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Unmasking the Hidden SUD Crisis: The True Cost of Untreated Substance Use in the Workplace

BY JESSICA SWENSON | MAY 05, 2025

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Substance use disorder (SUD) is often considered a hidden condition, but it is surprisingly pervasive. According to the [latest data](#) from the Substance Abuse and Mental Health Services Administration, 48 million Americans over the age of 12 are currently living with clinical SUD. Around 28% of this population is in the workforce, but fewer than 10% of those individuals are being treated, making the disorder appear less common.

SUD is a chronic condition that, left untreated, gets progressively worse over time. In addition to the health problems it can cause, it can increase employer benefit expenses. At [From Day One's Boston benefits conference](#), Todd Fruchey, vice president of sales for virtual substance use treatment platform [Pelago](#), shared how employers can proactively mitigate these costs.

Health Impacts of SUD

In an [employer health care strategy survey](#), Fruchey says, cancer once again topped musculoskeletal conditions as the "highest cost spend area for employers." Many people don't realize how closely aligned SUD is with cancer. Two of the top three preventable causes of cancer are alcohol and tobacco. By freeing people of substances like tobacco and alcohol early through preventive measures, says Fruchey, you can make a huge impact on the instances of cancer.

There is also a direct relationship and multiplier effect between substance use disorder and other chronic conditions like diabetes and diseases of the heart, kidneys, or pulmonary system, Fruchey says, referencing data from recent NIH and CDC reports. These are disease states that employers are often actively trying to improve in their employee populations since they tend to be some of the highest-expense conditions.

"In most cases, if there's a comorbidity between substance use disorder and these other conditions, the spend pattern for that individual will double and it will chronically get worse," he said. Resolving the substance use disorder is a critical step toward improvements in other chronic conditions and general health.

Lack of Treatment

A 2024 Pelago [trend report](#) shows that 56% of employees think substance use treatment is important for their employer to offer, but only 14% reported that they had access to such a program, says Fruchey. Nearly every audience member self-reported that their company offers this service to their employees. If so many employers do offer the treatment, why are so few employees aware that they have access to it, and why do 9 out of 10 people experiencing SUD remain untreated? Perhaps they are not comfortable accessing it, Fruchey says.



Todd Fruchey, VP of Sales at Pelago, led the thought leadership spotlight in Boston

The Pelago survey asked employees about their comfort level asking for help on topics ranging from work-specific to highly personal, calling out that that the comfort level dropped dramatically (to less than 35%) for problems related to substances and alcohol. "If you're an employer and you're trying to understand how to get more people engaged, you have to get past the stigma. You have to create a safe environment for employees to raise their hand and ask for help," he said.

How Can Employers Help?

Fruchey offered a few key questions to start: Is substance use treatment included in your benefits program? Do your employees feel comfortable asking for help? Does your company have a recovery-friendly culture or employee resource groups to offer support without repercussions? Create an environment where employees feel safe asking for this type of help.

Analyze your benefits program for any gaps in substance use treatment, he says. People fall on what Fruchey calls a spectrum of acuity, which dictates the level of support or care that they need based on their position within the

disease state. You can review healthcare and pharmacy claim data to identify potential risks. If you see more high-impact claims, people may not be as involved in substance use treatment at the earlier phase of the disease.

Learning how to assist employees in navigating the stages of change—from recognizing to admitting to addressing a problem—is crucial, Fruchey says. “We know that there are all kinds of positive results from getting somebody into recovery. They turn over half as much. They miss 14 less days of work. They spend \$16,000 a year less on health care. If you can get somebody to engage in a program around substance use treatment, there are all kinds of benefits for themselves and their families and you as the employer.”

Editor’s note: From Day One thanks our partner, [Pelago](#), for sponsoring this thought leadership spotlight.

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