

Return On Investment

The Costs of Mental Illness and Substance Use Disorders

The direct costs (or healthcare costs) of mental illness and substance use disorders exceeded \$210 billion in 2010, and they are estimated to rise to \$6 trillion in 2030.⁶ This is a rate that far outpaces inflation.⁶ Specifically, one survey found that between 2006 and 2016, overall healthcare costs for employers and employees rose by 58%.⁶

Lost productivity makes up the indirect costs of mental illness and substance use disorders. This includes increased rates of absenteeism, presenteeism (ability to be 'present' while at work), employee turnover, and short-term and long-term disability. Lost productivity costs employers \$260 billion annually.⁹

Mental illness causes higher levels of absenteeism, presenteeism and lost productivity than does physical illness. As many as 32 incremental workdays are lost per year due to presenteeism in those with mental illness.⁶

According to a 2016 study, the mean annual per person costs for absenteeism in the United States due to depression was \$390, while the mean annual per person costs for presenteeism in the United States due to depression was \$5,524. This was the second highest figure among the countries studied.³

Mental illness and substance use disorders make up the top five causes of disability among individuals aged 15-44 in the United States and Canada.⁴ Further, these conditions are the fifth leading cause of short-term disability and the third leading cause of long-term disability for employers in the United States.⁴

Data examined from 2007 - 2014 showed that disability claims for mental illness had an average duration of 48 days which was second only to musculoskeletal disorders.⁹



How a High-Quality, Well-Promoted EAP Will Help

1. Significant Reduction in Healthcare Costs

You can reduce rapidly increasing healthcare costs by implementing a high-quality, well-promoted EAP. Our data shows that 75% of Care Plus Solutions EAP cases are resolved without using healthcare benefits. Other research proves an EAP's value in this area, as well. For example, one company found that medical claims were reduced by 23% for those employees who accessed EAP services compared with those who accessed behavioral health benefits on their own.⁸

Less insurance claims can also help employers to avoid higher premiums, as insurers often base premium increases on an employer's overall claims history. For instance, elevated insurance claims are frequently seen with people suffering from substance use disorders. It is common for these individuals to get caught in the "revolving door" of acute care (medically managed detox and inpatient treatment). For individuals referred to our SAP Program that test positive for drugs and alcohol under the Federal DOT, we achieve an 85% success rate. This has reduced overall claims amounts and controlled premium costs for our client organizations.

2. Considerable Economic Expense Savings

Care Plus Solutions EAP cases yield an average productivity improvement of 50%. Our formal management referrals average an 80% reduction in absenteeism, and a 40% improvement in overall productivity.

The preceding statistics and our 85% success rate with DOT SAP cases guarantees short-term and long-term disability costs savings.

Other studies that demonstrate indirect cost ROI include the following:

A 2017 study using the evidence-based screening tool known as the Workplace Outcomes Suite (WOS-5) found that in over 16,000 EAP cases, absenteeism improved by 57% and presenteeism improved by 26%.²

Proficient EAPs help to decrease turnover costs. In one qualitative study, 77% of employees who viewed their work culture as supportive said that it is highly likely that they will still be working for the same company in one year. The number was 41% for those who did not.¹

One study found that when comparing paid sick leave records and short-term disability claims one year prior to EAP use to two years after EAP use, net savings were \$5,000 - \$11,000 per EAP case, per year.¹

A 2016 analysis revealed that for every \$1 spent, employers had a return on investment of \$5.59.⁵

Active Promotion of the EAP

Because research shows that promoting the EAP to employees yields higher utilization, and thus, improves employee productivity and saves your company money, our organization makes this a priority. "Planting the seed" throughout your organization will boost employee morale, engagement, and retention.

To that end, we encourage all stakeholders to avoid bundled EAPs, as they have minimal to no promotion. Employees that work for organizations with bundled EAPs often do not know they have an EAP. Therefore, overall utilization is low, and return on investment is poor.

Behavior Risk Management

Our Management Assistance Program (MAP) aids organizations in avoiding litigation on potential harassment claims, accidents and workplace violence.



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Care Plus Solutions EAP Gives You Accurate Results

95% of the return on investment that an EAP brings is in economic costs (productivity gains, reduced accidents, and reduced employee turnover).⁵ And, until recently, there has not been a standardized, scientifically validated tool for EAPs to measure these savings. Given that reality, we at Care Plus Solutions take the precise measurement of ROI very seriously.

Therefore, Care Plus Solutions employs the Workplace Outcome Suite (WOS-5)⁷, a scientifically validated tool and EAP best practice to measure and evaluate the work-related outcomes of our EAP services. The WOS-5 measures absenteeism, presenteeism, work engagement, life satisfaction, and workplace distress. This short, 5-item measure is completed before use of EAP services, and then at a 90-day follow-up period after EAP use.

This method of measure makes certain that we are providing quantifiable results to our client companies that translate into them saving money. Further, we encourage all stakeholders to be educated on how ROI ought to be measured.

Sources

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