Recent Review Papers on Making the Business Case for Workplace Mental Health

Edited Book: Kahn, J. P. & Langlieb, A. M. (Eds.). (2003). *Mental Health and Productivity in the Workplace: A Handbook for Organizations and Clinicians.* San Francisco: Jossey-Bass.

Review Article: Goetzel, R. Z., Ozminkowski, R. J., Sederer, L. I., & Mark, T. L. (2002). The business case for mental health services: Why employers should care about the mental health and well-being of their employees. *Journal of Occupational & Environmental Medicine, 44,* 320-330.

Review Article. Attridge, M. (2005). The business case for the integration of Employee Assistance, Work/Life and Wellness services: A literature review. *Journal of Workplace Behavioral Health: Employee Assistance Research and Practice, 20,* 31-55.

Review Article: Langlieb, A. M., & Kahn, J. P. (2005). How much does quality mental health care profit employers? *Journal of Occupational and Environmental Medicine, 47*(11), 1099-1109.

White Paper: World Health Organization. (2006). *Dollars, DALYs and Decisions: Economic Aspects of the Mental Health System.* Geneva, Switzerland: WHO.

American College of Occupational and Environmental Medicine - *Health and Productivity Management Center* (www.acoem.org)

American Psychiatric Association - The *Partnership for Workplace Mental Health (www.workplaementalhealth.org)*

American Psychological Association – *Initiative on Workplace* (www.apa.org)

The American Psychological Society – *Human Capital Initiative* (www.psychologicalscience.org**)**

Global Business and Economic Roundtable on Addiction and Mental Health (www.mentalhealthroundtable.ca)

World Health Organization (www.who.org)

Free Calculator Tools:

www.alcoholcostcalculator.org
www.depressioncalculator.com
www.intelliprev.com (for alcohol, depression and cardiovascular)

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CONCEPTUAL OVERVIEW

"Making the Business Case for EAPs"

SOURCE: Attridge, M., & Amaral, T. (2004, November). Creating and communicating value: Business metrics for EAPs. A full-day workshop for EAPA Professional Development Institute, San Francisco, CA.

The general model for business value consists of 1) human capital, 2) health claims costs, and 3) organizational savings. A brief description of each category is provided below:

Human Capital Cost Savings	Human capital cost savings are based on calculations of estimated savings from avoided employee absenteeism, productivity, and turnover. Savings on these dimensions are calculated for individual clinical cases, management consultation cases, training programs, and crisis risk management cases.
Health Claims Cost Savings	Claims cost savings are determined for mental health outpatient claims, medical claims, short-term disability, and worker's compensation claims. Savings are estimated from both diversions (avoided costs that would have occurred had an external provider been used instead of EAP Staff) and loss reduction (cases where more expensive treatment has been averted from appropriate use of less expensive care in benefits).
Organizational Cost Savings	Organizational services include direct value for providing management consultation services, group interventions, and educational training. Savings are calculated based on the cost to provide similar services through an external provider, as well as savings from legal risk reduction (for crisis risk management services).

General Review Papers on Making the Business Case for EAP

Amaral, T.M. (1987). Cost-effectiveness of EAP's. EAP Coordinator, 2 (1), 1-3, 10-11, 16-19.

Amaral, T.M. & Kelly, M.A. (1989). EAP cost-benefits analysis: Exploring assumptions. EAP Coordinator, 4 (2), 1-9.

Attridge, M. (2001). "Making the Business Case for EAPs: A Conceptual Framework." EAPA Exchange 31 (Sept./Oct.): 37-38.

Attridge, M. (2001, April). Making the business case for EAPs: How to demonstrate your value. Presented at the 13th Annual Institute of the Employee Assistance Society of North America, Chicago, IL.

Attridge, M. (2005). The business case for the integration of Employee Assistance, Work/Life and Wellness services: A literature review. Journal of Workplace Behavioral Health: Employee Assistance Research and Practice, 20(1/2), 31-55.

Attridge, M., & Amaral, T. (2002, October). Making the business case for EAPs with the core technology. Presented at the Employee Assistance Professionals Association Conference, Boston, MA.

Attridge, M. & Fletcher, L. (2000, November). Annotated bibliography of research on EAP outcomes and cost-benefit. Presented at the 29th Annual Employee Assistance Professionals Association Annual Conference, New York, NY.

