

**EAPA North Carolina Conference
March 2003**

Breakout Session

**Making the Business Case for EAPs:
A Workshop on Research and Methods**

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Chair, EAPA Research Committee

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OUTLINE

- Review of the business case conceptual model
- Self-assessment of current practices concerning the areas of the model
- Primer on research methods for ROI
- Small-group exercise for discussion and critique of participant practices, surveys, reports

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Your Background in Research

- **What is your training in research methods, statistics, measurement, data analysis, survey design, etc.?**
 - A. On the job experience
 - B. Undergraduate level course
 - C. Graduate level course or experience

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OUTLINE - Part 1

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The ROI Triad for EAPs: A General Consulting Model



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Human Capital

- EAPs help maximize the investment in human capital - the people who work for the organization
- Human Capital Components:
 - 1) Employee Job Performance (Productivity)
 - 2) Employee Absenteeism
 - 3) Employee Retention

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McDonnell Douglas EAP Study with Alexander & Alexander Consulting

•CITE: Smith & Mahoney - Unpublished, 1990

•STUDY DESIGN: Company records of absenteeism and medical claims data

•EAP vs Control Group of chem/dep and psychiatric claimants non-EAP users

•Time periods of 4 years before and 4 years after first year of EAP use

•KEY RESULTS

•Total over 5 years after use:

•Absenteeism: EAP 25% to 29% fewer days lost

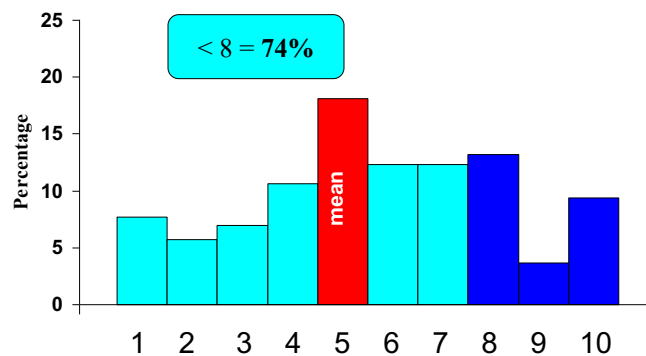
•Turnover: EAP 42% to 28% fewer terminated

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Level of Employee Productivity Before Use of the EAP

“How productive were you when you first called Optum?
(1-10 Scale: 1 = the least productive you have ever been and
10 = the most productive you have ever been)”

(Optum & IHPM Study - 1999 Data)

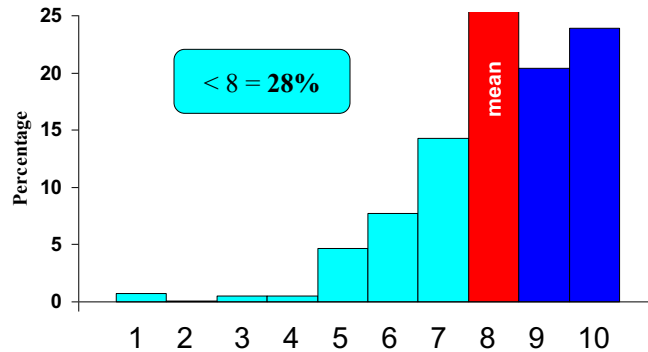


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Level of Employee Productivity After Use of the EAP

"How productive are you now? (after use of Optum)
(1-10 Scale: 1 = the least productive you have ever been and
10 = the most productive you have ever been)"

(Optum & IHPM Study - 1999 Data)



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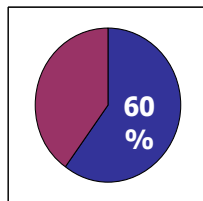
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Evidence for Absenteeism Value

Optum EAP Counselor Follow-up Survey N > 6,000
1999 Data



60% of employees reported that use of Counselor service helped to avoid taking time off from work.

