

EAP Effectiveness and ROI

Mark Attridge, PhD, MA
 Attridge Consulting, Inc.

Patricia Herlihy, PhD, RN
 Rocky Mountain Research

Dave Sharar, PhD
 Chestnut Global Partners

Tom Amaral, PhD
 EAP Technology Systems Inc.

Tracy McPherson, PhD
 George Washington University

Diane Stephenson, PhD, CEAP
 Federal Occupational Health

Tom Bjornson
 Claremont Behavioral Services

Rich Paul, ACSW, CEAP
 Value Options

Lisa Teems, DMin, LCSW, CEAP
 Federal Occupational Health

Eric Goplerud, PhD
 George Washington University

Sandra Routledge, RN
 Watson Wyatt Worldwide

*& Members of EASNA's Knowledge
 Transfer and Research Committee*

This research note contains material from EASNA's publication, *Selecting and Strengthening Employee Assistance Programs: A Purchaser's Guide*. Copyright ©2009 Employee Assistance Society of North America (EASNA). The Purchaser's Guide is available at no cost from EASNA. Contact at: Phone: (703) 416-0060 Website: www.easna.org Address: 2001 Jefferson Davis Highway, Suite 1004, Arlington, VA 22202

ABSTRACT. *This Research Note reviews the results of studies examining the level of user satisfaction, the general effectiveness of EAP core services and the financial return on investment (ROI) for employee assistance programs.*

What Are EAPs? Employee Assistance Programs (EAPs) are employer-sponsored programs designed to alleviate and assist in eliminating a variety of workplace problems. EAPs typically provide screening, assessments, brief interventions, referrals to other services and case management with longitudinal follow-up for mental health concerns and substance abuse problems. The source of these employee problems can be either personal or work-related. Those who work for EAPs come from many different professions including social workers, psychologists, counselors, substance abuse specialists, occupational nurses, and others. In Canada, the services are called Employee and Family Assistance Programs (EFAPs).

How Effective Are EAPs?

EAPs typically measure user satisfaction with their program services and most find it to be very high.^{1,2} For example, one national study used an independent firm and random sampling techniques to conduct follow-up interviews of over 1,300 cases and it found

that 95 percent of EAP users reported being satisfied with the service.³

The outcomes for individual users of EAP clinical services typically are found in the areas of clinical symptom relief and work performance improvement.^{4,5,6,7} Dozens of applied research studies show that EAP services can produce positive clinical change, improvements in employee absenteeism, productivity and turnover, and savings in medical, disability or workers' compensation claims.^{8,9}

Often the largest area of financial savings associated with EAP use comes from improved employee productivity (reduced "presenteeism") and reduced work absence.¹⁰ Some examples of employee work performance outcomes after EAP use include:

57% of cases had improvement in ability to work productively after use of the EAP.¹¹

50% of cases had improved absence and/or productivity at work.⁶

64% of cases with work issues as primary problem had improvement after EAP use; and 46% of all types of cases had improved work productivity.¹²

Number of “work cut-back” days in past 30 days was reduced from 8.0 to 3.4 days after EAP use.¹³

What’s the ROI for EAPs?

To purchase an EAP often includes justifying the cost of the service to those in charge of the budget at an organization. This is a question of whether or not the EAP provides enough business value to cover the cost of purchasing the service. In other words, is the financial return on investment (ROI) a positive ratio?

The Cost of EAP. For perspective, the fees charged for EAPs in the last decade have mostly been in the range of \$12 to \$40 per employee per year and have remained fairly stable during this period despite large increases in other areas of employee health care benefits spending by employers.¹⁴ Costs are based on anticipated and actual utilization of the program and such usage varies by industry, by size of employer, and by program model. In Canada, fees for EAPs are generally higher and also vary more across providers.

