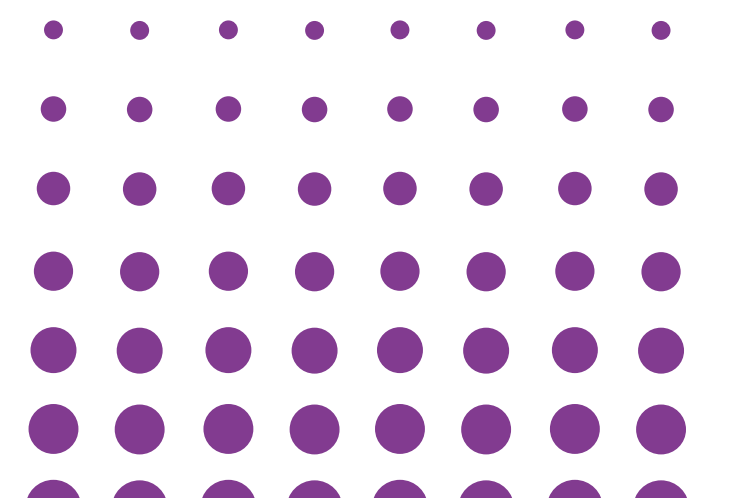


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DENVER, COLORADO | OCTOBER 22-25, 2024



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## *Live Content Slide*

*When playing as a slideshow, this slide will display live content*

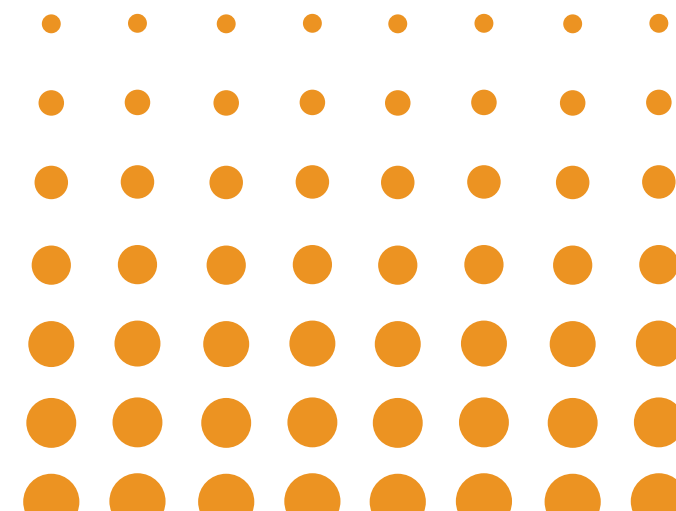
**Poll: \_\_\_\_\_ (fill in the blank) is defined as the conservation of an organization's human and financial resources:**



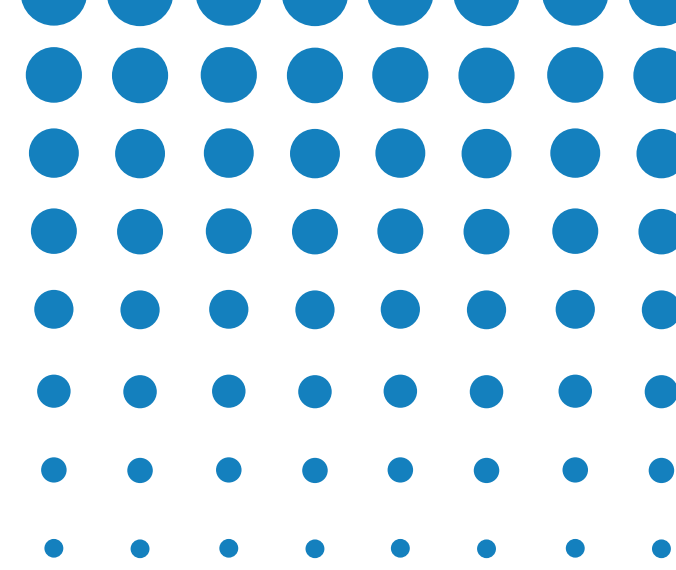
# *How Mental Health Impacts Safety and Operational Performance*



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## Cal Beyer, CWP

- Over 30 years professional experience in risk management, safety & wellness focusing on human capital risk management and wellbeing
- Helped launch mental health & suicide prevention movement in the AEC industry
- Appointed to the Executive Committee of National Action Alliance for Suicide Prevention & Lived Experience Advisory Committee of the Suicide Prevention Resource Center (SPRC)
- Serves on Advisory Boards for Goldfinch Health and MindWise Innovations
- Formerly served on Advisory Boards for the Center of Workplace Mental Health, AGC of America & Youturn Health
- Frequent presenter at industry events & regular contributor to industry publications



Cal Beyer  
Sr. Director of SAFE Workplaces

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# SAFEProject

Stop the Addiction Fatality Epidemic

*Our mission is to contribute in a tangible way to overcoming the addiction epidemic in the United States.*



**SAFE  
Campuses**



**SAFE  
Communities**



**SAFE  
Workplaces**



**SAFE  
Veterans**



**PUBLIC  
AWARENESS**



**FULL SPECTRUM  
PREVENTION**



**PRESCRIPTIONS &  
MEDICAL RESPONSE**



**LAW ENFORCEMENT &  
CRIMINAL JUSTICE**



**TREATMENT  
& RECOVERY**



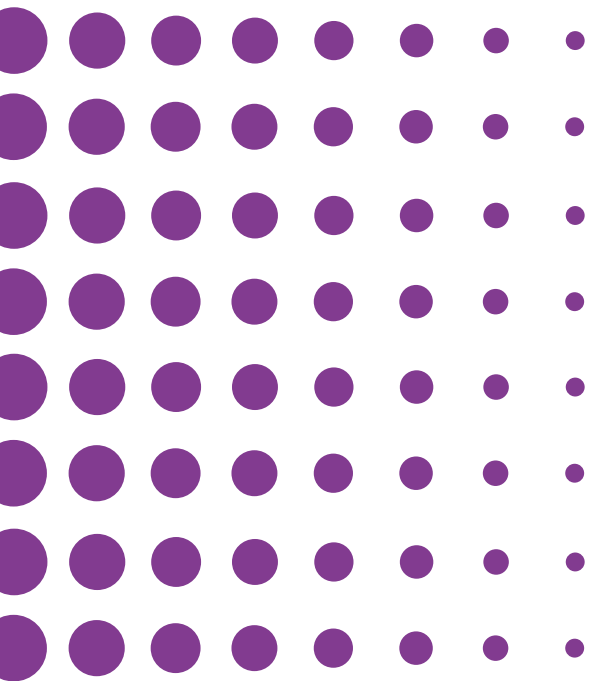
**FAMILY OUTREACH  
& SUPPORT**



# Learning Objectives



1. Learn the definition of human capital risk management
2. Identify how behavioral health impacts human capital risk and six (6) other strategic risks for AEC companies
3. Discover how mental and behavioral health impact *Productivity, Quality, Risk and Safety* exposures in your organization (PQRS = drivers of company performance)
4. Learn the revenue replacement profitability model to understand the additional sales needed to offset loss costs

