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Toll Free 866.888.1555

www.caresworklifesolutions.com

The Cost - Savings of EAP's

Rising healthcare costs will continue to plague employers for the foreseeable future, reports say. To lower healthcare and other employee-related costs, invest in an Employee Assistance Program (EAP) service through Care's WLS. A number of studies conducted over the past decade show that EAPs are a good investment. Among the major findings from these studies::

- EAPs direct people to the right care the first time. Abbott Laboratories reports medical claims average \$2,000 annually less for employees who use the EAP service. Toolmaker Black and Decker reports its behavioral healthcare claims dropped 60% after its EAP was put into place. The reason: Less waste and greater efficiency — an EAP clinician can direct employees to appropriate services the first time.
- Improving a person's mental or emotional health lowers healthcare utilization overall. A Portland (Oregon) State University study showed that employees who received assistance for mental or emotional problems experienced:
 - A 77.9% drop in the average length of hospital stays
 - A 66.7% drop in the frequency of hospitalizations
 - A 48.6% drop in the number of prescriptions used
 - A 47.1% drop in the number of physician office visits
 - A 45.3% drop in emergency room visits
- EAPs can help the 20% of employees with high stress or depression. A study of employees conducted by the Health Enhancement Research Organization (HERO) shows that fully one in five employees are either highly stressed (18.5%) or depressed (2.2%). Further, highly stressed employees use 43.6% more medical services than employees without stress while depressed employees use 70.2% more medical care.

EAPs can have a major impact on employees with alcohol or other drug problems. The Philadelphia Police Department reports that employees seeking substance abuse services through an EAP experienced a 38% drop in sick-day usage and a 62% drop in days off due to injury.

- EAPs can help lower absentee rates. The University of Pittsburgh Medical College tracked employees before and after they had received EAP services. Before EAP services, employees averaged 28 days of missed work annually. After they had received EAP services, the rate dropped to an average 11 days missed annually.
- EAPs can decrease work-related accidents. To determine the effectiveness of its EAP, AT&T followed 110 employees for 22 months. Some of the employees received an EAP intervention (the study group) while the rest had not (the control group). Among those in the study group, accidents dropped from 25 to just 6, saving the company an estimated \$141,855. It's not that the EAP taught these employees good safety habits, rather, by addressing personal and lifestyle issues that too often lead to accidents, such as alcohol and other drug use, the EAP had improved these employees' ability to be safer on the job.
- EAPs can save managers time, which is both productive and cost-effective. The University of Pittsburgh Medical Center had also followed a group of employees with job performance problems. Among those studied, 31% had received disciplinary warnings and 5% were on probation. After EAP involvement, however, 8% of these employees had been promoted and none had received disciplinary warnings.
- Just as employers need EAPs, employees need EAPs, too. A report compiled by ComPsych studied the impact of stress on employee priorities, effectiveness and absenteeism. ComPsych found:

- 49% of employees say they lose one hour of productivity or more each day due to stress
- 48% of employees have high stress levels, with extreme feelings of fatigue and a loss of control
- 45% of employees cite stress and personal relationship issues as the most common reason for work absence
- 44% of employees says they come to work as much as one day each quarter too stressed to be effective; 19% say they are too stressed to be effective at least six days each year

From HR Magazine (December 2002):“EAPs are one of the most cost-effective benefits available to employees and employers alike. When companies provide their employees with confidential counseling services and professional networks to work out their personal issues, then workers’ performance will increase, attendance will improve and workers’ compensation stress claims will decrease.”

Organizations are economic and psychological systems. To ensure economic viability, address the psychological needs of employees and work teams by investing in an EAP. Employee assistance — a low-cost, high-value investment.