13.9 hours of work loss avoided per case

Cite: Otis, Attridge, Riedel, 2000, Benefits Expo

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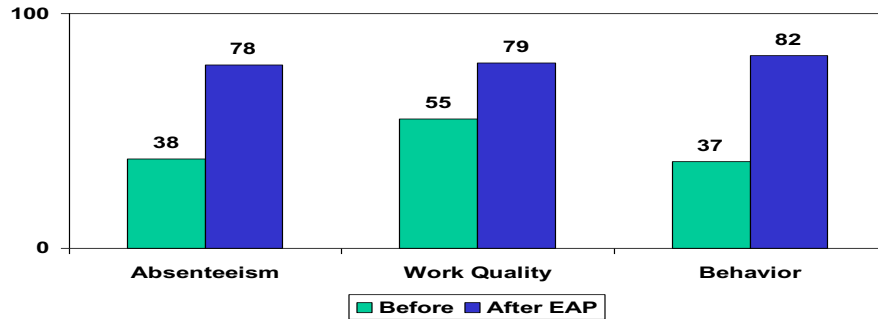
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Survey Data: Manager Ratings of EAP Clients

**Supervisor Ratings of Employee's Performance Before and After
Supervisory Referral to EAP (% rated well or satisfactory)**
Study: Jardine & Lieberman (1993), [Behavioral Healthcare Tomorrow](#)



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Benefits Managers Perceived Impact of EAP Services on Employee Turnover

International Foundation of Employee Benefit Plans –
Survey Results May 2000: Substance abuse services for
multiemployer fund participants. Survey sample of 185
benefit plan administrators.

57% = Yes

for EAP reduced employee turnover and job loss.

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The ROI Triad for EAPs: Claims Costs



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Claims Costs

- **EAPs help reduce overall health care claims costs and benefits costs**
- **Three Kinds of Claims:**
- **1) Total Health Care Costs**
Medical & Mental Health/Chemical/Substance
- **2) Disability**
- **3) Workers Compensation**

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Evidence for ROI: Claims Costs

Claims Comparison Studies of Users of EAP Clinical Services and Non-Users

Survey Studies of Managers Perceptions of Claims Savings from Employee Use of EAP

Review Studies of General Effectiveness and Cost-Benefit of Mental Health Treatment

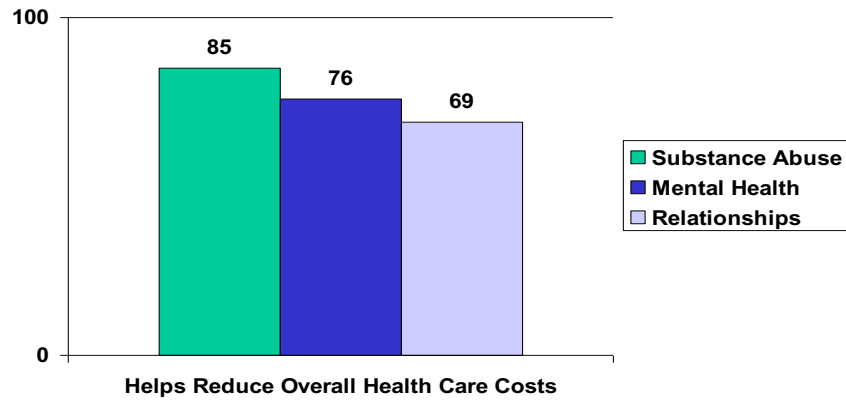
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Los Angeles Dept of Water & Power Study

- CITE: Amaral & Phelps, 1996, EAPA conference
- STUDY DESIGN: Company records of sick leave, STD claims data
- EAP users N = 115
- No Control Group
- Time periods of 1 year before EAP as comparison versus 2 years after start use
- 2 kinds of estimation models
- KEY RESULTS
- Total \$1.2 to \$2.6 Million in savings for 2 years
- NET = \$5,000 to \$11,000 per EAP study case per year savings
- ROI = 22:1 to 51:1 for return vs investment costs of only study cases;
- 2:1 to 4:1 if investment costs of all EAP budget

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Benefits Managers Perceived Impact of EAP Services on Claims Costs



Source: 1996 national survey of 473 Companies. Attridge, APA/NIOSH.