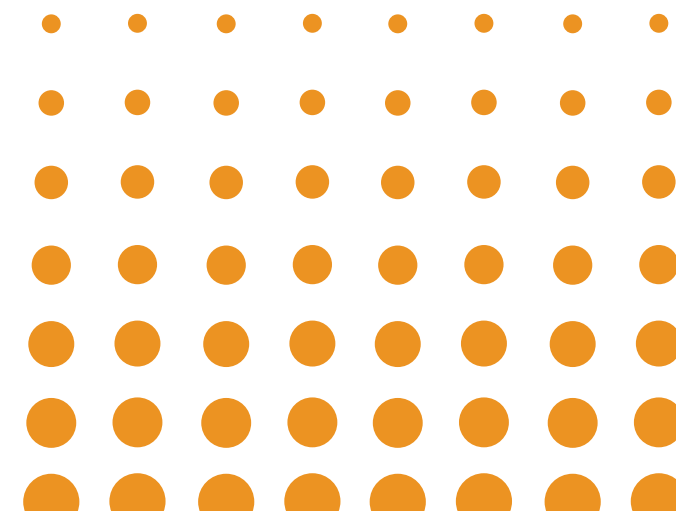




# Learn the Definition of Human Capital Risk Management



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# Human Capital Risk Management

*The conservation of an organization's human and financial resources.*



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# Behavioral Health Data Points: Construction

1

## Anxiety & Depression

14.3% & 5.7% based on symptoms and prescriptions (CPWR, 2021)

02

## Binge/Heavy Drinking

2<sup>nd</sup> highest rate at 16.5% (SAMHSA, 2015) and 24.2% in the past 24 months (CPWR)

03

## Substance Use Disorders (SUD)

19% vs. 8.5% for all industries (NSC; 2020)

04

## Musculoskeletal Disorders

34.1% workers with at least 1 MSD; multiple MSDs increases risk of opioids 3-4x (CPWR; 2021)

05

## Suicide Rate

*Extraction: 72 per 100k*  
*Construction: 56 per 100k*  
males & 10.4 for females (CDC; 2023)

06

## Drug Overdose Rate for 2020

*Extraction & Construction: 162.6 per 100k*  
*Construction: 130.9; Mining: 60.9* (CDC; 2023)

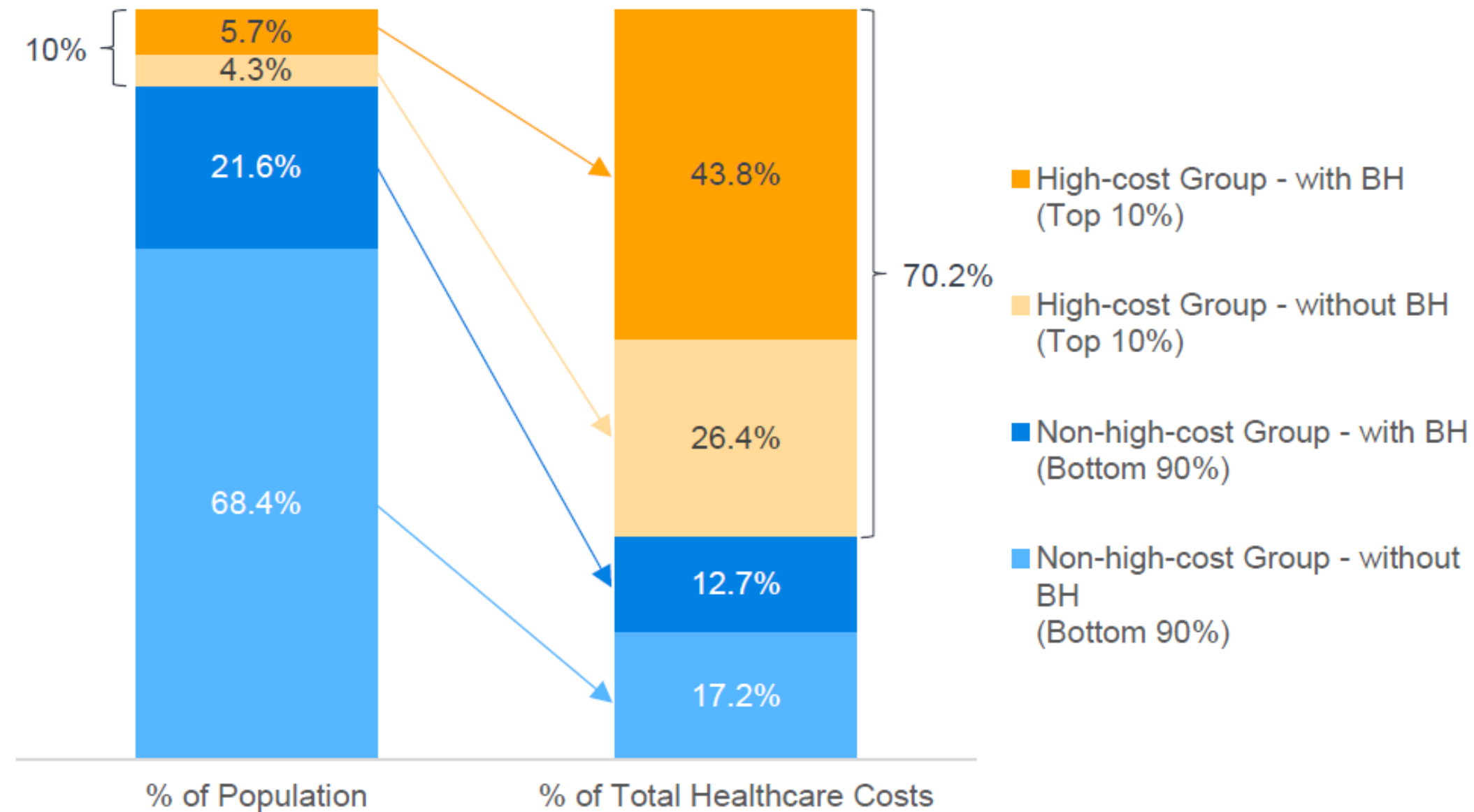
# Prevalence of Substance Misuse and SUD in the Workplace



- Approximately 70% of persons with SUD are in the workplace (National Survey on Drug Use and Health; NSDUH)
- Quest Diagnostics reports positive drug tests hit a 22-year high in 2022
- National Safety Council reports 70% of workplaces have been impacted by opioid crisis
- 2022 was 10th consecutive annual increase from unintentional overdose from nonmedical use of drugs and alcohol (525 or 9.5% of the total 5,486 fatalities; BLS CFOI)

