

9/22/2011

Ms. Ashley McWilliams  
Institute of Medicine  
Keck Center  
W726  
500 Fifth Street, NW  
Washington, DC 20001

RE: Essential Health Benefits and Employee Assistance Programs

Dear Ms. McWilliams:

The Employee Assistance Society of North America (EASNA) supports the overall efforts of the Institute of Medicine (IOM) to shape one of the key components of the Patient Protection and Affordable Care Act (PPACA) – the determination of essential health benefits as related to the state health exchanges. EASNA applauds your efforts to provide insight and guidance to the Department of Health and Human Services. In support of what you are doing and in the best interests of patient health and value-driven quality care, I would like to encourage the IOM to recommend the inclusion of Employee Assistance Programs (EAP) in the definition of essential benefits of qualified health plans for small employers offered in state health exchanges.

As you know, PPACA created state-based American Health Benefit Exchanges and the Small Business Health Options Program (SHOP) to ensure the availability of health plans offering defined benefit packages to individuals and small businesses. Section 1311 of PPACA sets forth that only qualified plans participate in health insurance exchanges and that qualified plans must meet specific requirements including the provision of “comprehensive health care services.” While dental health plans are explicitly exempted, this provision essentially precludes the availability of other specialty health benefits through the exchanges.

The law includes mental health and substance abuse benefits as part of the essential benefits to be offered in qualified health plans. However, the law does not preclude the consideration of a more expansive definition of certain benefits as they relate to small

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**Employee Assistance Society of North America**

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employer plan offerings. Such plans, logically, should include additional considerations to promote wellness and prevention because of the direct impact on workforce productivity and concomitant impact on health care costs to small employers.

As the U.S.'s industry representative of Employee Assistance Programs, EASNA is focused on advancing the competitiveness and productivity of U.S. companies in the global marketplace through the implementation of proven Employee Assistance Programs. It is from the perspective of our constituent U.S. small employers that number in the 1000's, that we offer the following suggestions for consideration in your deliberations around essential benefits of qualified health plans for small employers offered in state health exchanges.

## **Employee Assistance Programs for Small Businesses**

### **The Competitive Need**

As currently structured, Employee Assistance Programs (EAPs) for small businesses, will not be an option for purchase through the health insurance exchanges. In our opinion, this oversight will effectively deny small employers access to an effective and affordable additional resources to help them promote the productivity of their workforces and help these small employers to contain the costs of the mental health and substance abuse benefits they must offer employees.

### **Background Information**

Virtually all Americans who work for the Fortune 500 corporations, the government (including the military) and other large employers are familiar with the benefits of Employee Assistance Programs. This is no accident or an act of corporate altruism. EAPs provide valuable services in support of employers interested in maximizing the personal and professional productivity of their workforce and supporting the healthy functioning of employees and their families. Most EAPs are designed to promote wellness and assist employees (and family members) in addressing a wide range of life management issues. Small employers shouldn't be denied this critical resource.

EAPs are offered to address a wide range of workplace problems and employee performance issues including:

- Emotional health and wellness
- Absence management
- Organizational health and morale
- Job jeopardy situations
- Substance abuse problems
- Disruptive behavior in the workplace

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- Fitness for Duty
- Stress in the workplace
- Critical incidents

EAPs more than pay for themselves. The U.S. Department of Labor's own research has concluded that EAPs can save employers between \$5 and \$16 for every dollar invested. ("Performance Measures Support the Cost/Benefit Ratio of EAPs, Employee Assistance Program Management Letter," May 2003).

EAP (sometimes characterized as Work/Life services) are typically perceived more positively than managed behavioral healthcare services. The reduced stigma of anonymity, no diagnosis or medical necessity required, and no co-pay, all serve to make for a positive employee experience and greater utilization.

Additionally other benefits for small employers include:

- *Demand management.* EAP provides for early identification of formative mental health/substance abuse issues, before they become more serious
- *In-Network.* EAP can also provide members an opportunity to identify, develop an action plan, and get a referral to the most appropriate treatment. A critical point is that EAPs encourage members to utilize "In-Network" services – leveraging the best use and management of small employer benefit dollars
- *Health & Wellness.* With essential benefits, it is unlikely that small businesses may invest additionally or separately in independent health and wellness programs for their employees, despite whatever benefits exist. Through an EAP, employers can take advantage of integrated health and wellness programs that will enhance the productivity of their workforces without a tremendous additional investment.

## **Recommendation**

Despite the obvious value of EAPs, small employers may not consider purchasing this benefit if it is not an easily available option. Therefore, it is EASNA's recommendation that State health exchanges should provide information about and linkages to EAP plans. We believe that allowing small employers, the engines of critical job growth in our economy, easy access to EAPs through the exchanges will be of tremendous benefit to those businesses and their employees.

We appreciate the opportunity to contribute to the open dialogue that NAIC has undertaken on a range of reform issues and would be pleased to provide whatever additional information may be helpful to your careful deliberations.

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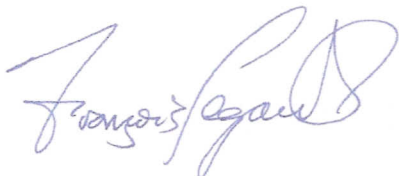
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Please feel free to contact us through our Executive Director, Bob McLean at 703-416-0060 if EASNA can be of any assistance to you in your deliberation regarding the offering for small businesses.

Regards,

A handwritten signature in blue ink that reads "François Legault". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

François Legault  
President,  
EASNA

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