# Evaluating Employee Assistance Programs

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*This article provides a review and conceptual framework for the evaluation of social work and other services provided by employee assistance programs (EAPs). A discussion of the unique challenges and opportunities afforded in the evaluation of EAP services is also presented.*

An employee assistance program (EAP) is a professional assessment, referral, and short-term counseling service offered to employees and their families with alcohol, drug, and emotional problems that may affect their jobs. These employees may self-refer or may be referred, especially by supervisors, to the program. The evaluation of an EAP is important for several reasons. Operating an EAP is not always beneficial to a company's employees. It is essential, therefore, to evaluate whether the company's investment in the EAP is actually helping its employees. It is an employer's responsibility to ensure the effectiveness of the program and to determine if it requires change. It is also important for the company to ascertain whether the program is reaching and serving all levels of the employee population: men, women, all managerial levels, families, minorities, and so forth. A company should also determine whether the appropriate range of the problem categories is being properly diagnosed. An evaluation can determine the EAP's cost-effectiveness, which in turn is often closely connected to the program's continuation. Further, an evaluation provides legal protection for the employer; it shows a good faith effort to ensure that program standards are being met.

## CONCEPTUAL FRAMEWORK

- Evaluation is not research, it is quality assurance.
- Evaluation is essential to any program. The evaluation process needs to be designed when the program is first implemented. There is a tremendous

advantage to tailoring the program information at the onset of the program to achieve effective evaluation results.

- Evaluation should be a growth process for a program; it should not be seen as a system that looks for the negatives without making recommendations.
- Programs that do not have a built-in evaluation process often fail. The poverty programs and in-patient alcoholism treatment regimens are examples. When asked, they could not show their effectiveness.
- Evaluation should be conducted by bona fide evaluators.

## THE ROLE OF EVALUATION

One of the functions of evaluation is to examine important aspects of the EAP effort. For example, it addresses the following questions:

- How does the program reflect the excellent performance and management philosophy of the company?
- Are the vendors or staff members implementing the program in accordance with the terms of the agreement or policy?
- Are the outreach activities conducted by the program resulting in satisfactory penetration rates from all sources?
- Is the program's short-term intervention reducing the need for long-term community treatment?
- Are the services effective in improving employees' level of functioning?
- Is the program cost-effective?
- Is the program diagnosing and aiding the appropriate number of substance-abusing clients (usually about 35%)?

### Costs of Evaluation

Evaluation is not nearly as costly as an ineffective program or a lawsuit. In reality, evaluation is an initial step in any company's EAP efforts to contain these costs.

## TOTAL QUALITY MANAGEMENT (TQM) AND EAPs

TQM is a people-focused management system that aims for a constant increase of customer satisfaction at a continually lower real cost (Becker, 1993). It is a total system approach (not a separate area or program) and is an integral part of a high-level strategy. TQM works horizontally across functions and departments, vertically to involve all employees, and extends

backward and forward to include the supply chain and the customer chain. The system stresses learning and adaptation to constant change as keys to organizational success.

TQM's foundation is based on the scientific method; it includes systems, methods, and tools. The system permits change while the philosophy remains the same. TQM is anchored in values that stress the dignity of the individual and the power of community action, This definition of *total quality* suggests that customer satisfaction-even customer delight-is a useful definition of quality.

Today, American businesses and government agencies are taking the total quality philosophy and transforming it into management strategies for the future. Because EAPs are part of the company's service delivery component, they fall under the TQM philosophy. Systems for quality must be in place to adhere to TQM standards defined at the onset of the EAP contract. The approach for adhering to these systems and striving to define and pursue new standards is the evaluation process. In applying TQM to EAPs, one must evaluate all parts of each program, not only the quality of the counseling, counselors' credentials, or physical facilities, for example, but the entire program as a whole and its relationship to the entire organization.