The most recent and most comprehensive national study (over 3,000 employers of all sizes were surveyed) found that US companies paid an average total health benefit of \$7,983 per employee.¹⁵ When compared to this cost, the cost for an EAP represents less than a third of one percent of the total employee health care benefit spent at most companies. Thus, EAPs are one of the smallest areas of all employee benefits costs. And because of this fact, they also are potentially more cost-effective as well, given the relatively small amount of return that is needed to exceed the company investment in EAP services.

The ROI for EAP. Most researchers and industry experts now believe that there is enough solid evidence from high-quality research studies to “make the business case” for providing greater access to mental health services in general and to workplace-based services in particular.^{16,17,18,19,20,21,22,23,24} This general conclusion is supported specifically for EAPs by many case studies of outcomes (i.e., absence, productivity, health care costs, disability) associated with EAP use at companies such as Abbott Laboratories, America On Line (AOL), Campbell Soup, Chevron, Crestar Bank, Detroit Edison, DuPont, Los Angeles City Department

of Water & Power, Marsh & McLennan, McDonnell Douglas, NCR Corp, New York Telephone, Orange County (Florida), Southern California Edison, the US Postal Service, and the US Federal Government.^{9,25} The typical analysis produces an ROI of between \$3 and \$10 dollars in return for every \$1 dollar invested in the EA program.^{2,10,26,27} The ROI for EAPs is consistent with other kinds of worksite health-promotion and wellness programs.^{28,29,30}

A Caveat. These studies of EAP outcomes and ROI analysis are not without their critics, who point out the lack of controlled experimental research designs and standardized metrics.^{12,31,32,33} However, few studies in the entire field of worksite health promotion have used true experimental research designs.^{30,34,35} In addition, the sheer number of outcome studies on EAPs (over 80 by one count)⁵³ with mostly consistent findings suggests that real outcomes and ROI are occurring for organizations with EA services. What is a legitimate concern is that more research needs to be done on determining which kinds of EAP practices and programs contribute most to outcomes and ROI.

Conclusion

Research studies consistently show that EAPs provide high levels of user satisfaction, significant clinical symptom relief for many cases, substantial improvements in work productivity for most cases and reductions in absenteeism for some cases. The research evidence for a positive ROI is also found in many case studies of specific organizations, applied scientific studies and current vendor reporting processes.

In review, most organizations with an effective EAP can experience the following benefits to their business:

- More productive employees
- Less absence among employees
- Reduced overall health care claims costs
- Reduced disability claims costs
- Better job climate and organizational morale
- More engaged employees and supervisors
- Less inter-group conflicts and team problems
- Better preparedness for critical events
- Less turnover of employees
- Greater ability to attract new employees

Research Highlight: EAP Workplace Outcomes

The EAP for the Federal Occupational Health program supports federal government agencies in the United States. It did a study of EAP outcomes based on almost 60,000 clients that examined the extent of client improvement in workplace performance and overall health and functioning. Data were collected over a three-year period using a standardized procedure involving the use of validated self-report instruments and counselor-assessed measures. The results showed that the number of employees who reported having “quite a bit” of difficulty performing their work was reduced from 15% to 5% of all EAP cases. There also was a significant reduction in absenteeism and tardiness. Before beginning use of the EAP, clients reported an average of 2.37 days of unscheduled absences or tardy days in the prior 30-day period, but after completing their use of the EAP sessions, this average was reduced to 0.91 days. The clients’ perception of their own health status also increased significantly after using the EAP, even though the EAP did not directly address physical health issues. This study provides evidence for the positive impact of EAPs on employee work productivity, absence and overall health.

