In today’s workplace, employees face many challenges that prevent them from being fully productive. Among these are behavioral health problems, which can affect employee absenteeism, turnover and job performance. As health care costs continue to rise, employers are continually looking for solutions to help their bottom line. Employee Assistance Programs (EAPs) can provide employers the return on investment they seek; however, until recently, no methods existed to measure the significant impact of EAPs.

**BACKGROUND**

EAPs are effective for enhancing workplace productivity by identifying and removing obstacles to employee productivity and by resolving personal and workplace issues. EAP intervention has improved treatment for individuals with substance abuse and other emotional health issues such as depression, which is projected to become the leading cause of lost work time. Mental health problems affect productivity and job performance. An average of 1 out of every 20 employees is depressed, and it is estimated that by 2020, depression will be the second most prevalent cause of disability in the world. Depression alone causes an estimated 200 million lost workdays and $44 billion in lost productivity each year.1

According to the U.S. Department of Health and Human Services, studies find that large and small organizations can expect a good return on their EAP investments. Research shows that for each dollar invested in an EAP, the average return on investment is $5 to $16. EAPs can reduce sick leave usage by 33 percent, work-related accidents by 65 percent, workers’ compensation claims by 30 percent, lost time by 40 percent and grievances by 50 percent.2

**THE CHALLENGE**

Traditionally, the decision on investing in an EAP has been made by analyzing satisfaction and/or utilization data. While many studies have explored the effectiveness of EAPs, direct measurements of effectiveness are challenged by employee confidentiality issues, a lack of true quantifiable data and a varying return on investment. As a result, the majority of existing studies analyzed customer satisfaction data to measure a program’s effectiveness.

Some factors considered were absenteeism, health care costs, litigation, productivity, turnover, accidents, and short and long-term disability. EAPs can influence all of these factors, but today’s human resource and benefit professionals also need to know if these programs will truly result in desired savings.

**MHN RESEARCH**

EAPs are being asked to show financial return on investment. In response to employer interests, MHN, Inc. developed an “EAP ROI calculator” to measure the return on investment of EAP programs. MHN examined the treatment outcome data on more than 10,000 employees with depression to determine the likely ROI associated with effective treatment through an EAP. Depression was a target disorder because it is the most common mental health problem in the workplace with the greatest overall impact on job performance.

The MHN study demonstrated the significant impact of an EAP on depression. The outcome research showed that 60% of employees reported at least moderate symptoms of depression at the time of intake and approximately 50% of the treated employees showed no such symptoms after treatment.

This 7 year study data was combined with research on the lost productive job time (LPT) associated with depressive disorders, previously reported by Stewart, et al. in the Journal of the American Medical Association. The focus on LPT is of particular interest, because it places a value on those “invisible” costs associated with reduced work performance. MHN combined its findings to derive an EAP ROI calculator based on LPT that showed significant cost savings associated with the EAP treatment of depression, substance abuse, and emotional problems.

“The model provides a new approach to calculating the ROI associated with the successful EAP treatment of employees. It combines two sets of empirical data to obtain reasonable cost figures that can be replicated, refined and used by employers in making program cost estimates” says Deidre Hiatt, PhD, vice president of Quality Improvement at MHN. “The same technique can be used to calculate ROI for other conditions.”

An EAP ROI calculator helps employers make the leap from intuitive value to truly quantifiable value, making it much easier for benefit professionals and CFOs to see the impact of an EAP program. “During the last 20 years, we’ve never seen a tool such as this that could provide us with real, tangible data that incorporates employees’ emotional issues,” says Arlene Darick, director of EAP Services at MHN. “Now we can finally determine the likely ROI associated with effective treatment depression, substance abuse and emotional issues.”

2 http://www.yellowpagesunited.com/resource_pages/tips/tips.aspx?TipID =12&fromNav=true