcare savings over 24 weeks, compared to status quo

\$3,200

Avg. absenteeism savings over 24 weeks, compared to status quo

\$19,200

Avg. short-term disability savings over 24 weeks, compared to status quo

\$10,000

Avg. hiring replacement savings, compared to status quo

From Burden to Breakthrough

A Call to Action for HR Leaders

SUD is not only a personal challenge that impacts individuals and their families; it's a workforce crisis that drives up employer healthcare costs, undermines productivity, and erodes organizational culture. Left unaddressed, the toll continues to grow. However, there is a better path forward.

When employers treat SUD as a medical condition that is treatable with the right support, they open the door to evidence-based care that helps their employees stay healthy, engaged, and employed as productive and valued members of the team. Prioritizing the right care for employees with SUD is the right thing to do *and* a strategic business decision that protects the bottom line. By taking decisive action now to invest in a more resilient workforce, HR leaders provide life-changing support to employees, while future-proofing their workforces and delivering significant financial returns.



How to Evaluate Partners

Selecting the right partner can make all the difference between checking a box and driving real outcomes for employees with SUD. These are the essential value drivers that separate high-performing solutions from the status quo.

Current Approaches to Connect Employees to Complex Care

	Fit for High-Acuity Needs	Member Experience	Network	Outcomes	Employer Cost Predictability
"DIY" Online searches, friends/family, PCP referrals	Depends on the employee's research	Long wait times, overwhelming to navigate	N/A	Risk of poor quality or delayed care; lack of accountability	Surprise bills for out-of-network care
Health Plan Portal	Poor fit due to lack of specialized expertise	Long wait times, overwhelming to navigate	Loosely managed national network includes unvetted clinicians and "ghost networks"	Risk of poor quality or delayed care; lack of accountability	Typically covered as in-network, but no transparency
Traditional EAP	Poor fit due to lack of specialized expertise	Long wait times, trial-and-error model	Limited provider pool with low visibility into availability or specialties	Low engagement, slow outcomes; lack of accountability	Inexpensive, but underutilized
Point Solution	Not designed for complex needs with high comorbidity rate	Fragmented member experience	Varies by vendor, but typically no visibility into outcomes	Can help one condition, but lacks full-spectrum care	Hidden costs, gaps require more vendors
Spring Health	Full-spectrum precision mental healthcare, all within a single platform	Personalized and guided experience across care journey with <2 days to see a specialty provider and 72 avg. member NPS	Specialty Care Navigators coordinate with 100+ in-network Spring-Certified Partners and Facilities on engagement, outcomes, and costs	Industry-leading clinical outcomes and faster recovery with 1.9x ROI (JAMA)	Transparent utilization-based pricing model with 100% in-network care

With rising medical claims costs and growing urgency around behavioral health, it's no longer enough to offer fragmented or reactive access. After all, access is only a prerequisite: it's about *getting better*, not just getting care. The most effective solutions are grounded in clinical quality, engagement, and measurable ROI—core elements driving how leading employers are rethinking their approach with partners like Spring Health.

Eliminating Barriers to Care with Precision Mental Health

Spring Health is the leading global behavioral health solution proven to change people's lives and deliver net-positive financial return for organizations. Published in [JAMA Network Open](#) for demonstrating 1.9x ROI on employer-sponsored behavioral health benefits, Spring equips business leaders with the technology, insights and clinical expertise they need to support the mental health and well-being of their employees.

Through its Specialty Care program, Spring ensures individuals with the highest-acuity mental health conditions get the right care by using a measurement-based approach for proactive assessment, identification, and engagement. Our proven approach to early intervention and longitudinal care management reduces unnecessary and expensive crisis care—delivering best-in-class clinical outcomes, faster recovery, and guaranteed ROI.

Reach

Proactive outreach model using multiple pathways **catches more high-risk members, earlier**

60% high-risk members enroll in care
vs 7% status quo

Retain

Guiding members into right-sized care and regular follow-ups **keep members engaged**

72% members remain engaged at month 6
vs 10% status quo

Recover

Evidence-based interventions and aftercare mean **members get better, and stay better**

57% reduction in healthcare costs for members

Discover how Spring Health can help drive better clinical outcomes, faster recovery, and significant savings for your employees with SUD and other complex mental health conditions.

[Connect with one of our mental health experts today.](#)

About the Researchers

Emily J. Ward, PhD

Dr. Ward is a Senior Research Scientist on the Health Economics & Outcomes Research team at Spring Health. She is trained in experimental psychology and cognitive neuroscience, and prior to joining Spring, she was an Assistant Professor of Psychology at the University of Wisconsin, where she led the Visual Cognition Lab.

Matt Hawrilenko, PhD

Dr. Hawrilenko leads the Health Economics & Outcomes Research team at Spring Health. A clinical psychologist by training, he previously served as an Assistant Professor and Director of the Population Health Analytics Team in the Department of Psychiatry and Behavioral Sciences at the University of Washington, and completed his postdoctoral clinical training at the Seattle VA Medical Center.

Millard Brown, MD

Dr. Brown currently serves as the Chief Medical Officer at Spring Health. He is board-certified in adult and child psychiatry and medical informatics. Prior to joining Spring, Dr. Brown spent more than two decades in the Army, where he built out a new integrated system of care and served as Deputy Chief of the Army Behavioral Health Service Line.

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These results are preliminary and subject to the caveats discussed regarding sample sizes and potential selection bias. Nonetheless, the directional consistency is strong and underscores the value of a proactive, integrated approach to SUD management.