SOURCE: Selvik et al (2004).³⁶

Research Highlight: EAP and Disability

A study from The Hartford Group (2007) shows that employers with EAP services had better outcomes for short-term disability (STD) claims. The study examined all companies in the Hartford book of business and compared the two companies with the highest levels of overall EAP use (about 11% annual EAP use rate) with companies that did not have any EAP. The results showed that disability claims for psychiatric concerns were 17 days shorter at the high-use EAP companies than at the non-EAP companies (56 days vs. 73). Similar findings were found for differences in shorter duration periods for musculoskeletal claims (55 days vs. 68) and cancer claims (45 days vs. 64). Another analysis compared the percentage of employees who returned to work after being on an STD leave. The employees who had used the EAP were about twice as likely to return to the workforce compared to employees who did not use the EAP (33% returned vs. 16%). The same study showed significant cost savings associated with disability claims: Only 2% of employees using the EAP had a disability claim that converted to long-term disability (LTD) benefits, whereas 9% of those who did not use an EAP had gone on to use LTD benefits.

SOURCE: *The Hartford Group* (2007).³⁷

References

- [1] Dersch, C. A., Shumway, S. T., Harris, S. M., & Arredondo, R. (2002). A new comprehensive measure of EAP satisfaction: A factor analysis. *Employee Assistance Quarterly*, 17(3), 55-60.
- [2] Philips, S. B. (2004). Client satisfaction with university employee assistance program. *Journal of Workplace Behavioral Health*, 19(4), 59-70.
- [3] Attridge, M. (2003, November). *Optum EAP client satisfaction and outcomes survey study 2002*. Paper presented at the annual conference of the Employee Assistance Professionals Association, New Orleans, LA.
- [4] Csiernik, R. (2004). A review of EAP evaluation in the 1990s. *Employee Assistance Quarterly*, 19(4), 21-37.
- [5] Harris, S. M., Adams, M., Hill, L., Morgan, M., & Soliz, C. (2002). Beyond customer satisfaction: A randomized EAP outcome study. *Employee Assistance Quarterly*, 17(4), 53-61.
- [6] Harlow, K. C. (2006). The effectiveness of a problem resolution and brief counseling EAP intervention. *Journal of Workplace Behavioral Health*, 22(1), 1-12.
- [7] McLeod, J., & McLeod, J. (2001). How effective is workplace counseling? A review of the research literature. *Counseling Psychotherapy Research*, 1(3), 184-191.
- [8] Attridge, M., & Amaral, T. M. (2002, October). *Making the business case for EAPs with the Core Technology*. Presented at the annual conference of the Employee Assistance Professionals Association, Boston, MA.
- [9] Yandrick, R. M. (1992). Taking inventory: Process and outcome studies. *EAPA Exchange*, July, 22-35.
- [10] Hargrave, G. E., Hiatt, D., Alexander, R., & Shaffer, I. A. (2008). EAP treatment impact on presenteeism and

absenteeism: Implications for return on investment. *Journal of Workplace Behavioral Health*, 23(3), 283-293.

[11] Attridge, M. (2003, March). *EAP impact on work, stress and health: National data 1999-2002*. Presented at the bi-annual conference of the Work, Stress and Health Conference – APA/NIOSH, Toronto, ON, Canada.

[12] Amaral, T. M. (2008, April). *Global benchmarking and EAP best practices*. Presented at the annual institute of the Employee Assistance Society of North America, Vancouver, BC, Canada.

[13] Baker, E. (2007, October). *Measuring the impact of EAP on absenteeism and presenteeism*. Presented at the annual conference of the Employee Assistance Professionals Association, San Diego, CA.

[14] Sharar, D. A., & Hertenstein, E. (2006). Perspectives on commodity pricing in employee assistance programs (EAPs): A survey of the EAP field. *WorldatWork*, First Quarter, 32-41.

[15] Mercer. (2008). *Mercer 2007 national survey of employer-sponsored health plans*. New York: Author.

[16] American Psychiatric Association - Partnership for Workplace Mental Health. (2006). *A mentally healthy workforce: It's good for business*. Washington, DC: Author.

[17] Finch, R. A. & Phillips, K. (2005). *An employer's guide to behavioral health services*. Center for Prevention and Health Services. Washington, DC: National Business Group on Health.