## FORMS OF EVALUATION

### Benchmarking the Client Contract

One of the most important standards to follow in conducting an evaluation is the client contract. This is the legal agreement between the employer and the vendor or company program. In this agreement, the standards are set for staffing, counselor credentials, number of sessions, client eligibility, penetration rate, clinical referral line (CRL) response turnaround, and other criteria. Too often, employers allow contractors to submit their own contract that is written for the contractor's benefit. It is important for a third-party evaluator to preview the contract to ensure that all benchmarks and time lines stipulated in the agreement have been met. This can also have a long-term financial impact.

### Monitoring the CRL (800 Number)

The CRL is the clients' first contact with the EAP staff. To keep the process of employee assistance flowing smoothly, certain standards should be in place.

*Technological considerations.* Because technology is rapidly changing, the purchaser of a provider phone system should consider the CRL when making technological decisions. Does the phone system automatically respond with voice mail, or is the first contact with an individual? If the initial contact is voice mail, how long does it take before the client gets through to a professional? Questions such as these, and others, need to be considered.

*Analysis of telephone intake forms.* When analyzing the level of activity, time of calls, and quality of referrals, regular calculated quarterly analysis is advisable. This can be performed by the outside evaluator and/or internally by the vendor to assess effectiveness.

The most important considerations of the CRL are for the EAP client to reach a caring, clear voice; for clarity in the procedure for contacting the CRL; for quick-response emergency procedures; and for an adequate response time overall. Evaluators look for a clear process that explains how a client will be helped.

**Observing the Physical Facility**

In all cases, spot-checking the facilities before the contract is awarded, and intermittently thereafter, is advisable. The site visits should include the vendor's main office, affiliate offices, and subcontractor offices countrywide, if possible. The on-site observation checklist for an EAP/managed behavioral care (MBC) outpatient physical facility should cover the following:

- office location
- office atmosphere
- office hours
- facility/counselor alternative issues
- case record maintenance
- confidentiality
- case destruction
- accessibility
- computerization
- security of fax transmissions

**The Management Information System (MIS)**

Approximately 90% of EAPs use monthly or quarterly reports exclusively as a way of evaluating the entire program. This is only one facet of the reporting process. There should be quarterly, yearly, and year-to-date sum-

maries, with comparisons from quarter to quarter, year to year, and year to date. When conducting an evaluation of the MIS, there are many key elements to identify. The following are but a few:

- percentage of successful referrals to EAP;
- percentage of successful referrals to treatment of in-house counseling;
- percentage of clients who successfully return to work;
- percentage of substance abuse clients with successful recovery;
- penetration rates (how well the EAP penetrates specific subpopulations); and
- number of sessions in consultation, training, promotion, and/or support.

*Utilization rate.* Today's EAP utilization rates are often inaccurate due to mathematical manipulation. The proper formula for determining the utilization rate is the number of employees seen in the program (numerator) over the total number of employees in the company (denominator). Many programs add the number of family members seen to the numerator and, because it is difficult to determine the total number of family members seen, keep the employee figure as the denominator. This results in inflated penetration rates. Because contract fees are based on the penetration rate, this has obvious financial implications for the company. The contract stipulates a certain percentage of clients to be seen, and if the vendor sees more clients, the company pays more. A good utilization rate is 5% to 8% per year.

*Need for sampling.* Random sampling of client cases assures that a significant proportion of the client population is represented. The evaluators verify the EAPs' MIS numbers through samples to determine the accuracy of reporting. Demographic comparisons, such as percentages of ethnic categories, job level, work location, gender, and other variable breakdowns, should be available to create an accurate sample.

*Terminology.* Is everyone using the same terminology? Consider the following examples:

- What is a client? Only an employee? Family member? Retiree? Dependent?
  Until what age can a dependent be seen?
- What is a client session? It cannot be assumed that a client session is only face-to-face contact.
- Is a case reactivated or reopened?

In the vendor contract, there should be a list of terms and definitions that the client or company understands and agrees with.