# Cost Implications of Behavioral Health Claims

FIGURE 4: DISTRIBUTION OF THE POPULATION AND TOTAL HEALTHCARE COSTS AMONG COST AND BEHAVIORAL HEALTH GROUPS, 2017



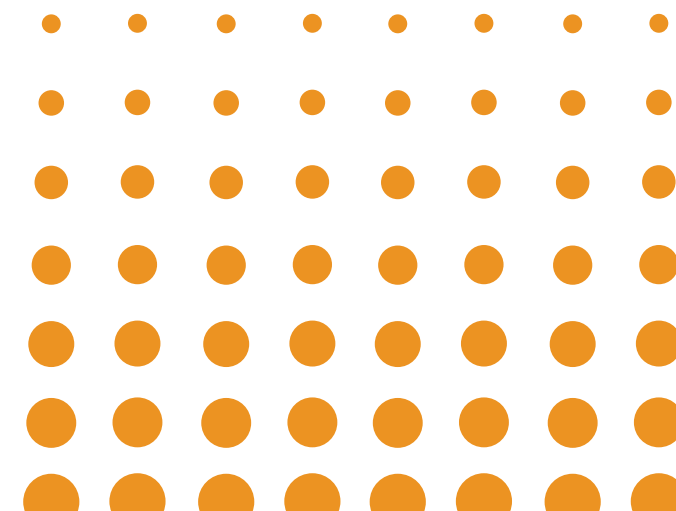
<https://www.milliman.com/-/media/milliman/pdfs/articles/milliman-high-cost-patient-study-2020.ashx>



# Identify How Behavioral Health Impacts Human Capital Risk and Six (6) Other Strategic Risks For AEC Companies

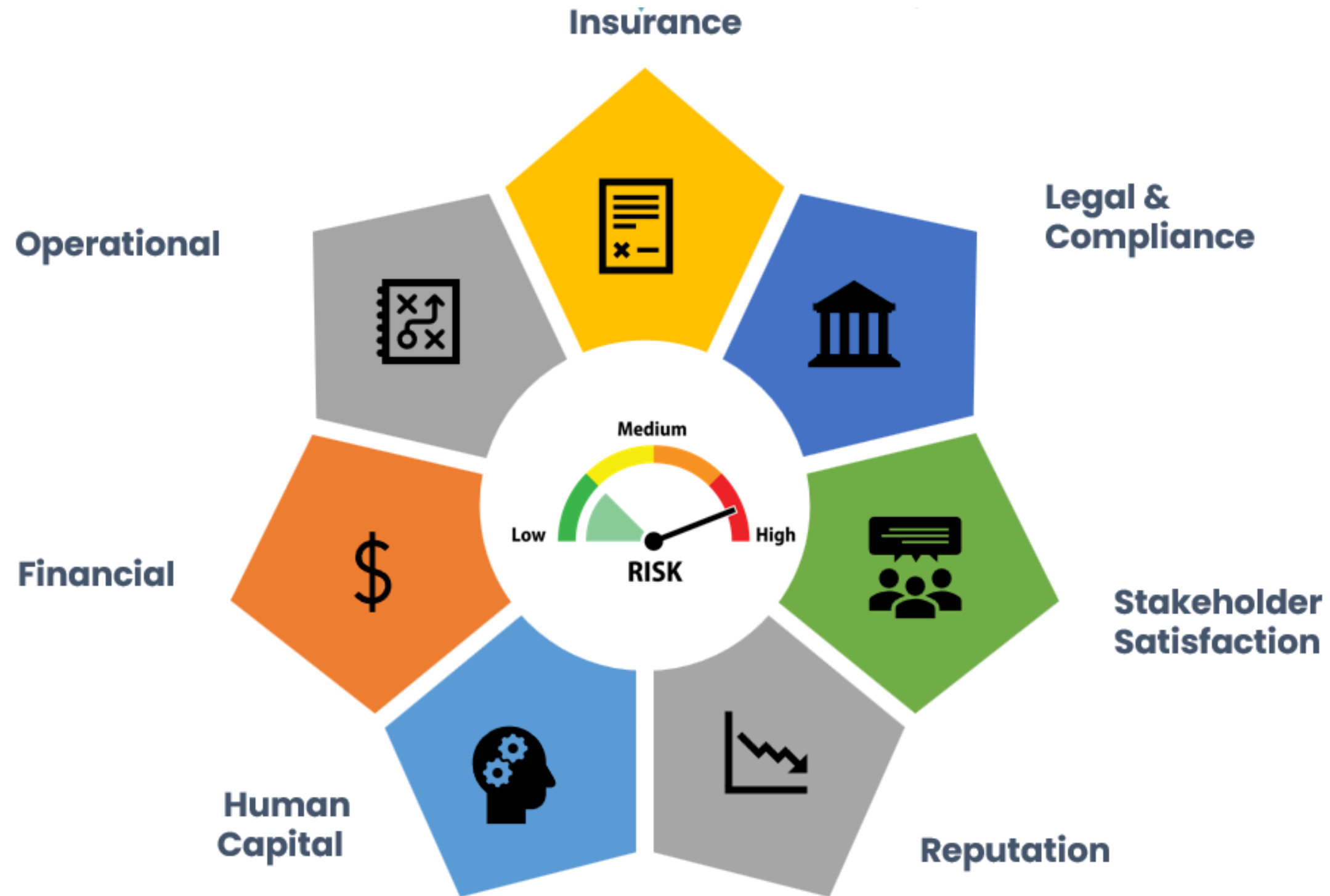


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# Strategic Risks Activated by Behavioral Health

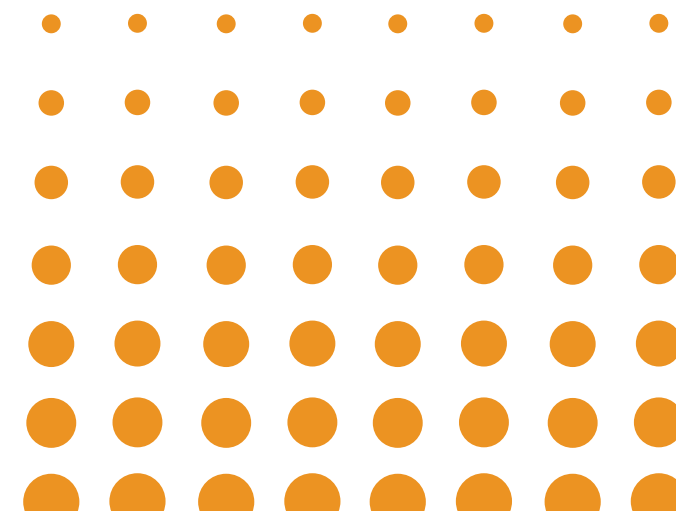




# The Human and Financial Cost of Untreated Mental Health



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# Untreated Mental & Behavioral Health is Costly