Blum, T.C. & Roman, P.M. (1995). Cost-Effectiveness and Preventive Implications of Employee Assistance Programs. Rockville, MD: U.S. Department of Health and Human Services.

Conlin, P., Amaral, T.M. & Harlow, K. (1996). The value of EAP case management. EAPA Exchange, May/June, 12-15.

EAPA (2003). The Dollar$ and Sense of Employee Assistance. Employee Assistance Professionals Association, Washington, DC. Item MAN-03122.

Mastrich, J. & Beidel, B. (1987). Employee assistance programs cost-impact. The Almacan, June, 34-37.

Rothman, M. (1986), "Mental Health and the Workplace: A Case for Employee Assistance Programs", *Compensation and Benefits Review*, Vol. 8 No.6, pp.33-43

Yandrick, R.M. (1992). Taking inventory. EAPA Exchange, July, 22-29.

Part 1: EAP Business Value from Human Capital Outcomes

Employee Absenteeism Savings from EAP

Attridge, M. (2001, August). Personal and Work Outcomes of Employee Assistance Services. Presented at the American Psychological Association Annual Meeting, San Francisco, CA. N = 1050. Cases with avoided work loss = 60%, with average hours saved = 17.

Attridge, M. (2001, June). Outcomes of telephonic employee assistance services in a national sample: A replication study. Presented at the American Psychological Society Annual Meeting, Toronto, Ontario. N = 1251. Cases with avoided work loss = 62%, with average hours saved = 16.

Attridge, M. (2002, June). Employee assistance program outcomes similar for counselor (phone and In-person) and legal/finance consultation clients. Presented at the American Psychological Society Conference, New Orleans, LA.
N = 1045 phone EAP: Cases with avoided work loss = 37%.
N = 1031 in-person EAP: Cases with avoided work loss = 40%.
N = 436 consultations for legal/finance EAP: Cases with avoided work loss = 39%.

Attridge, M. (1999, November). Worksite trainings: A nationwide study of hot Topics, evaluation and outcomes. Presented at the Employee Assistance Professionals Association Annual Conference, Orlando, FL. N = 3,500+ with 31% of the attendees at worksite trainings by EAP with reported improved absenteeism.

McDonnell-Douglas Study. Comparison of EAP referred cases for alcohol, tobacco and drug (ATD) dependency and psychiatric conditions with a control group of employees utilizing health services without first using the EAP. Employee absenteeism was lower for EAP than non-EAP users (44% lower than comparison for ATD group and 34% lower for psychiatric group). (Stern, 1990). Why EAPs are worth the investment. Business and Health, 14-19.

Orange County, Florida, Public Schools Study. EAP user's had lower use of sick leave time than comparison group (10% lower) over 5 years of follow-up. (Yandrick, 1992).

Jardine, E.L., & Liebermann, R. (1993). The role of EAPs in occupational stress claim risk management. Behavioral Healthcare Tomorrow, July/August, 30-35. Supervisory rating data found improvements in employee absenteeism (38% to 78% at satisfactory level) and tardiness (53% to 81% at satisfactory level) from before to after use of EAP.

Many other studies with EAP impact on reduced employee absenteeism are cited in Blum and (Roman 1995).

Employee Productivity Savings from EAP

Attridge, M. (2001 August). Personal and work outcomes of employee assistance services. Presented at the American Psychological Association Annual Meeting, San Francisco, CA. N = 1050. Cases with improved work productivity = 72%, with average gain of 43%.

Attridge, M. (2001, June). Outcomes of telephonic employee assistance services in a national sample: A replication study. Presented at the American Psychological Society Annual Meeting, Toronto, Ontario. N = 1251. Cases with improved work productivity = 77%, with average gain of 43%.

Attridge, M. (2002, June). Employee assistance program outcomes similar for counselor (phone and In-person) and legal/finance consultation clients. Presented at the American Psychological Society Conference, New Orleans, LA.
N = 1045 phone EAP: Cases with improved work productivity = 55%.
N = 1031 in-person EAP: Cases with improved work productivity = 56%.
N = 436 consultations for legal/finance EAP: Cases with improved work productivity = 36%.

Dozens of other studies reviewed in Yandrick (1992) and Roman and Blum (1995) also have productivity results for EAP clients, with greater effects for cases with more serious mental health or substance abuse issues.