[18] Watson Wyatt Worldwide. (2007). *Mental health in the North American labour force: Literature review and research gap analysis*. Toronto, ON, Canada: Author. <http://www.mentalhealthroundtable.ca/documents.html>

[19] Collins, K. M. (1998). Cost/benefit analysis shows EAP's value to employer. *EAPA Exchange*, 28(12), 16-20.

[20] Attridge, M. (2008). *A quiet crisis: The business case for managing employee mental health*. Vancouver, BC: Human Solutions.

[21] Christie, J., & Harlow, K. (2007). Presenting the business case. *Journal of Employee Assistance*, 37(3), 21-23.

[22] Goetzel, R. Z., Ozminkowski, R. J., Sederer, L. I., & Mark, T. L. (2002). The business case for mental health services: Why employers should care about the mental

health and well being of their employees. *Journal of Occupational and Environmental Medicine*, 44(4), 320-330.

[23] Kessler, R. C., & Stang, P. E. (Eds.). (2006). *Health and work productivity: Making the business case for quality health care*. Chicago: University of Press.

[24] Langlieb, A. M., & Kahn, J. P. (2005). How much does quality mental health care profit employers? *Journal of Occupational and Environmental Medicine*, 47(11), 1099-1109.

[25] Blum, T., & Roman, P. (1995). *Cost-effectiveness and preventive implications of employee assistance programs*. Rockville, MD: U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services.

[26] Hargrave, G. E., & Hiatt, D. (2005). The EAP treatment of depressed employees: Implications for return on investment. *Journal of Employee Assistance and Workplace Behavioral Health*, 18(4), 39-49.

[27] Jorgensen, D. G. (2007). Demonstrating EAP value. *Journal of Employee Assistance*, 37(3), 24-26.

[28] Goetzel, R. Z. (2007, May). *What's the ROI for workplace health and productivity management programs?* Presented at the annual institute of the Employee Assistance Society of North America, Atlanta, GA.

[29] Goetzel, R., & Ozminkowski, R. (2008). The health and cost benefits of worksite health-promotion programs. *Annual Review of Public Health*, 29, 303-323.

[30] Pelletier, K. R. (2005). A review and analysis of the clinical and cost-effectiveness studies of comprehensive health promotion and disease management programs at the worksite: Update VI 2000–2004. *Journal of Occupational and Environmental Medicine*, 47, 1051–1058

[31] Courtois, P., Hajek, M., Kennish, R., Paul, R., Stockert, T., & Thompson, T. (2004). Performance measures in the employee assistance program. *Employee Assistance Quarterly*, 19(3), 45-58.

[32] Pompe, J. C., & Sharar, D. 2008. Preparing for the challenges of research. *Journal of Employee Assistance*, 38(2), 7-9.

[33] Roman, P. M. (2007, May). *Underdeveloped workplace opportunities for employee assistance programs*. Presented at the annual institute of the Employee Assistance Society of North America, Atlanta, GA.

[34] Aldana, S. G. (2001). Financial impact of health promotion programs: A comprehensive review of the literature. *American Journal of Health Promotion, 15*, 296–320.

[35] Attridge, M. (2001). Can EAPs experiment in the real world? *EAPA Exchange, 31*(2), 26-27.

[36] Selvik, R., Stephenson, D., Plaza, C., & Sugden, B. (2004). EAP impact on work, relationship, and health outcomes. *Journal of Employee Assistance, 34*(2), 18-22.

[37] The Hartford. (2007). *Healthier, more productive employees: A report on the real potential of employee assistance programs (EAP)*. Hartford, CT: Author.

Suggested Citation for this Research Note:

Attridge, M., Amaral, T., Bjornson, T., Goplerud, E., Herlihy, P., McPherson, T., Paul R., Routledge, S., Sharar, D., Stephenson, D., & Teems, L. (2009). EAP effectiveness and ROI. *EASNA Research Notes, Vol. 1, No. 3*. Available online from <http://www.easnsa.org>.