- Increased turnover leading to
  - \$4,700 average recruitment costs
  - Approx. 46 hours of training/retaining
  - Up to 200 hours of inefficiency due to duplicating work of prior incumbent
- Increased medical and benefit costs usually due to Emergency Room and/or Urgent Care visits
- **GOOD NEWS: 80% of employees treated for mental health report increased efficiency, higher productivity, and improved job satisfaction**

Source: Modern Health Employee Assistance Program

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# Impact of Depression in the Workplace

- Estimated 6-7% of workforce is affected by depression
- American Psychiatric Association reports employees with depression
  - experience up to 35% reduced productivity
  - 31.4 missed workdays and
  - 27.9 days of presenteeism
- Leading cause of disability in the US and worldwide between 16-64 years of age

# Depression Costliest Under Total Cost View

	<b>Medical</b>	<b>Pharmacy</b>	<b>Medical &amp; Pharmacy</b>	<b>Productivity</b>	<b>Total Cost</b>
1	Other Cancer	GERD	Other Cancer	Depression	Depression
2	Back/Neck Pain	Diabetes	Back/Neck Pain	Obesity	Obesity
3	Other Chronic Pain	Hypertension	Other Chronic Pain	Anxiety	Arthritis
4	Coronary Heart Disease	Arthritis	Depression	Arthritis	Back/Neck Pain
5	Depression	Allergy	Coronary Heart Disease	GERD	Anxiety
6	Sleeping Problem	Depression	Arthritis	Allergy	GERD
7	Arthritis	Asthma	Diabetes	Hypertension	Allergy
8	Skin Cancer	Anxiety	Hypertension	Back/Neck Pain	Other Cancer
9	Diabetes	Migraine	GERD	Sleeping Problem	Other Chronic Pain
10	Obesity	Osteoporosis	Sleeping Problem	Fatigue	Hypertension