Employee Retention (Avoided Turnover) Savings from EAP

To the extent that EAPs can help troubled workers to improve in their workplace performance in the areas of being late for work, missing time from work (absenteeism), and job performance, this should then reduce the chance of employee turnover as well. A meta-analysis review of published longitudinal research studies found significant relationships between the outcome of actual employee turnover and prior employee behavior of **lateness** (effect r = .15; based on 6 studies on 2,283 employees), **absenteeism** (effect r = .33, based on 28 studies on 5,364 employees) and (poor) **job performance** (average effect r = -.19; based on 72 studies on 25,234 employees). Employees who later quit their job tend to behave with lateness and missing work and poor job performance before they quit.

Citation: Griffeth, R.W., Hom, P.W., & Gaertner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover. Journal of Management, Vol. 26, No. 3., 463-488.

International Foundation of Employee Benefit Plans – Survey Results May 2000: Substance abuse services for multiemployer fund participants. Survey sample of 185 benefit plan administrators. (page 11). 57% = yes for believe that their EAP reduced employee turnover and job loss.

Collins, K.R. (1998). Cost/Benefit analysis shows EAPs value to employer. EAPA Exchange, 28 (6), 16-20. Focus on supervisory referral cases for drug and alcohol cases at EAP. Chevron had from 37% to 46% fewer terminations and at a savings rate of $50,000 per case for avoided turnover (in 1992 dollars).

McDonnell-Douglas Study. Comparison of EAP referred cases for alcohol, tobacco and drug dependency and psychiatric conditions with a control group of employees utilizing health services without first using the EAP. Employee turnover over 4 years was lower for EAP than non-EAP users (7.5% vs 40% alcohol non-EAP and 60% for psychiatric non-EAP). Stern, L. (1990). Why EAPs are worth the investment. Business and Health, 14-19. Washington DC.

Other research studies with turnover outcomes from EAP are cited in Blum and Roman (1995).

Part 2: EAP Business Value from Health Claims Savings

Abbott Labs Study. Results of claims-based cost analysis for two year follow-up of EAP users and a comparison sample of non-users of EAP who were employees with mental health/substance abuse claims. The results found the EAP cases had lower overall net inpatient and outpatient medical costs and resulted on a 6:1 ROI.
Dainas, C. (1996). EAP cost-benefit performance. EAPA Exchange, May/June, 23-24.

Abbott Labs Study. Claims-based study finds lower net overall medical costs than non-eap users of psychiatric services, but higher mental health treatment costs.
Dainas, C. & Marks, D. (2000). Evidence of an EAP cost offset. Behavioral Health Management, July/August, 34-41.

McDonnell-Douglas Study. Comparison of overall medical costs for EAP referred cases for alcohol, tobacco and drug dependency and psychiatric conditions with a control group of employees utilizing health services without first using the EAP. Medical claims over 4 years of follow-up were $2,400 lower (in 1986 dollars) for EAP than non-EAP users. More specifically, $7,370 lower for alcohol eap cases and $2,400 lower for psychiatric cases.
Stern, L. (1990). Why EAPs are worth the investment. Business and Health, 14-19. Washington DC.

Virginia Power. Virginia Power's internal EAP in 1991 examined medical claim records for four years before and four years after use of the EAP and treatment (1985-1989). EAP referred clients were 23% lower in total medical costs than a comparison group of employee users of behavioral health services who had not used the EAP.

Every, D.K., & Leong, D.M. (1994). Exploring EAP cost-effectiveness: Profile of a nuclear power plant's internal EAP. Employee Assistance Quarterly, 10(1), 1-12.

Campbell Soup. All eap cases at internal EAP partner with behavioral managed care provider. Reductions over 1 year post EAP in mental health care costs (28% less). The per employee per year average mental costs reduced from $261 to $188 (cost data from 1988-1990). Also had a reduction in workers compensation reportable accidents. Yandrick, R.M. (1992). Taking inventory. EAPA Exchange, July, 22-29.

Southern California Edison. Longitudinal claims data study of EAP substance abuse clients (n = 30) and matched comparison group of employees (n = 29) with claims experience in the same areas of substance abuse and mental health. Analysis of 12 months of baseline (before use of EAP) and 30 months of follow-up data, show that total medical costs were $18,120 per case for the comparison group and $11,222 for the EAP referral group. This difference of $6,898 between the two groups is 38% lower for the EAP over 2.5 years post use. The EAP group experienced most of its savings in the area of physical health costs ($4,117 vs $10,210) and mental health costs ($575 vs $3,637) with the costs for substance abuse treatment being higher ($6,530 vs $4,273). These are 1991 dollars. The data suggests that the EAP was successful in referral of employees to the most appropriate provider to deliver treatment for substance abuse issues.
Conlin, P., Amaral, T.M. & Harlow, K. (1996). The value of EAP case management. EAPA Exchange, May/June, 12-15.