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Reviews of Research on Effectiveness and Cost-Benefit of EAP Services

- Mastrich, J. & Beidel, B. (1987). Employee assistance programs cost-impact. The Almacan, June, 34-37.
- Yandrick, R.M. (1992). Taking inventory. EAPA Exchange, July, 22-29.
- 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.
- Attridge, M. (2003). Making the Business Case for Employee Assistance Programs: Annotated Bibliography of Key Research Studies. Presented at the Employee Assistance Professionals Association North Carolina 24th Annual Training and Annual Conference, Charlotte, NC.

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Research on Effectiveness and Cost-Benefit of Mental Health Services

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.

Seligman, M.P. (1995). The effectiveness of psychotherapy, American Psychologist, 50 (12), 965-974.

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.

US Surgeon Generals 1999 Report on Mental Health (see web page)

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The ROI Triad for EAPs: Organizational



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Organizational

- EAPs provide consultation services and help manage risk for the organization
- Organizational Components:
- 1) Expert Consultation to Managers
- 2) Educational Programs and Training
- 3) Other Non-Clinical Services
- 4) Crisis/Violence (CISM or CISD services)

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Evidence for ROI: Organizational

Studies of Managers Perceptions of How EAP Helped Them Address Difficult Issues

Studies of Participants at EAP Trainings

Studies of Users of EAP for Critical Incident and Violence/Risk Management Services

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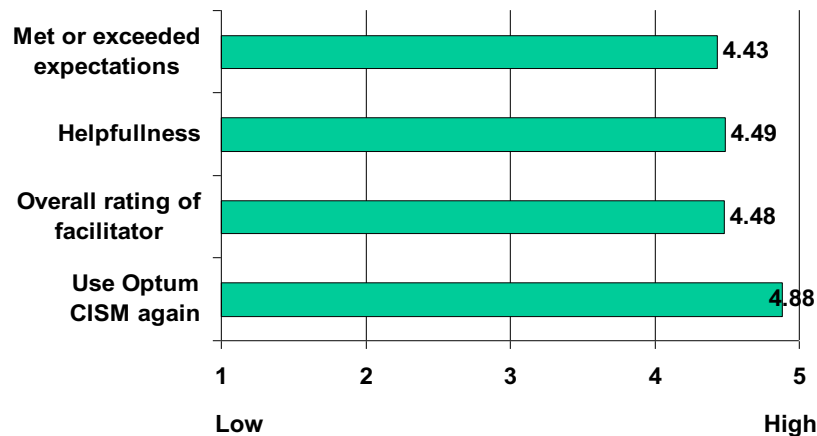
Manager Evaluation Items for CISM Events

- 1. This service met or exceeded my expectations
- 2. How helpful was it?
- 3. Overall, how would you rate the facilitator?
- 4. Would you use Optum again, should another critical incident occur in your workplace?
- Each item rated on 5-point scale (1=low to 5=high)
- As the four items were positively correlated, they were combined into a composite index ($\alpha = 0.82$).

Cite: Attridge et al, 2002, American Psychology Society

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Manager Evaluation of CISM Services: Average ratings from 135 Events from years 2000 and 2001



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OUTLINE - Part 2

- Review of the business case conceptual model
- Self-assessment of current practices concerning the areas of the model
- Primer on measurement and research methods with examples from key studies
- Small-group exercise for discussion and critique of participant practices, surveys, reports

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The Business Case and Your EAP

- **“The larger issue is not *whether* EAPs are cost-effective, but *which* EAPs are.”**
- **Ken Collins. “EAP Cost/Benefit Analyses: The Last Word.” in EAPA Exchange (2000 Nov/Dec, p. 31).**

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ROI Check-Up

- Do you provide the kinds of EAP services that represent each component of the ROI Triad?
- Do you understand and manage what drives the use of these services?
- Do you collect use data relevant to ROI?
- Do you measure outcomes?
- Do you assign financial value to outcomes?
- Do you communicate your value to the customer?