Integrated Benefits Institute (IBI) Data Published Pre-COVID-19

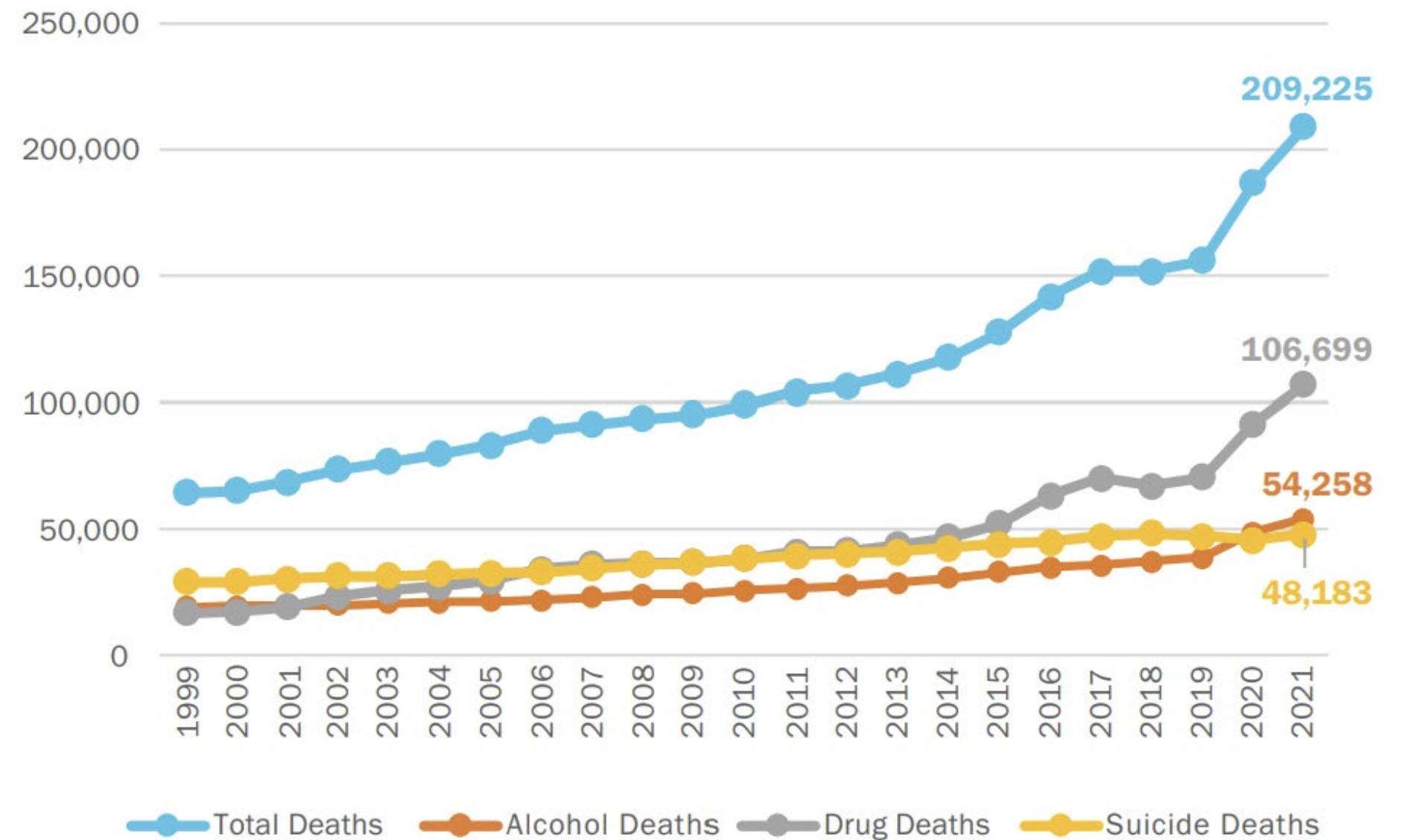


# Annual Deaths from Alcohol, Drugs and Suicide, 1999-2021

**Pain in the Nation:**  
The Epidemics of Alcohol,  
Drug, and Suicide Deaths **2023**



**Figure 1: Annual Deaths from Alcohol, Drugs, and Suicide in the United States, 1999-2021**



Source: TFAH analysis of National Center for Health Statistics data





# Suicide Deaths, Plans, and Attempts





# Construction Suicide Rates

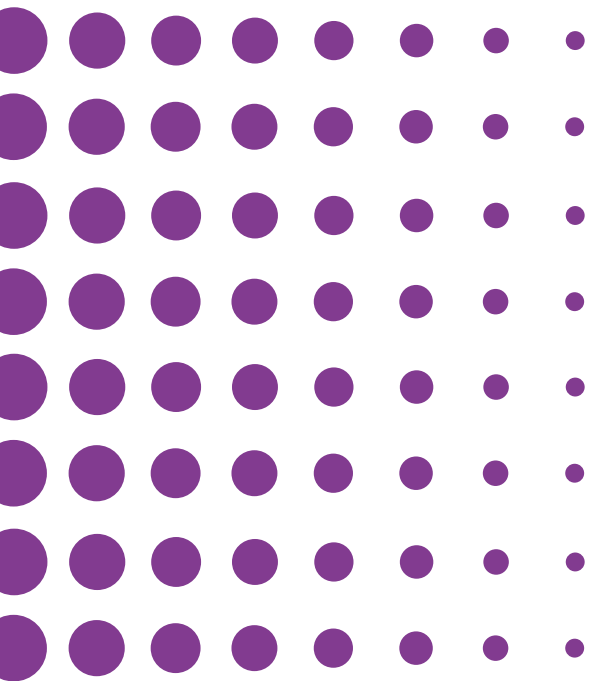


All industries: 32 per 100,000 for male – 8.0 for female

Construction: 56 per 100,000 for male – 10.4 for female

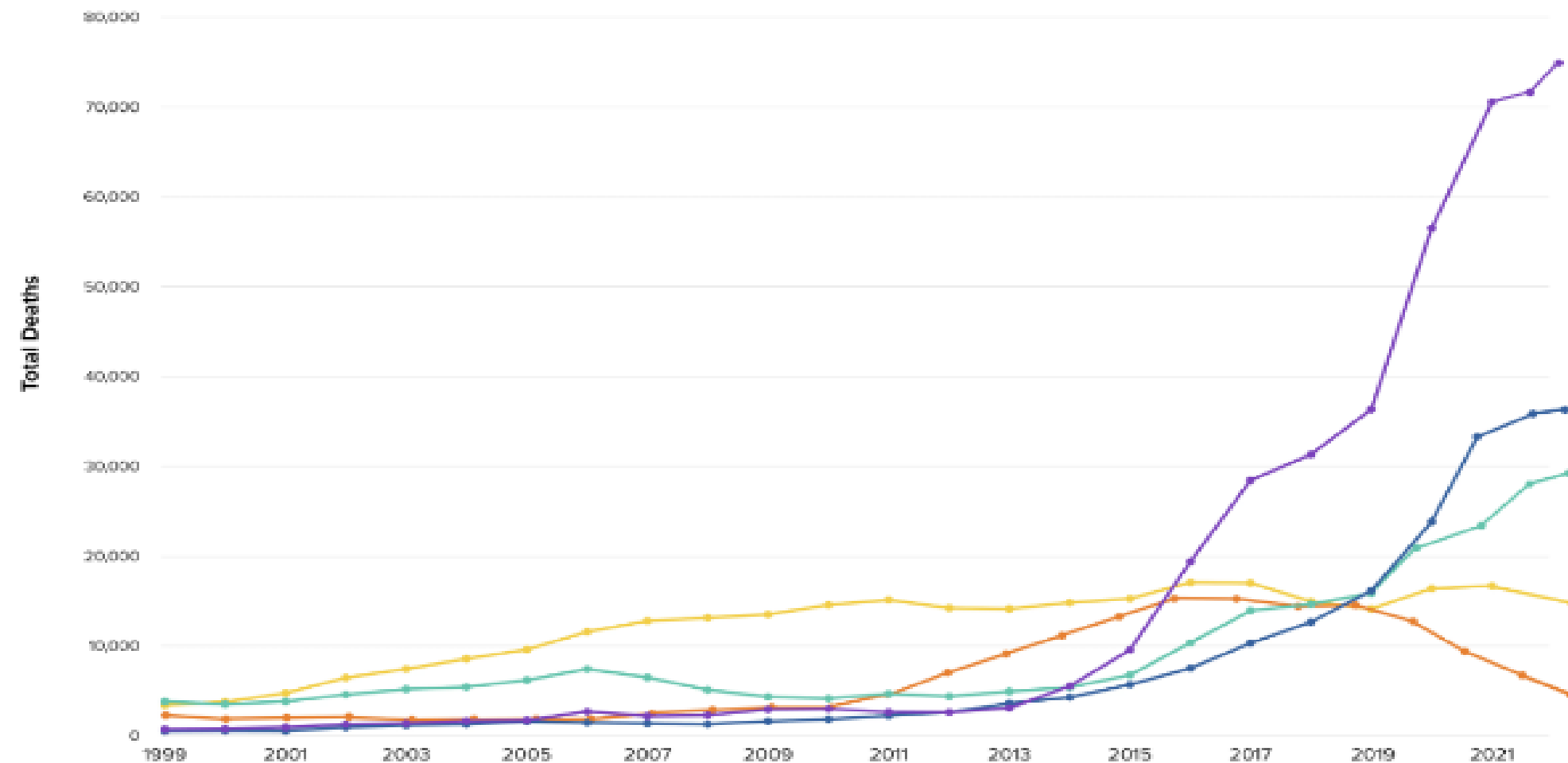
Suicide Rates by Industry and Occupation — National Vital Statistics System, United States, 2021. Morbidity and Mortality Weekly Report (MMWR)/ December 15, 2023 / 72(50);1346–1350

Source: <https://www.cdc.gov/mmwr/volumes/72/wr/mm7250a2.htm>



# Trends in U.S. Drug Overdose Deaths (December 1999–June 2023), by Drug Type\*

The overdose crisis has evolved over time and is now largely characterized by deaths involving illicitly manufactured synthetic opioids, including fentanyl and, increasingly, stimulants.



