

# A Researcher's Inside Look at the Impact of Employee Assistance Programs

by | **Marc Milot, Ph.D.**



Many employers and plan sponsors utilize external employee assistance programs (EAPs) to help address the growing challenge of mental health concerns among employees. While past research had difficulty assessing the direct value of EAPs, new studies indicate that EAPs can help improve psychological health in the workplace and reduce associated costs. The author also covers what to look for when evaluating EAP providers and measuring program returns.

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**M**ental health is a growing concern for employers. Every year, a mental health issue affects one in five Canadians, and claims associated with mental health issues are one of the fastest growing categories of disability costs in the nation. The impact of psychological health problems currently costs the Canadian economy over \$50 billion a year,<sup>1</sup> and that cost is forecasted to rise to trillions in the coming decades.

Employers know that good mental health is essential for optimal work performance. Without it, workplaces often see higher rates of presenteeism and absenteeism, higher utilization of health benefits, increased turnover, poor work performance and economic losses.

With increased awareness of mental health challenges and their economic impact, employers and plan sponsors are becoming more interested in addressing this challenge in the work environment—often through the use of external employee assistance programs (EAPs). Until recently, however, it has been difficult for organizations to assess their investments in EAPs. This article discusses the limitations of previous research on the value of EAPs, new studies that indicate the ability of EAPs to help improve psychological health in the workplace and reduce associated costs, and what employers should look for when evaluating external EAP providers and measuring their investment returns.

### **EAPs: An Evolving Industry**

An EAP is an employment benefit offered at no cost to employees and their dependents. Originally developed in the 1940s as in-house alcoholism treatment programs, EAPs

today aim to help employees deal with a wide variety of personal problems that can potentially interfere with their ability to work effectively. These include emotional, family, marital, substance use and work-related concerns.

Most programs are set up to enable workers to refer themselves for assistance and, in most cases, managers also can refer employees with problematic personal issues that interfere with work performance.

An EAP is not a solution for all ailments and is most effective at resolving common, short-term problems and mental health issues, not severe illnesses or conditions requiring more long-term care and/or psychiatric intervention.

External EAPs have largely replaced internal EAPs in recent decades, and so they will be the focus of this article. External EAPs are privately run by vendors, with professional clinical services provided by a network of affiliate professionals and counsellors.

The scope of services offered by external EAPs has expanded to include a wide variety of work-life services, with some EAPs offering personal legal and financial guidance, nutritional consultation, elder-care assistance and more.

Most users of EAPs access clinical counselling services to address personal issues, and many present with mental health concerns. Modalities can include face-to-face sessions as well as telephonic and digital counselling. An intake process assesses an employee's needs and presenting issues and, in a high-quality EAP, employees are carefully matched with an appropriate counsellor who can help to deploy the most suitable therapeutic approach. Because clinical EAP services are provided by professionals in psychology, counselling and social work and use evidence-based therapeutic approaches, EAPs are well-positioned to proactively address workplace mental health issues and reduce the associated economic repercussions for employers and society at large.

Employers, insurers and third-party administrators are increasingly dedicating time, effort and resources to keep employees and members healthy and mentally well. Many stakeholders believe that offering an EAP as the foundation of a workplace wellness strategy can improve mental health and productivity, help reduce costs associated with absenteeism and presenteeism, and lower health benefit and disability claims. However, it has been difficult for EAP providers to provide evidence of these outcomes and assess the value in offering this group benefit.

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## Finding Evidence of EAP Impact on Mental Health

While multiple studies have reported improvements in employee mental health and other positive outcomes after EAP use, they have mostly been based on nonexperimental research designs that do not include control groups. In studies, a *control group* does not receive treatment and is then used as a benchmark to measure against a group that does receive treatment. Without a control group, it is hard to determine whether observed improvements are due to EAP treatment. Therefore, a control group is needed to scientifically demonstrate it is the EAP services that are driving observed improvements in the well-being and work functioning of employees.

The incorporation of a control group in an EAP study is challenging, which explains their absence in most studies and evaluations to date. The common approach of using a randomized controlled trial is impractical in a service-oriented setting where delaying or modifying services for EAP users for the purposes of creating a control group is not possible or appropriate. These challenges have often resulted in many EAP providers limiting their program evaluations to utilization and user satisfaction metrics or other outcome measurement approaches that do not include a control group.