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OUTLINE - Part 3

- Review of the business case conceptual model
- Self-assessment of current practices concerning the areas of the model
- Primer on research methods for ROI
- Small-group exercise for discussion and critique of participant practices, surveys, reports

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Methods Tutorial

Clinical Case Data

- * Case Open and Close
- * Clinician Judgments on Outcomes
- * Record of Referral Services Used

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Methods Tutorial

Survey Data

- * Clinical or Consultation Clients
 - * Workshop Participants
- * Supervisors (on Employee Referrals)
 - * Management/Purchaser

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Methods Tutorial

Company Records Data

- * Absenteeism
- * Productivity/Performance
- * Turnover/Recruitment
- * Accidents/Complaints/Other

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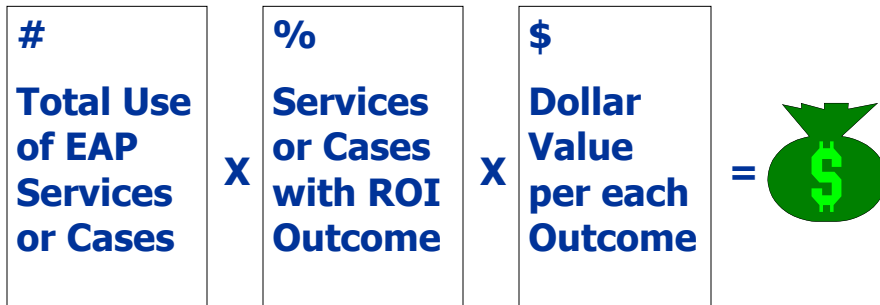
Methods Tutorial

Claims Data

- * Medical & Pharmacy
- * Mental Health/Substance
- * Disability (STD & LTD)
- * Workers Compensation

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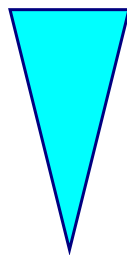
Do the Math: Source Code for ROI



Repeat process for each outcome type within each component of ROI Triad

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Outcome Size-Down Problem



- 1 - Covered Population
- 2 - User of EAP
- 3 - Employee User of EAP
- 4 - Type of Case Relevant to Outcome
- 5 - Rate of Outcome Effect Per User

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Outcome Size-Down Problem: Example

<u>Cases</u>	<u>Outcome Size-Down Level</u>
1000	1 - Covered Population
60	2 - Users of EAP (6%)
48	3 - Employee Users of EAP (80%)
36	4 - Type of Case Relevant to Outcome (75%)
18	5 - Rate of Outcome Effect Per User (50%)

Result = Instead of 60 cases, there are 18 (less than 1/3) who actually create the financial return

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Outcome Worth Problem



- 1 - What is the Dollar Value per Outcome?
- 2 - Who defines it?
- 3 - Can you get it from the customer?
- 4 - Can you estimate it from other sources?
- 5 - Does the time period of the source of dollar value match the period of EAP use? (inflation adjusted?)

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General Research Steps and Strategies

STEPS

Identify the objectives.

Analyze the audience.

Select the best strategies.

Conduct investigation.

Present the findings.

•STRATEGIES

•Research done by others.

•Case studies.

•Accountability reports.

•Satisfaction surveys.

•Effectiveness investigations.

•Benchmarking.

•Outcome evaluations.

•Cost-benefit studies

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OUTLINE - Part 4

- Review of the business case conceptual model
- Self-assessment of current practices concerning the areas of the model
- Primer on research methods for ROI
- Small-group exercise for discussion and critique of participant practices, surveys, reports

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Small Group Exercise

**What Are the Implications for Your EAP:
(possible areas....)**

- A. Data Collection and Measurement
- B. Reporting and Analysis
- C. Customer Communication and Marketing

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The ROI Triad for EAPs: A General Consulting Model



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Q & A?

Dr. Mark Attridge



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