*Primary presenting versus primary assessed problem.* When the primary assessed problem rate is the same as the primary presenting problem rate, it may signal that the counselors are allowing their clients to self-diagnose. Analyzing these rates in an evaluation will ascertain whether the clients are being properly diagnosed by the counselors.

The presenting problems of occupational issues can be problematic. Because of the legal implications for the company, they are sometimes misassessed. For example, an employee presenting with an occupational problem of sexual harassment or job discrimination should warrant (with client approval) the involvement of the human resources department.

*Substance abuse assessment.* There are often low numbers of alcohol and drug cases diagnosed. The rate of substance abuse cases should be set as a goal in the client contract. A 25% to 30% assessment of cases involving substance abuse is a minimum guideline to follow.

*Number of sessions.* Most EAP contracts are awarded with an eight-session model, but many providers are seeing clients for less than three sessions. EAPs are paid on a per capita basis and not on a fee-for-service basis. Companies should stipulate in the contract that they are to receive a refund if there is less than an average of 4 to 5 sessions in an eight-session model. Alternatively, the contract should be changed to a six-session model with an average of three sessions.

*Counselor status.* It is always important to ascertain whether the counselor is a staff employee or a subcontracted affiliate. This information is an effective means of determining the staff versus affiliates ratio.

**Providing Employee Feedback**

Every EAP should have a system for the program recipients to provide feedback. Customer satisfaction is the primary concern of the TQM approach. The system described allows for this input. The main goal of the feedback process is to ensure that the client's needs are met with professionalism and courtesy and done so in a timely manner. When soliciting feedback, it is

preferable to have a third-party evaluator involved in the process. A respondent is less likely to be up-front and honest with his or her responses when the answers are relayed directly to the EAP provider or to the employer. A third-party evaluator can also offer the unique opportunity to compare the client/company with their other clients/companies and offer reasons for variances.

*Client participation form (CPF).* The product of the employee feedback process is a questionnaire/survey given to the client during the first interview and to be filled *out* on termination of treatment. This method provides clients or employees who drop out after the first few sessions with an opportunity to give feedback. It can also be mailed to clients but only with their permission. The questionnaire should not be completed until one of three scenarios has occurred: the client has finished short-term therapy, he or she is at a referral point, or the problem is resolved. It is important to convey to the client that the survey is voluntary, anonymous, and confidential. The survey should be relatively short and be accompanied by a stamped envelope bearing the third party's address. The client has the option to sign the questionnaire, which allows him or her to be contacted regarding the information. In one instance of this feedback procedure, a CPF respondent stated that she was being sexually abused by the psychiatrist to whom she had been referred. This case was referred to the EAP. The signature option was used and the employee was contacted for further information.

**Cost Benefit/Cost-Effective Analysis**

*Cost-effective.* Literature before the late 1980s shows a number of company studies claiming that their EAPs were cost-effective. However, most of the literature is promotional, with estimated savings based on projected macrocost percentages. The McDonnell Douglas study is often quoted as a cost-effective study for EAPs. This study examined employees who used the EAP for alcoholism treatment and compared them to employees who went through their mental health benefit program. By studying the costs of these two approaches, it was determined that alcoholism treatment through the EAP was more cost-effective, with a return of 3:1. However, this study did not prove-cost-effectiveness of EAPs in the broad sense.

In 1985, a major evaluation eliminated the two limitations described above and represented a turning point in the EAP field. This evaluation was for 150,000 employees in the U.S. Department of Health and Human Services.

This model is replicable and has been used a number of times in studying the cost-effectiveness of many other EAPs (Development Associates, 1985).

*Cost benefit.* Cost-benefit analysis addresses the question of whether an organization can expect a reasonable return for its investment of resources in a program in terms of identifiable cost reduction. This analysis involves measuring the total cost of an occupational program and comparing this to the benefits accrued by the organization. Direct and indirect costs, including program operational expenses and costs attributable to employee problem(s), are measured to determine the total dollar expenditure for implementation of the program. This is compared to costs incurred without the program. These two figures are weighted to evaluate whether the program can be justified economically.