Over the last six years, new research studies have been conducted with the goal of advancing the understanding of the value and impact of EAPs on employee mental health and work functioning. The most recent of these, *The impact of a Canadian external EAP on mental health and workplace functioning: Findings from a prospective quasi-*

*experimental study* (Milot, 2019),<sup>2</sup> is the first known study of an external EAP using a quasi-experimental approach, which included a control group comprised of employees very similar to the group of EAP users. The two groups were equivalent in initial mental health and work functioning and shared similar demographic, geographic, occupational and other characteristics. Although the research design was not a replacement for a randomized trial, this design can better estimate causal effects of interventions such as EAPs than nonexperimental approaches without control groups.

In this study, the EAP users accessed up to 12 hours of clinical counselling sessions per year, provided by an external EAP provider operating in Canada; the control group did not access an EAP. The EAP users and the control group were assessed and compared to see if there were changes to mental health and work functioning that could be attributed to the EAP at the six-month followup period. The findings, published in 2019 in the *Journal of Workplace Behavioral Health*, showed at followup that employees in the EAP group (when compared with the control group of non-EAP users) reported:

- Lower levels of anxiety and depression
- Lower levels of overall psychological distress
- Lower work presenteeism and work-related distress
- Higher work engagement
- Greater life satisfaction—an indicator of improved well-being.

These findings provided strong evidence in support of a causal link between use of the external EAP and improvements in employee mental health

and work functioning. In fact, the strongest effects of the EAP were observed on the psychological health of workers. Additional analyses also revealed it was the improvement in mental health that explained much of the overall boost in work functioning.

Taken together, the findings demonstrate that impactful EAPs can be well-positioned to help employers address psychological health in the workplace. Whether the findings of this study can be generalized to apply to other external EAPs remains to be determined, given that differences in service delivery and features between vendors can impact client outcomes. Examples of these differences include:

- The number of counselling hours available to covered employees
- The average number of counselling hours accessed per case
- The quality and comprehensiveness of the intake procedure
- The quality of the affiliate in the professional counselling network
- The attention given to the counsellor/client matching process
- The treatment modality/therapeutic approach used
- Client satisfaction and experiences with the counselling professional
- Counsellor availability/experience/training
- The counsellor's satisfaction and relationship with the EAP vendor.

## EAPs: Return on Value (ROV) Versus Return on Investment (ROI)

Employers, insurers and third-party administrators are also increasingly interested in understanding the positive

returns they can achieve if they invest in funding an EAP for their employees or members. To articulate a value proposition and business case, EAP vendors have often reported on workplace outcomes and the employer return on investment (ROI).

Although an ROI can be used to make a business case for EAPs, in many ways it is self-limiting when it comes to demonstrating the overall value of EAPs because it only represents benefits that can be converted into financial values. In addition, a lack of industry standardization in ROI modelling and reporting often renders comparisons between vendors impractical. Variability in EAP ROI calculations has also resulted in a wide range of values being reported, from a \$2 to \$16 return for every \$1 invested in EAP services. This has further contributed to skepticism about the ROI measurement approach within the benefit industry.

### Takeaways

- Many organizations utilize external employee assistance programs (EAPs) to help address the growing challenge of mental health concerns among employees.
- EAPs started as in-house alcoholism treatment programs but have since evolved to help employees deal with a wide variety of issues, including emotional, family, marital, substance use, legal, financial, nutritional and work-related concerns.
- Past studies have had difficulty producing evidence of the direct value of EAPs because of the lack of control groups for comparison. New research, however, uses a quasi-experimental approach to demonstrate that employees in an EAP group had lower levels of anxiety and depression, lower levels of overall psychological distress, lower work presenteeism and work-related distress, higher work engagement and greater life satisfaction than those not using an EAP.
- The author suggests using a return on value (ROV) approach to capture intangible outcomes such as improvements in employee mental health, well-being and work engagement. For example, better mental health can be associated with higher work productivity and reduced disability claims.
- Not all EAPs are structured or delivered in the same way, and thus these results cannot be guaranteed. When selecting an external EAP, employers and plan sponsors should consider a vendor's commitment to independent evaluations of its services and willingness to embrace evidence-supported approaches to improve program outcomes.

