Addressing EA Challenges Involves a More Assertive Approach

By Dave Sharar, PhD

Back in 2006 I co-authored an article in the *Journal of Employee Assistance* (*JEA*) with EAP icon Dale Masi. The article was entitled "Crises facing the EAP field" and we outlined three critical issues: (1) our inability to align better outcomes with higher payments or how we are stuck with very low rates, (2) how EAPs were cheaply "bundled" and thrown-in with other employee benefits, and (3) the way EAP vendors were vetted, selected, and understood by brokers and consultants.

Here we are 14 years later still grappling with these same interrelated problems. However, this is not an article to ruminate about the past but an attempt to look into the future of the field and offer some hopeful observations and predictions.

A definition is in order first. What is commonly referred to as a "digital disrupter" is a technology-based company that seeks to replace a traditional EAP with a tech solution or digital gimmick. The proliferation of various well-being apps and self-help applications in the marketplace is one example. Their appeal is growing among employer purchasers and their brokers or consultants. And yet, few, if any, can provide concrete evidence in a peer-reviewed, scientific journal that backs up what they claim the product can do.

1. **EAPs must Reduce the Impact of Digital Disrupters**

Digital disrupters will continue to displace "traditional" EAPs, *but* a growing segment of enlightened benefits consultants and purchasers will appreciate the differences offered by high-touch, flexible, individualized, proven "top-tier" providers who demonstrate outcomes with credible data.

Like the disrupters, many of these providers already have technology enabled solutions, but they also recognize the importance of delivering compassionate, personalized, and elite professional services with enduring, productive relationships between the EA provider and employer representatives (usually benefits, HR, or medical).

Prediction: Technology and multiple access points will continue to "wow" purchasers, but there will also be an increased demand for highly professional, individualized one-on-one short-term counseling, referral, and follow-up services that includes video, telephone, and in-person with a competent, licensed helping professional who knows how to properly access and deploy evidence-based interventions.

Top-tier or robust EAPs need to acknowledge and not only embrace the value of digital innovations and deploy these solutions, but also position technology as part of a broad, high-touch, personalized flexible suite of services. It's imperative to point out that digital disrupters are:

- Limited in scope;
- Lack credible outcome data and workplace behavioral health expertise; and are
- So technology centric their interventions do not come across as compassionate.

To accomplish this goal, EAPA recently engaged the services of BackBone, a public relations and marketing communications firm that has worked with some of the most dynamic and innovative EAPs, to raise EAPA's organizational profile as *the* authoritative voice on employee assistance and workforce optimization in the EA marketplace.

BackBone will also raise awareness among HR, Safety, Wellness, Benefits, and general business audiences of the central role employee assistance plays in maintaining business continuity – *a message that will have particular resonance as employers grapple with the effects of COVID-19 and the challenges of keeping their workforces safe, engaged, focused, and productive*.

2. **<u>EAPs must Increasingly Embrace Engagement over Utilization</u>**

The pandemic will create an opportunity for motivated and innovative "top-tier" EAPs to re-position and re-brand themselves as demand for services will eventually surge as personal and behavioral health problems escalate.

This will require moving away from conventional notions of "utilization rates" as a critical measure of success. The new contemporary EAP will need to <u>engage</u> employees/families in <u>all</u> services and strive to touch 100% of the workforce through a variety of delivery channels that create wide open access with choices. However, we <u>must</u> overcome our lack of consolidated, agreed upon, and reliable metrics that examine the use of one or more modalities across cases:

(1) The length, intensity, and use of particular modalities;
(2) The impact of multiple problem severity;
(3) Whether the client works primarily from home or at a job site;
(4) The final disposition of the case; and
(5) The subsequent effects on defined outcomes using a validated measure, such as the Workplace Outcome Suite (WOS).

Prediction: Top-tier, or leading EAP providers will typically not be the largest traditional, insurance-owned or embedded EAPs that presently dominate market share, nor will they be one of the new "digital disrupters." Rather, they will be (1) well-resourced and innovative regional players with national capabilities (such as certain members in the National Behavioral Consortium) or (2) internal or hybrid providers that are highly regarded and funded by large sponsoring employers who desire customized solutions.