**Synthetic opioids** excluding methadone overdose deaths increased **103-fold**

**Psychostimulants with abuse potential** (primarily methamphetamine) overdose deaths increased **64-fold**

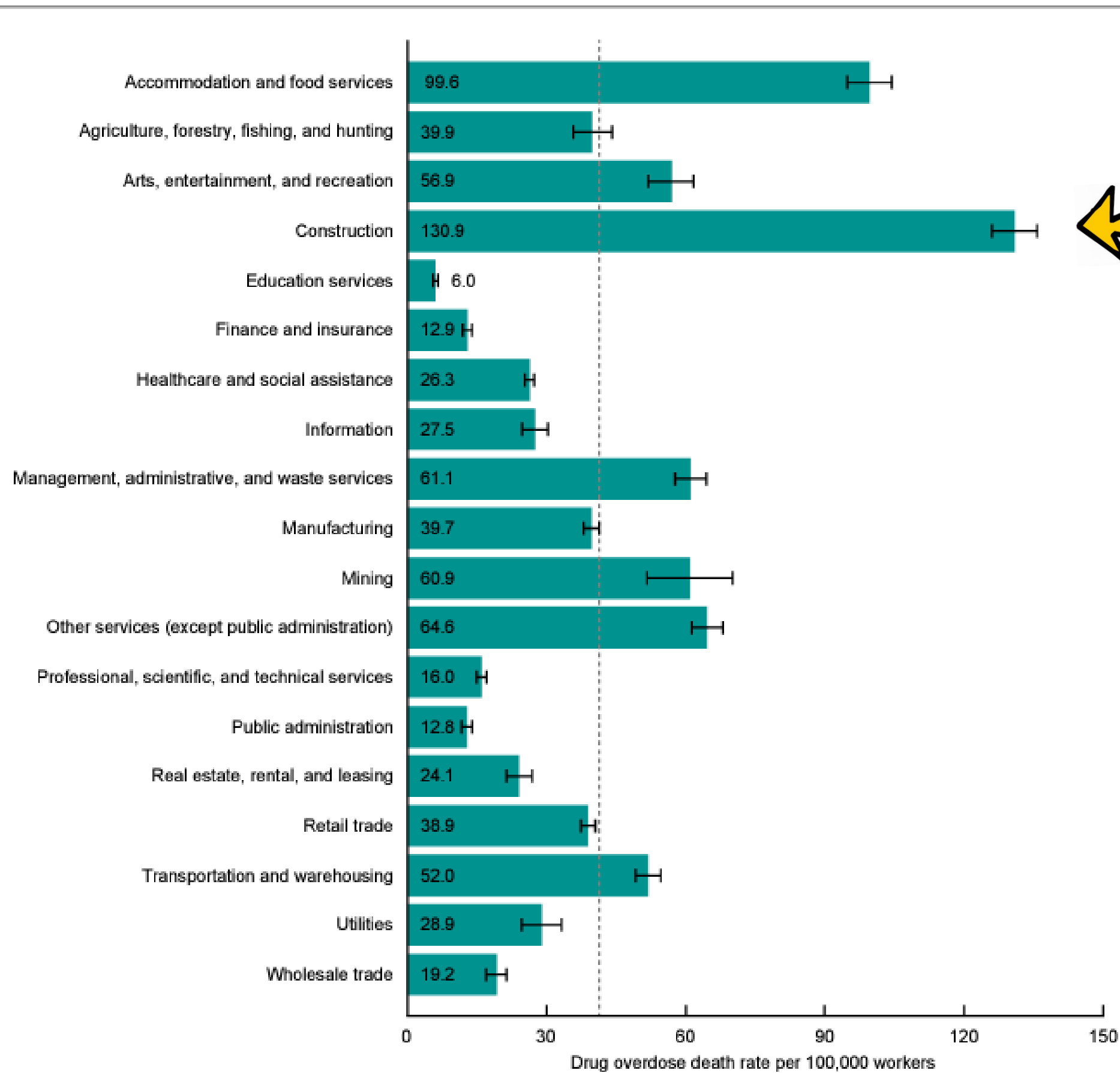
**Cocaine** overdose deaths increased **7.6-fold**

**Rx opioid** overdose deaths increased **4.1-fold**

**Heroin** overdose deaths increased **2.5-fold**

*\*This graph shows the total number of drug overdose deaths in the United States over the previous 12 months for each month from December 1999 through June 2023, by drug type. Overdose deaths of all intents are included, using underlying cause of death ICD-10 codes X40–X44 (unintentional overdose), X60–X64 (suicide), X85 (homicide), and undetermined intent (Y10–Y14). Drug and drug category involvement are identified by specific multiple cause-of-death codes (heroin: T40.1, prescription opioids: T40.2 and T40.3, synthetic opioids excluding methadone (primarily fentanyl): T40.4, cocaine: T40.5, and psychostimulants with abuse potential (primarily methamphetamine): T43.6. Data source: CDC WONDER Multiple Cause of Death data file (1999–2021: final data file; 2022–2023: provisional data file, accessed 1/24/24). [Source: National Vital Statistics System Mortality File](#)*

Figure 2. Drug overdose death rates among U.S. decedents aged 16–64, by usual industry group: 46 states and New York City, 2020



Drug Overdose Mortality by Usual Occupation and Industry: 46 U.S. States and New York City, 2020

Overdose Death Rate by Industry Group:

- Construction = 130.9 per 100k

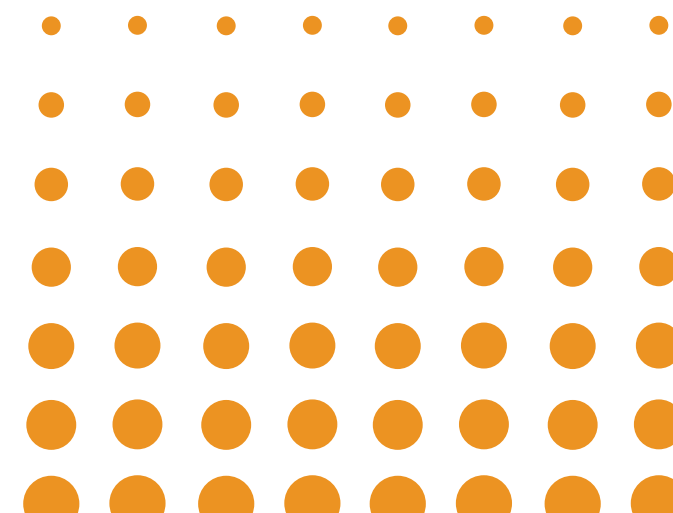
[www.cdc.gov/nchs/data/nvsr/nvsr72/nvsr72-07.pdf](http://www.cdc.gov/nchs/data/nvsr/nvsr72/nvsr72-07.pdf)



Discover how mental and behavioral health impact  
*Productivity, Quality, Risk and Safety (PQRS) performance*



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# Safety as a Competitive Advantage



- The integration of safety with quality management enables projects to be built within budget and schedule constraints
- The ability to deliver a quality project safely provides a significant competitive advantage
- Projects with reduced safety incidents experience improved quality, schedule, and cost performance.
- Safety performance is improved through the quality management discipline of “continuous improvement” that increases communication and feedback among workers and supervisors.