An EAP *return on value* (ROV) approach, however, focuses not only on financial value but also on providing strong and credible evidence of important intangible outcomes (those not readily convertible into financial value), such as improvements in employee mental health, well-being, life satisfaction and work engagement. Although such outcomes cannot be directly monetized, extensive research literature supports that they can be associated with cost savings for employers. For example, better mental health is consistently associated with higher work productivity, and improving psychological health can be expected to coincide with reductions in disability claims related to mental health problems.

Findings from a 2017 study, *Investigating the effect of achieving problem resolution through the Arete® EAP on long-term disability claim likelihood and prescription drug and paramedical claim costs* (Milot, 2017),<sup>3</sup> suggest the resolution of a worker's presenting problem is another important and value-laden outcome resulting from EAP use. This study, which explored the association between achieving problem resolution through the EAP and future incidence of long-term disability claims and prescription drug claim costs, found the following insights.

- Employees who resolved their presenting problems using EAP support had a reduced likelihood of making a long-term disability claim in the following 12-month period, when compared with a group of similar employees who accessed the EAP but did not ultimately resolve their issues.
- Employees who resolved their problems with EAP support also had lower prescription drug claim costs in this period, compared with those who did not resolve their presenting problems.

Together, this and the previously mentioned research suggest that EAPs can demonstrate an ROV by improving a worker's mental health and well-being and by helping them to resolve their presenting problems—effects that also can be expected to reduce employer and benefit plan costs, even if these impacts are more difficult to quantify. This isn't to suggest that ROI calculations and program pricing aren't important considerations when selecting or evaluating an EAP, but rather that these other intangible outcomes also need to be considered if the overall goal is to improve workplace psychological health.

## Improving Psychological Health in the Workplace

EAPs have the potential to play a strategic role in promoting and protecting the mental health of employees and helping to create a psychologically healthy workplace. However, it is important to remember that not all EAPs are structured or delivered the same way. As such, purchasers shouldn't assume an equal ROV will be available from all programs and vendors.

Purchasers should consider a vendor's understanding of and commitment to providing meaningful, objective and independent evaluations of the EAP service as important criteria when selecting a provider. Vendors also need to continue to embrace innovative, evidence-supported approaches to improve program outcomes and deliver evaluation results for their clients. For example, advanced statistical and research techniques can help identify the elements of EAP service delivery that contribute to the most positive outcomes as well as identify potential areas for improvement. Analytics and predictive modelling can also generate metrics to assist client intake, help the case management process and improve client outcomes. These approaches are also more proactive and can identify and help employees with problems before they escalate further.

Lastly, psychological barriers to the use of EAPs, such as perceptions of stigma, can reduce an employee's likelihood of seeking help when it is needed (Milot, 2019).<sup>4</sup> In order to reap greater benefits when implementing an EAP, employers, group benefit insurers and program vendors/providers should work collaboratively and be proactive in the promotion of this support in ways that reach those in need. An EAP becomes most optimal as a strategic asset for improving em-

### BIO

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ployee and workplace psychological health and well-being when access and use are strongly encouraged and promoted by all stakeholders. 🌐

### Endnotes

1. [www.mentalhealthcommission.ca/English/case-for-investing-background](http://www.mentalhealthcommission.ca/English/case-for-investing-background).
2. Milot, M. (2019). "The impact of a Canadian external EAP on mental health and workplace functioning: Findings from a prospective quasi-experimental study." *Journal of Workplace Behavioral Health*, Vol. 34, Issue 2.
3. Milot, M. (2017). "Investigating the effect of achieving problem resolution through the Arete EAP on long-term disability claim likelihood and prescription drug and paramedical claim costs." *A research report by APAS Laboratory Inc.*
4. Milot, M. (2019). "EAP treatment stigma as a barrier to employee help-seeking: predictors and validation of a brief scale for its measurement." *EASNA Research Notes*, Vol. 8, No. 2.