Direct costs related to industry include absenteeism, medical expenses, disability payments, early pension payments, and supervisory time required for discipline. Indirect costs are more difficult to measure, and reports on such costs usually rely on estimates rather than actual measurements. These include increased accidents, inefficiency of alcoholic workers, inefficiency of fellow workers, deterioration of morale, added sick-pay costs, and costs of replacing trained workers.

The benefits that are important from an organizational viewpoint are related to the amount of money invested in a program versus the ratio by which that investment is returned in terms of savings related to the rehabilitation of the employee. Program benefits can be calculated in dollar savings on such variables as sick leave, absenteeism, sickness and health benefits paid out, disciplinary actions against an employee, and number of grievances. Cost-benefit analysis is the most feasible method to use in measuring the value of an employee counseling program. It is considered so because it encompasses a larger and more in-depth area than does cost-effectiveness. Cost benefit takes into account both the employer and the employee and it considers some rather important variables that are not included in measuring cost-effectiveness.

A cost-benefit analysis of a program requires the use of control groups. This involves the comparison of one group of employees who have used the EAP to a control group of employees who have not. The two groups are compared in terms of absenteeism, accident rates, excessive sick leave, use of medical benefits, and so forth. This shows whether improvements in the group can be credited to the EAP (the single variable difference).

## Process

### The Clinical Review

I developed the application of the clinical review process to EAPs in the early 1980s for International Business Machines, Inc. (IBM). IBM wanted to ensure that they were getting good quality counseling for their employees. The clinical review method was designed after consulting with Civilian Health and Medical Program of the Uniform Services (CHAMPUS), the Joint Commission on Accreditation, and the National Institute of Mental Health. I developed this method with input from IBM staff and it can be adapted for the public or private sector (Masi, 1994).

Two essential elements are necessary for the success of clinical review programs: adequately documented case records and superior professional multidisciplinary judgment. Clinical reviewers must evaluate the consistency among signs or symptoms and behaviors correlated to identified problems, diagnosis, and corresponding appropriate treatment plans.

#### *Four Major Components*

*A general orientation session.* The orientation session includes representatives of the client/company, the vendor program staff director and staff, and all clinical review members. It provides the opportunity for both company personnel and the vendor to clarify all aspects of the program for the review panel.

*Actual review of case records.* The second component of a clinical review is the reading and rating of a representative sample of case records by the panel members conducting the company's review. This activity, aimed at customizing the process, usually takes place at a neutral site, under secure and confidential conditions. The actual number of Cases to be reviewed is directly related to the number of employees using the company's EAP, A psychometrician determines a statistically significant sample based on the total number of cases and approves the method of selection to assure a random sample. The selection of individual cases can be performed in various ways (e.g., by gender, managerial level, work site, or any other variable the company chooses). Each case record is then rated using a quality evaluation instrument with built-in reliability and validity checks. The numerical ratings as well as the quantitative comments are then studied, documented, and integrated.

The rating of each case is done jointly by all reviewers to achieve a clinical appraisal. A numerical rating is given to each of the cases in the areas of case

documentation and clinical treatment. Individual write-ups are produced for the cases that the reviewers agree require immediate attention. The primary goal of the protocol instrument is to ascertain the profile of each client, determine the quality of treatment provided, and analyze the referral process, if applicable.

*Direct dialogue with company vendors (optional).* The direct dialogue with the vendor occurs during the review process. Occasionally, procedural and systemic issues will arise that can only be answered by the vendor staff. However, this is not a requirement of all clinical reviews and many panels have been conducted without this contact.

*A company debriefing.* The client/company debriefing is made several weeks after the clinical review has occurred and after the report has been issued. The panelists, client/company representatives, and EAP vendor staff discuss the findings of the panel.