Orange County, Florida, Public Schools. 6 years of medical claims data compared for eap users (type unspecified) and non-user of EAP matched on demographic and insurance coverage factors. EAP user medical costs higher than control for baseline year and first year after use, then decline each year for next four years. ROI of 3:1 over 5 years. (Yandrick, 1992).

NCR Corporation. Company encouraged employee and dependents to use EAP first before seeking treatment in benefits for alcohol/drug or mental health issues. After 1 year, 80% of EAP cases were resolved without use health care benefits; average claims costs for inpatient substance abuse treatment were 50% lower if had used EAP fist. (Davis, 1993 – cited in Blum and Roman 1995).

Crestar Bank. Company encouraged employee and dependents to use an external EAP (Personal Performance Consultants) first before seeking treatment in benefits for alcohol/drug or mental health issues. After 1 year, average psychiatric claims costs were 58% less for cases that had used the EAP compared to cases not using the EAP. (Davis, 1993 – cited in Blum and Roman 1995).

International Foundation of Employee Benefit Plans – Survey Results May 2000: Substance abuse services for multiemployer fund participants. Survey sample of 185 benefit plan administrators. (page 10). 66% = yes for EAP reduced health plan costs.

Clinical Effectiveness and Medical Cost-Offset of Mental Health Services

One of the assumptions of this analysis is that when EAP counselors refer cases into the mental health providers in benefits, that these professionals are effective. Do mental health treatment services generally produce positive clinical outcomes? The answer is yes, according to a landmark review study that examined over 300 meta-analysis papers (each paper itself a review of other many original studies) – see Lipsey, M.W. & Wilson, D.B. (1993). The efficacy of psychological, educational, and behavioral treatment confirmation from meta-analysis. American Psychologist, 48 (12), 1181-1209. Large-scale survey research of consumers of mental health services in the U.S. has also found generally positive outcomes – see Seligman, M.P. (1995). The effectiveness of psychotherapy, American Psychologist, 50 (12), 965-974. The medical cost-offset effect from mental health benefits providers has been demonstrated in a number of earlier studies – see Shemo, J.P. (1985). Cost-effectiveness of providing mental health services: The offset effect. International Journal of Psychiatry in Medicine, 15 (1), 19-31. Miller, N.E., & Magruder, K.M. (Eds)., (1999), Cost-effectiveness of psychotherapy: A guide for practitioners, researchers and policymakers. New York: Oxford.

Disability Cost Savings from EAP

Contie, D.J., & Burton, W.N. (1999). Behavioral health disability management. In J. Oher (Ed)., The Employee Assistance Handbook (pp. 319-336). NY: Wiley.

Handron, K., (1997). Managing workplace disabilities: How EAPs can help put the cap on rising costs. EAPA Exchange, May/June, 21-23.

Raderstorf, M., & Harri, K. (2002, October). Help, I'm too stressed out to work: Managing psychiatric disability. Paper presented at Employee Assistance Professionals Association National Conference, Boston.

International Foundation of Employee Benefit Plans – Survey Results May 2000: Substance abuse services for multiemployer fund participants. Survey sample of 185 benefit plan administrators. (page 10). Result of 49% = yes for EAP reduced disability costs.

Workers Compensation Benefit Cost Savings from EAP

Jardine, E.L., & Liebermann, R. (1993). The role of EAPs in occupational stress claim risk management. Behavioral Healthcare Tomorrow, July/August, 30-35. Claims based study finds lower rates of stress-related workers compensation claims after introduction of EAP.

Smith, G.B., & Rooney, T. (1999). EAP intervention with workers' compensation and disability management. In J. Oher (Ed)., The Employee Assistance Handbook (pp. 337-360). NY: Wiley.

Turner, S. (1993). Safety, workers' compensation and EAP. EAPA Exchange, Oct., 2.

Yandrick, R.M. (1993). Workers' compensation: Beating the blame game. EAPA Exchange, Oct., 6-8.