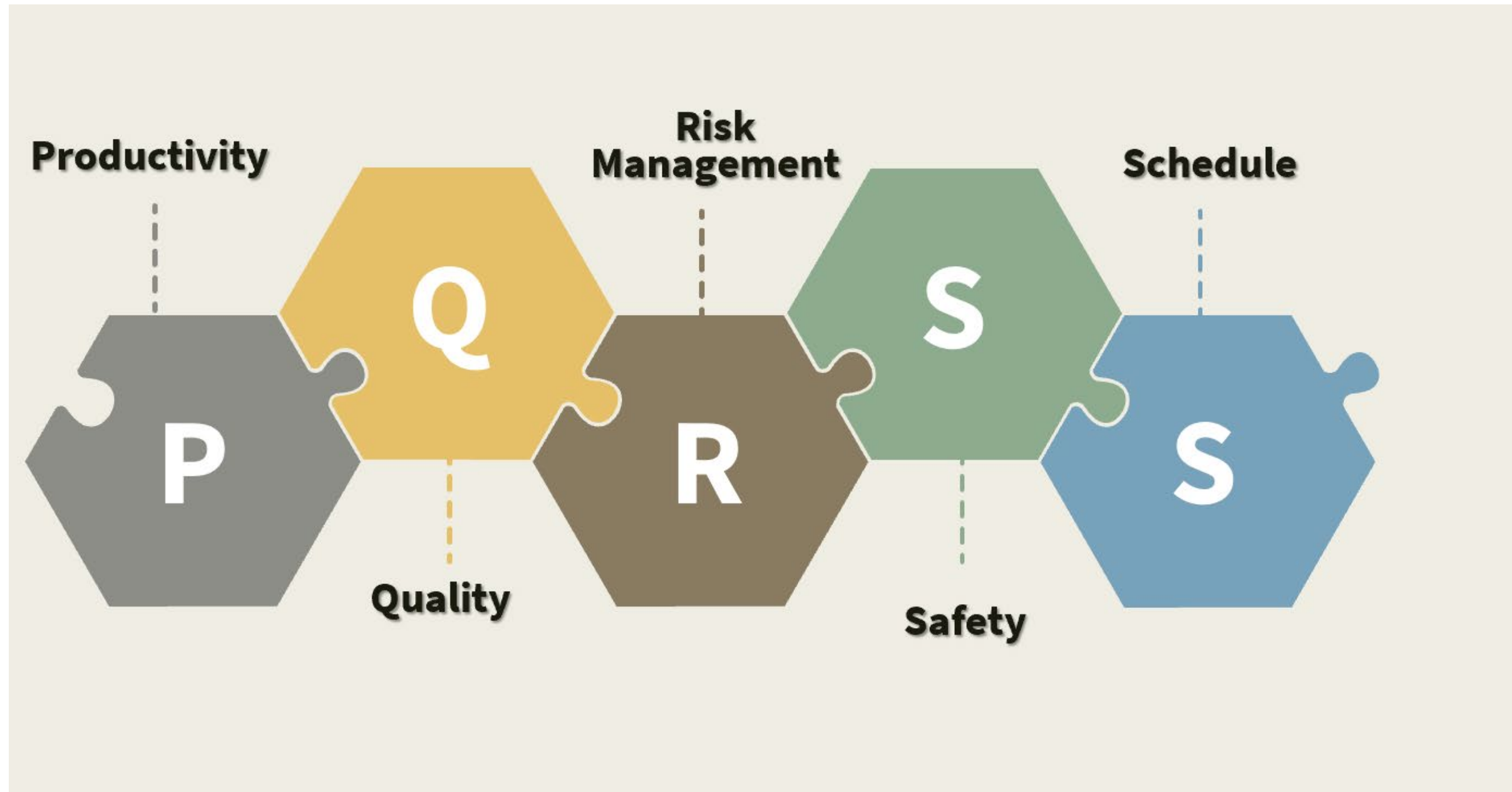


# How Untreated Mental & Behavioral Health is a Competitive Disadvantage

Untreated mental health, substance misuse and substance use disorders contributes to:

- *Absenteeism, tardiness and presenteeism,*
- *Decreased productivity,*
- *Safety and quality incidents,*
- *Turnover,*
- *Sequence and schedule pressures, and*
- *Profit fade*

# Potential Behavioral Health Risks on Company Performance

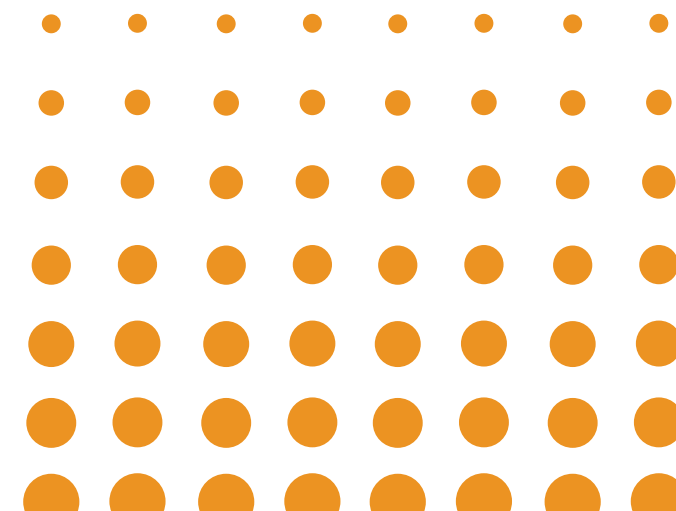




# Learn the Revenue Replacement Profitability Model to Understand the Additional Sales Needed to Offset Loss Costs



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# 10 Potential Consequences of Presenteeism

Increased number of “near hits”	Quality defects leading to rework
Rising risk of Serious Injuries and Fatalities (SIFs)	Damaged equipment
OSHA investigations, citations, fines	Idle equipment
Productivity delays	Sequence and schedule delays
Third party bodily injury or property damage claims	Increased labor costs from overtime and schedule acceleration

# Assigning Primary Risk to Consequences of Presenteeism

10 Consequences of Presenteeism	Primary Risk
Increased number of “near hits”	Human Capital
Rising risk of Serious Injuries and Fatalities (SIFs)	Human Capital
OSHA investigations, citations, fines	Operational
Productivity delays	Operational
Third party bodily injury or property damage claims	Insurance
Quality defects leading to rework	Operational
Damaged equipment	Operational
Idle equipment	Operational
Sequence and schedule delays	Operational
Increased labor costs from overtime and schedule acceleration	Financial

# Adding Secondary Risks to Consequences of Presenteeism

10 Consequences of Presenteeism	Primary Risk	Secondary Risks
Increased number of “near hits”	Human Capital	Operational
Rising risk of Serious Injuries and Fatalities (SIFs)	Human Capital	Financial & Insurance
OSHA investigations, citations, fines	Operational	Legal/compliance & Reputational
Productivity delays	Operational	Financial
Third party bodily injury or property damage claims	Insurance	Legal/Compliance
Quality defects leading to rework	Operational	Financial & Reputational
Damaged equipment	Operational	Insurance & Financial
Idle equipment	Operational	Financial
Sequence and schedule delays	Operational	Financial
Increased labor costs from overtime and schedule acceleration	Financial	Stakeholder Satisfaction

# Revenue Replacement Cost Model

	Company Profit Margin			
Annual Loss Costs	1%	3%	5%	10%
\$75,000	\$7.5M	\$2.5M	\$1.5M	\$750,000
\$250,000	\$25M	\$8.33M	\$5M	\$2.5M
\$650,000	\$65M	\$21.67M	\$13m	\$6.5m



# Risk Management Method: Revenue Replacement Cost to Offset Loss Costs



- Calculates additional revenue a company needs to sell to offset the loss costs.
- Company totals all direct and indirect costs associated with losses incurred on jobsites
- For accuracy, it is important to include total incurred loss costs to factor in future loss development of claims.
- Remember to update total loss costs when development factors are applied.
- The revenue replacement number is calculated by dividing the company's annual losses in dollars by the company's profit margin.

