Does Your EAP Provide Value?

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Agenda

• How Do You Evaluate The Value of Your EAP?
• EAP Industry Trends
• The Future of EAP
• Selecting a EAP Vendor
Does Your EAP Provide Value?

“Unfortunately, there is simply an insufficient amount of ongoing, credible research to prove the valuable contribution of EAP’s and related services to workplace productivity.”

Employee Assistance Research Foundation 2013
What’s Behind Curtain #3?
The Difficulties With Measuring EAP Quality

1. Lack of transparency in metrics
2. Outdated or proprietary research
3. Quality cannot be inferred from utilization
4. Difficulties correlating price with quality
5. Beware of Phantom & Low Quality Networks
Current EAP Industry Trends
2012 EAP Industry Survey

- Conducted by National Behavioral Consortium
- 1st publicly available benchmarking study based upon large and diverse sampling of EAP vendors
- Data collected from 82 large and midsized EAP providers covering 62 million lives
- Findings to be published late 2013
NBC Survey – EAP Utilization

Median Utilization Rate Per 100 Employees

- Legal, Financial, Child & Eldercare, Concierge: 0.5
- Training, Supervisor Consultation, Critical Incident, EAP Orientation: 0.3
- Unique Cases: 3.6
Less than half of all EAP’s use a validated (scientific) survey tool to measure EAP outcomes.

Those that do, however, are demonstrating reduced absenteeism, improved job performance, and high customer satisfaction.
Notes: *Lower scores are a better outcome. **Higher scores are a better outcome.
All scales reflect statistically significant change (p<.0001).
Absenteeism – Case Example of Monetizing Outcomes

• Average **28.3** hours decreased absenteeism (actual hours missed due to problem) post EAP intervention

• Average wage $67.31/hour x 28.3 hours x 731 cases

• $1.4 Million annual production savings (or) 20% > productivity reported 90 days post EAP
Large vs. Small & Regional EAP’s
EAP Data Warehouse/2013 NBC Survey

1. Large EAP Vendors
   - Have majority of the market share
   - Offer highly competitive pricing
   - Managing the quality of large provider network is their biggest challenge
   - Less likely to deliver organizational services - building relationships is difficult

2. Small & Regional EAP’s
   - Fewer marketing and sales resources
   - On average have a 2% higher utilization rate
   - Have higher ratio of staff to covered employee lives
   - More likely to use internal EAP staff vs. network to provide services
   - Have better workplace outcomes (reduced absenteeism etc)*
What Activities Do EAP’s Find Difficult (Time & Expense) To Achieve?

- Face-time with management: 60%
- Opportunities for proactive strategic role: 49%
- Quantifying value of EAP: 52%
- Promoting EAP to family: 52%
- Promoting EAP to managers: 47%
- Promoting EAP to employees: 45%
- Relationship-building activities w/ client: 51%
- Balancing budget, staff and quality: 37%
- Promotion via the Internet: 34%
- Integration with Work/Life & Wellness: 28%
- Promotion via smart phones*: 34%
EAP Pricing Models

- Capitated Fee, 78%
- Fee For Service, 13%
- Embedded ("Free" EAP), 9%
Per Employee Per Year Pricing Past 20 Years
N=29 Convenience Sample of EAP’s

- Fee-based (not embedded) full-service, 5 visit EAP and WorkLife AVERAGE book-of-business PEPY.
- Free (embedded) “sleeping” EAPs
Differences in Utilization By Pricing Model

**Average Utilization (Unique Cases) Per 100 Employees**
- 6
- 4.7
- 1.6

**Average Counseling Sessions Per case**
- 2.7
- 2.4
- 3.1
Future Trends in EAP’s

- Fewer vendors (particularly small and regional) due to merger & acquisition
- Increased use of science to measure workplace outcomes
- Return to fundamentals (alcohol education, leader training, care coordination)
- Integration with wellness programs, diverse product offerings
- Increased use of technology (smart phone, video counseling, online self help)
Tips For Selecting A EAP Vendor
1. Don’t Rely Solely On Consultants To Make Your Decision

Most brokers are unfamiliar with EAP

A spreadsheet analysis (size of EAP network, discounts on provider fees, website features) does little to uncover true quality metrics

Broker commissions on EAP services are low to non-existent. As such, brokers are financially incented to work with vendors who provide other services that offer a commission and which can be sold to the customer
2. Don’t Judge A Bid Solely On Price

Scope of EAP services included in proposals varies widely

Your organization’s purpose for offering an EAP will guide your decision
- A “free” perk for employees?
- Compliance with regulations (union required)?
- Early intervention and employee education?
- Risk and Performance Management Tool?
3. Don’t Compare Apples To Oranges

- Ask These Questions Before Selecting Your EAP Vendor
  - Average utilization rate
  - Average # sessions provided per 1000 employees
  - No show rate after contacting the EAP call center
  - % of cases that are telephonic, face to face, and website hits
  - Impact of EAP intervention on workplace outcomes
  - Average # supervisor consultations
  - % of cases by presenting problem
  - Provider network credentials