

Documenting the Value of Employee Assistance Programs



Throughout the U.S. and overseas, Federal Occupational Health (FOH) provides a range of workplace behavioral support and related services to nearly 3.2 million Federal employees and their family members. The worksite behavioral health program most widely known, subscribed to, and researched is the Employee Assistance Program (EAP).

An EAP is designed to help work organizations address productivity issues by assisting employees in identifying and resolving personal concerns. These concerns include, but are not limited to: health, marital, work, family, financial, alcohol, drug, legal, emotional, stress, or other personal issues that may affect job performance.

Through the FOH EAP, the individual worker and family members can confidentially and without charge utilize the following services:

- ❑ Seven-day, 24-hour telephonic access for employees and family members to professional counselors for assessment, consultation, referral, and crisis management
- ❑ Professional assessment of issues related to mental health, substance abuse, the workplace and other challenges in living
- ❑ Face-to-face short term, focused counseling for individuals, couples and families
- ❑ Referral for treatment and many supportive resources
- ❑ Education on the FOH EAP Website, worksite presentations and written materials on a range of emotional, family, work and living skills
- ❑ Return to work facilitation and support after medical or mental health absence to help employees regain productive lives and to reduce agency workers' compensation costs

Supervisors, managers, human resource professionals and union representatives take advantage of the following EAP work-site services:

- ❑ Critical Incident Stress Management (CISM)
- ❑ Risk management consultation relating to troubled employees and their impact on the workplace
- ❑ Consultation on work-site policies and programs that affect employee health and well-being and on employee needs when planning major workplace changes.

Prevention and Early Intervention

These EAP services provide both prevention and early intervention for employee problems, thus improving worker health, functioning and overall quality of life. Because EAPs support increased productivity by reducing behavioral health issues, as well as medical issues, funds expended on EAPs have documented investment returns in such areas as productivity, work performance, absenteeism, and medical benefits costs.

The Toll of Behavioral Disorders

The 1999 Surgeon General’s Report on Mental Health acutely demonstrates the toll mental illness and substance abuse takes upon productivity and health in the U.S. Of the 10 leading worldwide causes of disability, measured in years lived with a disability, five were psychiatric or addictive conditions: major depression, alcohol abuse, bipolar affective disorder or manic depression, schizophrenia, and obsessive-compulsive disorder. Mental disorders collectively account for more than 15% of the overall burden of disease from *all* causes. They account for slightly more than the burden associated with all forms of cancer. In addition, behavioral health issues impact and often hold a co-occurring relationship with the other leading causes of medical disability (Murray & Lopez, 1996).

Disease Burden by Selected Illness Categories in Established Market Economies, 1990

	% of total DALYs*
All cardiovascular conditions	18.6
All mental illness	15.4
All malignant diseases (cancer)	15.0
All respiratory conditions	4.8
All alcohol use	4.7
All infectious and parasitic diseases	2.8
All drug use	1.5

* Disability-adjusted life year (DALY) is a measure that expresses years of life lost to premature death and years lived with a disability of specified severity and duration.

Major depression alone ranked second only to ischemic (arterial-related) heart disease in magnitude of disease burden (Murray & Lopez, 1996).

Given the profound impact of behavioral illness and behavioral health issues on our citizens’ personal and work lives, the impact of the EAP’s support to employees and their families is significant.

Prevention, Early Intervention, and EAPs

Helen Darling, President of the Washington Business Group on Health and Director of the Institute on Health Care Costs and Solutions, writes, “the services that EAPs provide will become increasingly important to employers and employees alike (Darling, 2002).” After attesting to the serious public health problem that health care cost increases bring to Americans, she adds:

As we seek new ways to improve health outcomes, increase productivity, and enhance the quality of life from our enormous investment in health care, I believe employee assistance programs and services will be at the front of the line of effective solutions to the health care cost crisis. EAPs play a major role in reducing health care expenses and could provide even more benefits if their services were better known and understood.

- *We already know that EAPs directly help employees cope with personal and work-related problems and indirectly assist those who need more intensive care by referring them for psychiatric and medical evaluations. What is not well recognized is that EA professionals can play a major role in reducing the use of medical and mental health services by providing*

early intervention and helping employees and managers find ways to identify and resolve issues that may have serious, long-term consequences.

- ❑ *We also know that major depression, bipolar disorders, and other serious mental health concerns can be expensive due to higher utilization of medical services, loss of family income if disability results, lost productivity due to employee absences and increased “presenteeism,” a term used to describe the impact of an employee who is physically at work but not functioning optimally.*
- ❑ *We also know that people who are suffering from mental disorders, stress, and other conditions are not going to be operating at their best and ultimately may experience performance problems that could, in turn, lead to a downward spiral of work-related issues and consequences that exacerbate the underlying mental problems.*
- ❑ *What is not as well known is that all of these things can seriously hurt a family as well as an employee.*

The Business Case for EAP

A number of studies have supported the business case for the purchase of EAP and other workplace services. By documenting the EAP benefit-to-cost ratio and the positive outcomes of EAP services for the individuals using them, these studies all confirm the preventive effects of employee assistance programs:

- ❑ FOH evaluated the health status of 16,055 EAP clients before and after they used the FOH EAP. Improvement rates from 33% to 71% were found in the following areas: health, work attendance, productivity at work, day-to-day functioning, and social activities (Selvik & Bingaman, 1998).
- ❑ In a follow-up study, during the three-year period from July 1, 1999 through June 30, 2002, FOH gathered outcomes data from almost 60,000 clients. EAP intervention led to client improvement in emotional and physical health, functioning, and productivity. Unplanned job absence and tardiness decreased by 67 percent after EAP intervention (Selvik, Stephenson, Plaza & Sugden, 2003).
- ❑ A prospective cost-benefit estimate of FOH EAP services showed that for every \$1 spent on the EAP, the expected savings for the first year would be \$1.27, rising to \$7.21 by the fifth year (Wrich, 1998).
- ❑ Chevron Corp. realized savings of \$14 for every \$1 spent on EAP. The savings were based on employee retention and improved job performance as measured by referring supervisors, absenteeism, tardiness, safety, quality and quantity of work (Collins, 1998).
- ❑ McDonnell Douglas saved \$5.1 million by instituting an EAP according to a four-year study – a return of \$4 for every \$1 invested due to reduced absenteeism, turnover, and medical claims (The ALMACAN, 1989).
- ❑ The City of Los Angeles Department of Water and Power found that alcohol-abusing employees formally referred to their EAP by supervisors demonstrated a 33% decrease in sickness absenteeism with savings estimated at \$349,763 over a three-year period (Yandrick, 1992).

- ❑ Virginia Power realized a 23% drop in medical claims over a four-year period for individuals who accessed the EAP compared with those who accessed behavioral health benefits on their own (SAMHSA, 1995).
- ❑ EAP worksite training can also provide measurable benefits. For example, Rutgers University, in a report on the business case for emotional intelligence, cited the results of supervisory training in emotional competencies at a manufacturing plant. Lost time accidents were reduced by 50%, formal grievances dropped from 15 to 3 per year, and the plant exceeded productivity goals by \$250,000 (EAP Digest, 1999).

The Costs of Substance Abuse

- ❑ Healthcare costs of untreated persons who suffer from alcoholism and drug addiction are 100 percent higher than those who receive treatment. Of all hospital admissions, at least 25 percent of those admitted suffer from alcoholism-related complications, and 65 percent of emergency room visits are alcohol or other drug related (Hazelden, 1999).
- ❑ Appropriately delivered (drug abuse) treatment is tremendously cost-effective, with each \$1 invested in treatment returning \$4 to \$7 in savings on crime and criminal justice costs alone (National Institute on Drug Abuse, 1999).
- ❑ Scientists have found that failure to receive treatment for alcohol and substance abuse diagnoses can result in a very rapid escalation of individual medical costs. Cummings conducted a study of Medicaid recipients in Hawaii and found that patients diagnosed as chemically dependent who did not use mental health services increased their medical costs by 91% during the study period, compared to actual decreases in medical costs by recipients of mental health treatment. Some types of intervention produced net decreases of approximately \$514 per person in the first twelve months after treatment (Cummings, 1990).

Medical/Behavioral Interface

- ❑ A Kaiser Permanente study showed that the introduction of psychological interventions with patients having various physical disorders led to the following decreases in health service utilization: 77.9% decrease in the average length of stay in the hospital, a 66.7% decrease in frequency of hospitalizations, a 48.6% decrease in the number of prescriptions written, a 48.6% decrease in the number of physicians seen for office visits, a 47.1% decrease in physician office visits, a 45.3% decrease in emergency room visits, and a 31.2% decrease in telephone contacts (Lechnyr, 1993).
- ❑ When the Utah division of Kennecott Copper Corporation began providing mental health counseling for employees, its hospital medical and surgical costs decreased 48.9%. The company's weekly claims costs dropped nearly 64.2%. In all, for every \$1 spent on mental health care, the company saved \$5.78 (Lechnyr, 1993).

Productive, Healthy Employees

These studies emphasize the role that behavioral treatment plays in supporting an individual's productivity and health. An investment in EAP workplace-based behavioral services is highly cost-effective for a work organization. Workplace behavioral services operate in the following ways to maintain healthy and well-functioning employees:

- ❑ Educational information allows employees and family members to become more attentive to stressors and the actions they can take to reduce stress.
- ❑ Intervention with an individual with a mental or physical illness can help mobilize internal and external resources for an earlier recovery or better accommodation to illness.
- ❑ Early intervention through counseling can decrease the likelihood that emotional and related health problems will escalate or reoccur.
- ❑ And finally, organizational consultation on employee issues and policy helps structure the workplace environment so as to prevent many problems from occurring.

All totaled, the benefits of EAPs and related worksite services are significant: they are highly worthwhile investments in human capital.

In addition to EAPs, FOH provides the following work-based behavioral programs: work/life services; organizational development consultation; workplace violence prevention; alternative dispute resolution; health and wellness trainings; military family support centers; and return to work facilitation. For more information, please call us today at **1-800-457-9808**.

Because you need a healthy work force. And we can help you build one.

healthy bodies ❖ sound minds ❖ a safe place to work

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