*Elements of the Clinical Review*

*Panelists.* A multidisciplinary team of experts on a clinical review evaluation panel will enhance the quality of care and improve the effectiveness of clinicians. An optimum panel would include a psychiatrist for the medical perspective, a psychologist for the knowledge of testing, and a social worker for the knowledge of families and communities.

*Case review protocol.* Each case is rated and evaluated based on a score received in this instrument. Cases are rated independently and are assigned an overall score based on each expert panelist's judgment about the quality of service and the case summary documentation. The cases may be scored as

- excellent, exceeds expectations;
- above average, exceeds expectations in some areas;
- average, meets expectations; and
- below average, below expectations.

The instrument includes basic employment data and descriptive biographical information, yet at the same time recognizes the evaluator's responsibility to ensure strict anonymity for the employees whose cases are being reviewed. Protection of confidentiality applies to the process as well as to the cases. The case review protocol items include subjects in the following:

- client demographic information
- primary assessed problem
- primary presenting problem
- documentation
- services provided
- assessment information
- violence of high risk (if applicable)
- short-term counseling
- clinical supervision
- follow-up/referral information
- case summary-strengths/weaknesses
- rationale for reopening a case (where applicable)

*The final report.* A final oral and written report includes comments on the company's program, statistical tables, and the panelists' recommendations. The tables are created from the case protocols, which are statistically collated.

*Vendor action plan.* After the final report and debriefing, an action plan is prepared by the vendor describing changes to be made. This document is incorporated into future contracts and used as a standard for the following year's review.

**Counselor Credentials**

EAP practitioners have diverse backgrounds ranging from psychology, chemical dependency, social work, business, public, and the human service fields. Currently, standardized educational requirements do not exist for EAP professionals nor is there a required advanced specialized degree. In addition, there is no mandatory licensing structure or other mechanism of ensuring a standard level of competency among EAP practitioners.

The credentialing process for each individual practitioner should be monitored. Because the EAP field does not have standards for their professionals, the evaluator should look to the established criteria set for each program in the vendor contract, monitor the counselor credentials using that criteria, and ensure the credentials are genuine and are kept current. The use of trained, licensed professionals for counseling protects the EAP from legal problems.

Professionals must also have previously demonstrated their ability and flexibility to work with managers, supervisors, employees, and unions. Because of the difficult combination of the counseling and administrative

components, many EAPs separate the administrative roles from counseling roles.

## CHALLENGES TO EAP EVALUATION

### Financial

Although employers desire hard evaluation data, they generally fail to provide adequate financial resources and expertise to achieve an evaluation. This should be considered at the onset of the contract.

A new concept in administrating the client contract is to impose penalties (usually monetary) in the event of noncompliance with the company's stipulated benchmarks. This concept applies the same approach to the delivery of service contracts as when a company implements financial penalties on vendors when contracts for physical construction or equipment are not met.

### Data Acquisition

Although many companies have EAPs, they typically do not collect hard data. It may then be difficult to establish baseline information from which to evaluate the effects of an EAP. In addition, because data are distributed among several departments within an organization, it is extremely costly to define, collect, store, analyze, and report the kind of data needed to evaluate the EAP.

### Confidentiality

It has been argued that the need to preserve confidentiality may present methodological, policy, and practical difficulties in collecting and using high-quality data. People often hide behind confidentiality as a reason not to have an evaluation. Confidentiality regulations have not eliminated evaluation; they support bona fide audits, evaluations, and inspections.

### Methodological Difficulties

When assessing the impact of an EAP, it is difficult to separate the influence of the program on outcome variables-health care use, absenteeism, and job performance-from the influence of other variables.

## CONCLUSION

As the EAP field is changing and integrating with managed care, ongoing evaluation is necessary to tailor a program that meets the needs of people today. Evaluation should be continually changed and adapted, along with the development of new methodology.

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