

**Cost of Drug-Free Workplace Program  
vs.  
Financial (Insurance) Savings**

The Drug-Free Workplace Program gives you a 5 percent discount (or credit) on your annual workers' compensation insurance premium if you meet and maintain the criteria for a Drug-Free Workplace Program. The program requires a written policy, employee training and five different forms of substance abuse testing:

1. Pre-placement
2. Post-accident
3. Reasonable cause
4. Random (25 percent of the workforce per year)
5. Follow-up (from a previous positive test in which employers offer rehabilitation)

To show cost justification, please submit this information:

1. How many employees are employed?
2. Annual number of newly hired employees?
3. Estimate the number of post-accident tests needed based on historical data.

Example:

Total number of employees: \_\_\_\_\_

Number of employees required for random testing annually (# Employees X 0.25): \_\_\_\_\_

Number of newly hired employees annually: \_\_\_\_\_

Number of employee injuries requiring off-site medical attention (post accident): \_\_\_\_\_

Average cost per test - \$35 per test

\_\_\_\_\_ (all newly hired + 25 percent of workforce + all post accident)

x  
\$35

**\$ \_\_\_\_\_ per year for the cost of testing**

The annual workers' compensation insurance premium is \$\_\_\_\_\_

A 5 percent credit on the annual premium produces a credit amount of \$\_\_\_\_\_

The workers' compensation insurance credit alone pays for the cost of the program. The hidden costs of such a program include:

- Lower absenteeism.
- Lower health care costs.
- Increased productivity.
- Lower likelihood of workers' compensation claims.
- Lower ultimate costs of these claims.

There is also tremendous public relations value to such a program.