These internal programs are not only well staffed and managed, but also carefully select supplemental vendors who function as "partners." If your EAP is not already on the path of becoming a leading provider, the following is a quick recipe in becoming one:

➤ *Invest in ways to credibly measure outcomes* and impact – the WOS being one such example.

➤ *Create reliable, multiple access points* using both high touch and technological solutions. This means embracing technology and partnering with vetted technology companies to offer quick solutions. (Editor's note: See the following *JEA* articles – "Going Digital: A Roadmap for EAPs" and "X2 A1 Tess: Working with AI Technology Partners, 2nd Quarter 2019 and 1st Quarter 2019 issues, respectively.)

➤ *Have easy-to-use connections to a highly professional counseling network* and other useful resources. Intake sessions are individualized and utilize evidence-based screening tools, so the employee is connected with the most suitable counselor. Top-tier networks include licensed mental health professionals who are familiar with workplace issues. These networks are well managed with insurance matching and confirmed availability.

➤ *Align and integrate efforts with client organization initiatives* and acquire a deep knowledge of the client's culture – something that digital disrupters cannot and do not do.

➢ *Focus on EAPs as a logical solution to help employers cope with the pandemic* by pursuing 100% service utilization. Historically EAPs have relied on utilization rates as a key measure of success, but utilization is an unreliable measure since there is no commonly applied definition across the spectrum of highly variable providers. The EA field needs to move away from this narrow, utilization-centric metric and replace it with "engagement" – in other words, how many employees and families are engaged in the types of services that lead to total program usage (not just "counseling").

➢ NEVER screw up a high-profile event like a workplace critical incident response.

➢ Move near lightning speed to accomplish each of these as disrupters are aggressively targeting traditional EAPs, who are too often slow to respond.

3. **EAPs must Develop New Pricing Models**

Engagement will not be sustainable unless, as a field, we deploy new ways to get paid and move past the dominant model of capitation or PEPM (per employee per month). The credible and transparent measurement of new forms of value is absolutely essential to understanding our real performance and thus *increasing our rates*.

Greater reimbursement must be bound to achieving outcomes that matter (to employees and employers) and the engagement of employees/families in 100% utilization – online, digital, in-person, work-life requests, apps, management consultation, organizational training, critical incident response, and so forth. We simply cannot move toward 100% utilization with a typical rate of $1.08 PEPM.

Prediction: Options to pure capitation such as value-based reimbursement, budgeted utilization or shared risk, and bundled payments will gradually take hold – as implemented by top-tier providers and supportive brokers and consultants. A brief primer follows:

Value-based reimbursement. This term describes an arrangement where service providers are paid based on the attainment of specific outcomes or quality indicators that are valued by the funder (or employer). Payment can be in the form of bonuses (up-side risk) or penalties (down-side risk).

Budgeted utilization. This model involves the employer paying a fee based on a budgeted or expected utilization rate. At the end of a year, if utilization exceeds the "ceiling" the employer is sent an invoice. If utilization is below the "floor", the employer receives a "credit". This reconcilable option offers a structure that adjusts during each program year to reflect actual usage.

Bundled payments are a variation on what used to be called a "case rate". The total amount of a bundled payment should be *lower* than the sum of fee-for-service elements that make up the bundled payment.

For instance, if the case is short-term counseling within a six-session EAP model, the bundled payment should be significantly less than six visits x $75.00 a visit. The payment should account for variations in service modality (e.g. face-to-face, telephone, online) and average numbers of visits.

For a more detailed explanation of each of these options, see the article, "Where Do We Go From Here? Improving Value and Pricing in EAP" in the 2nd Quarter 2019 *JEA*.

Summary

The EA field needs to move beyond more sustainability (if that) and instead "strive to thrive instead of merely survive." Reducing the impact of digital disrupters, embracing engagement over now-dated "utilization" and developing new pricing models will enable us to do just that. The more we delay, the more our competitors (like the disrupters) will be all too happy to take our place. Much needs to be done. It's high time we got started. ❖

David Sharar is the CEO of Chestnut Health Systems. He co-developed the Workplace Outcome Suite, a free and scientifically validated tool designed so EA providers can accurately measure the workplace effects of EA services. He can be reached at dsharar@chestnut.org.