International Foundation of Employee Benefit Plans – Survey Results May 2000: Substance abuse services for multiemployer fund participants. Survey sample of 185 benefit plan administrators. (page 10). Result: 41% = yes for EAP reduced workers compensation costs.

Part 3: EAP Business Value from Organizational Consulting Services

Attridge, M., Amaral, T., and Hyde, M. (in-press Fall 2003). Organizational assistance services: Why they complete the business case for EAPs. Journal of Employee Assistance. Conceptual model and review of research studies on four basic kinds of EAP organizational services; also includes a case study of organizational development practices by the Mayo Clinic EAP.

Ginzberg, M. R., R. R. Kilburg, and P. G. Gomes. 1999. "Organizational Counseling and the Delivery of Integrated Human Services in the Workplace: An Evolving Model for Employee Assistance Theory and Practice." In J. M Oher (Ed.), The Handbook of Employee Assistance (pp. 439-456), NY: Wiley. General overview of the role and function of organizational EAP services.

A. Worksite Trainings

Attridge, M. (1999). "Worksite trainings: A nationwide study of hot topics, evaluation, and outcomes." Presentation at the Employee Assistance Professionals Association's annual conference, Orlando, FL. Post-training survey data from more than 3,500 participants at Optum EAP trainings found that the majority of employees felt the trainings were a valuable use of time and money (85 percent), improved morale and attitude (64 percent), decreased stress (61 percent), and improved productivity (54 percent).

B. Crisis Risk Management

Attridge, M., Bergmark, R.E., & Parker, M. (2002, June). Impact of terrorist attacks on use of critical incident stress management services. Presented at the American Psychological Society Conference, New Orleans, LA. Presentation of utilization data showing dramatic increase in CISM service use levels after terrorist attack on US in 2001. Also includes CISM evaluation survey instrument and results from several years of data from Optum company.

Everly, G.S., Flannery, Jr., R.B., Eyler, V., & Mitchell, J.T. (2001). Sufficiency analysis of an integrated multicomponent approach to crisis intervention: Critical Incident Stress Management. Advances in Mind-Body Medicine, 17, 160-196. Research review of published literature showing effectiveness of CISM services.

Flannery, R.B. (2001). The assaulted staff action program (ASAP): Ten year empirical support for critical incident stress management (CISM). International Journal of Emergency Mental Health, 3, 5-10. Review of many empirical research studies on the effectiveness of CISM services for helping employees in schools and hospitals cope with on the job violence and trauma.

Gemignani, J. (2001). When behavioral health benefits count. Business & Health, Nov/Dec, 43-44. Editorial review of how EAPs can help employees deal with trauma and crisis, the nature of post traumatic stress disorder, and the potential for medical saving costs by EAPs referring employees for access to proper mental health treatment for depression and PTSD.

Lewis, G. (2002). Post-crisis stress debriefings: More harm than good? Behavioral Health Management, July/August, 23-25. Critical review of issues and research on how EAPs can effectively deliver CISD services for employees.

Miller-Burke, J., M. Attridge, and P. Fass. (1999). "Impact of Traumatic Events and Organizational Response: A Study of Bank Robberies." Journal of Occupational and Environmental Medicine 41 (1): 73-83. This survey study of critical incidents found that employees most affected by the incidents were also those who attended and benefited most from the CISM.

Talbot, R. (2002). Lessons learned from September 11th: Aftercare planning is core to EAP critical incident response. Paper presented at Employee Assistance Professionals Association National Conference, Boston. Review of rational and outcomes associated with organizational response to employee trauma through the EAP provider – based on experience at Cigna Behavioral Health.

C. Consultation Services to Management/Supervisors

Parker, M., N. White, and C. Hietala. (2002). "Helping managers manage workplace crises: The results of Optum management consultation evaluation surveys." Acta Academia, 176-182. Study of follow-up surveys of managers after phone consultations with EAP counselors. More than 90 percent of managers reported being satisfied with the service, and 70 percent said the service helped them better understand and respond to the situation that prompted the consult. Many of the managers in the study also felt that the EAP consultation had resulted in improvements in the productivity, absenteeism, morale and safety of the employees and work groups involved in the consultation.

D. Organizational Development

Hyde, M. (2002). "Oh, What a Time to be an EA Professional." EAP Digest (Summer): 30-32. Example of organizational development services such as the facilitation of leadership retreats and identifying workgroup issues and developing action plans to address key issues that can result in EAP being seen as strategic business partner.