

Solutions Digest

Mental Health and Substance Abuse Issues That Affect the Workplace

November – 2009

Mental Health Parity Implications for Your Health Plan

With the passage of the Mental Health Parity Act many employers are worried about the possibility of increases in their health care costs. With this new law there is both bad news and good news. This article discusses these issues and includes suggestions about how to improve the health of employees without an increase in costs.

Your Organization is Already Paying

First, the bad news: Your organization is already paying for these costs in ways that are not obvious in your health plan. This happens in several ways. First, mental health issues are the number two reason for absenteeism and the number one reason for presenteeism. Your health plan is also paying for mental health costs through co-morbidity with other illnesses.

An even bigger concern is that 30% or more of the office visits covered under your health plan are actually for mental (or behavioral) health issues. It gets worse: 70% of all primary care physician visits are for psychosocial problems. Research shows that sole reliance on medication for symptom reduction is only successful in 50% of cases and that this reduction ends when medications are discontinued. Lastly, many insurance companies are increasing premiums by 3% solely for mental health costs.

The Good News

Now, the good news. Research shows that actual costs are not likely to increase. History shows that the Federal Employee Health Benefits Program has not had a significant increase in costs despite their eight years of experience in providing parity.

There are a number of steps that you can take to potentially reduce your costs.

- **Increase promotion of your EAP.** Cognitive behavioral therapy, commonly used by EAP counselors, has been shown to improve the functioning of persons with depression by 80% in two year follow-up studies. Remember that medication alone only has a 50% chance of similar improvement and at considerably greater cost.

- **Implement a gatekeeper in your health plan for behavior health benefits.** Provide a lower co-pay for utilizing the gatekeeper. A gatekeeper will determine the best course of treatment. EAPs typically resolve issues within five or fewer visits. When referrals beyond the EAP are required, the EAP, acting as a gatekeeper, can make referrals to mental health providers who are within the insured's health network or to other treatment options, such as intensive outpatient programs (IOPs).
- **Carve out behavioral health care management.** A mental health management company can manage the care for all cases ranging from assessment to hospitalization and utilize the most effective treatment.
- **Implement case review for hospitalizations.** In some cases hospitalization is needed for the safety of the patient and the success of treatment. How many days are needed for treatment? How can the "hand-off" to outpatient services be handled? What outpatient services should be utilized? These are a few of the questions that an EAP can answer in a gatekeeper and case management role.

In a recent survey conducted by the Partnership for Workplace Mental Health (March 2009) companies were asked what changes in benefit design they were planning in response to mental health parity. The largest response was to increase promotion of their EAP (38%). That was followed by wellness programs (34.8%). Increasing utilization management and prior authorization were planned by 21.7%. Only 14.1% planned to exclude specific disorders.

SOLUTIONS has experience in providing EAP services and integrating those services with the other aspects of care. In addition we are experienced in managing "carve out" mental health programs. Let's work together to determine your needs and develop programs that will manage costs as well as effectively improve the lives of your employees and their dependents.

This quarterly newsletter is designed to give you brief and useful information about mental health and addiction issues in the workplace. If you have questions regarding strategies for mental health issues in the workplace, or newsletter content, questions, or suggestions, contact:

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