# Track Incidents & Costs Due to Wellbeing Stressors

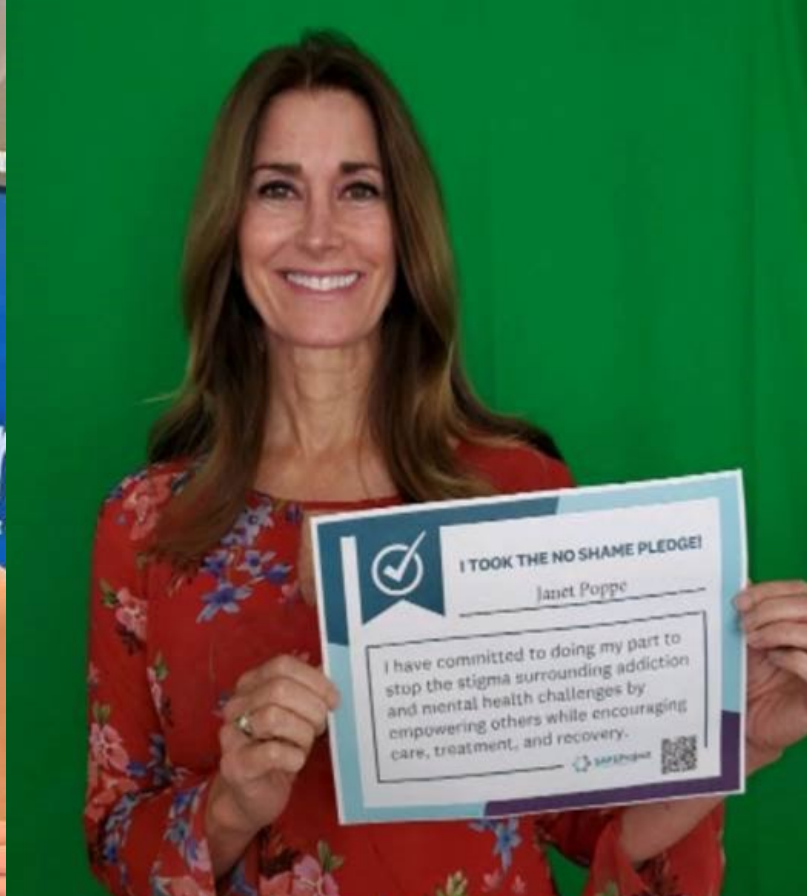


## Suggestion:

- Track the number and total cost of costs of incidents attributable to loss of focus or concentration from distractions due to *anger, frustration, personal or jobsite stress fatigue, and substance misuse.*
- Preliminary reports by selected contractors pinpoint the percentage of incidents attributable to worker wellbeing stressors as exceeding 75%
- Use this number to determine and prioritize necessary investments in mental & behavioral health initiatives

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# Join the No Shame Movement



Full Circle Program  
Forsyth County, GA

**WE ARE NO SHAME**

“ I joined the No Shame Movement because substance use disorder is a disease, not a moral failure, and those struggling with it, like those with any other disease, should be supported and cared for, not stigmatized.

**Chris Perry**  
Executive Director,  
Jamie Daniels Foundation



**JOIN THE MOVEMENT**



#NoShame  
#MentalHealthAwareness



Send yourself a signed No Shame Pledge Form to your email!

Post a Selfie!



## Contact Information

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[www.safeproject.us](http://www.safeproject.us)



# SESSION EVALUATION

Resources

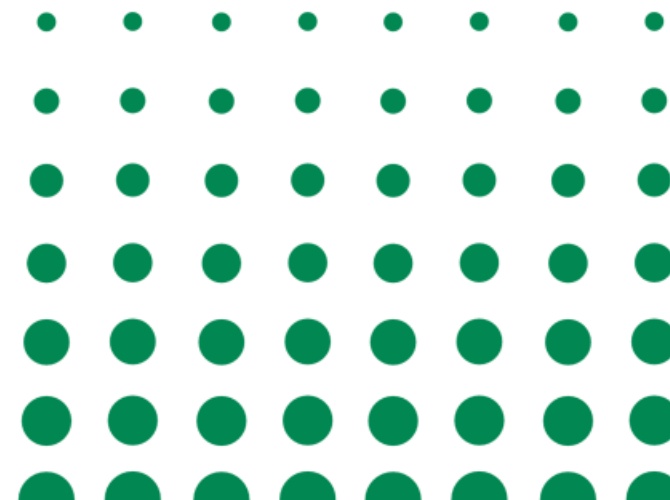
Evaluate this Session



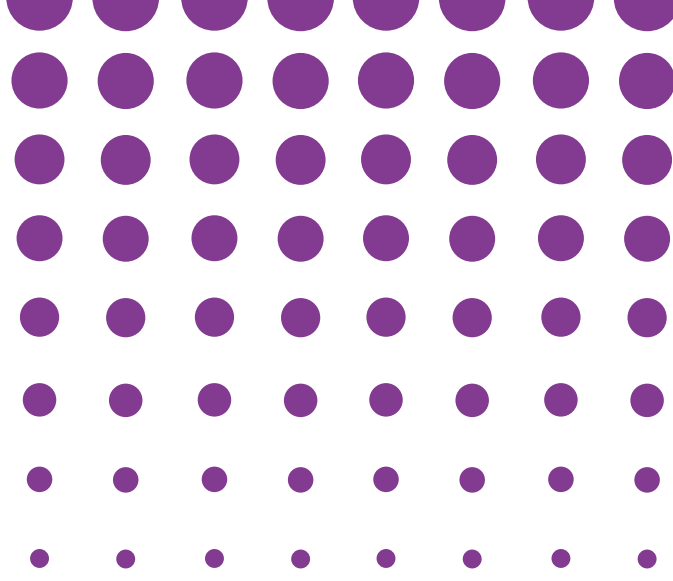
To complete the session evaluation, open the ICRI Convention App.

Under **Plan Your Event**, select Schedule, and then the Technical Session you are attending. Select the sub-session you are attending, scroll down to Resources, and select Evaluate this Session.

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