



Healthier, More Productive Employees

A Report on the Real Potential of Employee Assistance Programs (EAP)



Expertise without equal.
Benefits without burden.

Meeting the Challenge: Addressing the Needs of Today's Employees

We live and work in a world that is increasingly fast paced and complex. Balancing work and personal demands can be challenging for employees. Emotional problems such as stress, depression, alcohol or drug abuse, relationship conflicts, anxiety, mental illness, financial or legal questions, loss, parenting difficulties and workplace struggles affect many of us.

The effect of employees' personal problems may manifest themselves in the workplace in a number of ways, including:

- Distraction
- Reduced productivity and increased absenteeism
- Increased turnover rates resulting in higher recruiting and training costs
- Increased production errors that negatively affect product quality and customer satisfaction
- Accidents and related workers' compensation costs
- Increased use of medical benefits
- More instances of employee conflict and even violence

To address these issues, many companies have established Employee Assistance Programs (EAPs). Historically aimed at treating employees with alcohol or substance abuse problems, EAPs have expanded in scope and now provide employees with access to confidential, professional assistance while helping them remain productive at work. Today, many EAP providers offer additional services to concentrate on the varied needs of the workforce. These expanded programs, which may include child care and elder care services, financial assistance and legal assistance, are often called work-life programs.

The Hartford,¹ in keeping with its commitment to preserving and promoting the abilities of working Americans, conducted a large prospective study on the impact of EAPs on short-term disability (STD) plans. Employee Assistance Programs are often touted for their

ability to help improve workforce productivity and decrease extended absences.

Short-term disability is of special interest to employers because it affects employee finances and causes workplace disruption for employers.

Few of us have been unaffected at some point in our lives by one or more emotional problems.

The Hartford's Study: Four Years and 100,000 Employees

The Hartford's observational study involved 22 companies in a wide range of industries with nearly 100,000 employees in total. It ran for four consecutive years, ending in December 2005. The purpose of the study was to examine the relationship between EAP utilization and STD claim results.

A Quick Look at our Hypotheses

The Hartford developed three hypotheses positing that EAPs would:

1. shorten STD claim duration
2. increase STD claim closure with a positive return to work outcome
3. decrease the overall incidence of STD claims

Ninety-five (95) of the 1,913 employees with EAP referrals were approved for disability benefits.

The Study Group

The Hartford followed a group of 11 companies (Study Group) with a total of 62,767 eligible employees. All these companies offered an EAP from ComPsych®, with 10 of the 11 employers providing an in-person visit interventional model.²

The Control Group

The Hartford also collected data from a Control Group of 11 companies employing 31,447 employees and matched by industry to the Study Group. Each employer had the same STD plan design as that of its Study Group counterpart and was in the same industry. However, none of the employers offered an EAP to their employees.

The Type of Study Group Claims

This study focused on a subset of total EAP utilization. Specifically it focused on cases involving EAP counseling services for the employee, not for a covered family member, and for which the employee's primary presenting issue was one of the following:

- alcohol or chemical dependency
- critical incident or workplace violence
- fitness for duty (Department of Transportation regulations)
- health or medical issues
- occupational issues
- psychological or emotional concerns
- stress
- supervisor-related issues

During the study period, 5% of eligible Study Group employees (3,168 people) contacted the EAP for services. Sixty percent of these people sought services for their own behavioral health issues. Ninety-five (95) of the 1,913 employees with EAP referrals were approved for disability

benefits. For the purpose of this study, we excluded claims submitted for EAP approval with the primary reason being legal, financial, adoption assistance or counseling, family violence, relationship conflicts, child abuse and dependent care.

The Findings: EAPs Can Help Make an Important Difference in STD Results

The study results confirmed that EAPs affect STD plans to the benefit of both employees and employers. Our observations also indicated that higher EAP utilization rates may prove essential for a company to realize the full influence of EAP on STD programs.

The findings supported The Hartford's ideas about STD duration and increased return-to-work rates, but the study results did not show an overall reduction in STD claim incidence simply from having an EAP in place. We did find that two companies with especially high EAP utilization rates had lower STD rates than comparable companies not offering an EAP.

Conclusion 1: Employees Using EAP Services Had Shorter STD Durations

When we compared STD durations for Study Group employees who used their EAP's services with those who did not, we found that overall, the difference was not very large. Durations³ averaged 52.3 days for claimants who accessed EAP services and 54.5 days for those who did not. However, it is important to note that EAP services are known to make a greater impact on some diagnostic categories than others. When we looked more closely at the three leading diagnostic categories (psychiatric, musculoskeletal conditions and cancer) we found a pattern of lower STD durations for EAP users, as shown in the chart to the right.

The small number of claims in any particular diagnostic category made it difficult to draw definite conclusions, yet these three categories account for one-third of all STD claims according to The Hartford's STD book of business. That means that a decrease in duration in these categories could contribute substantially to lowering an employer's costs and associated workplace disruption due to STD.

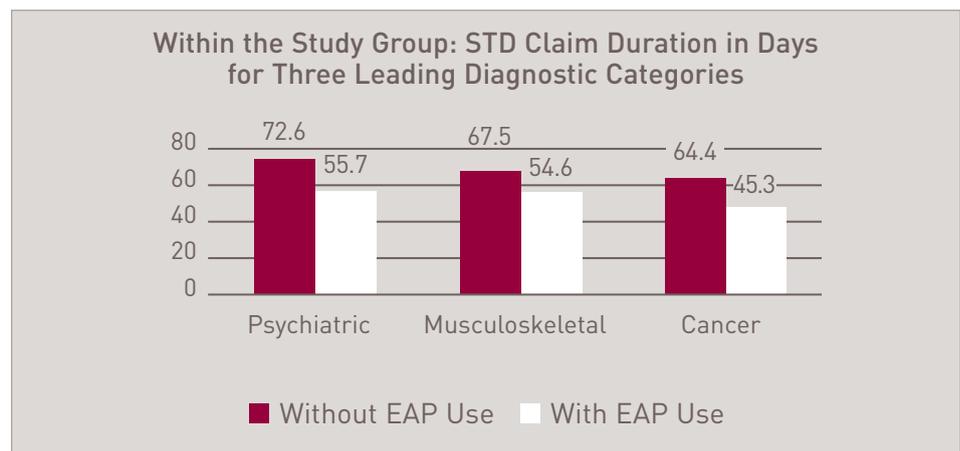
Diagnostic Category Definitions

Psychiatric: brain disorders resulting in disruption in a person's thinking, feeling, moods and ability to relate to others

Musculoskeletal: conditions affecting bones, muscles and the tissues connecting them

Cancer or Neoplasm: tumors that occur when abnormal cells are produced

EAP services are known to make a greater impact on some diagnostic categories than others.



EAPs Can Also Contribute to a More Favorable Work Culture

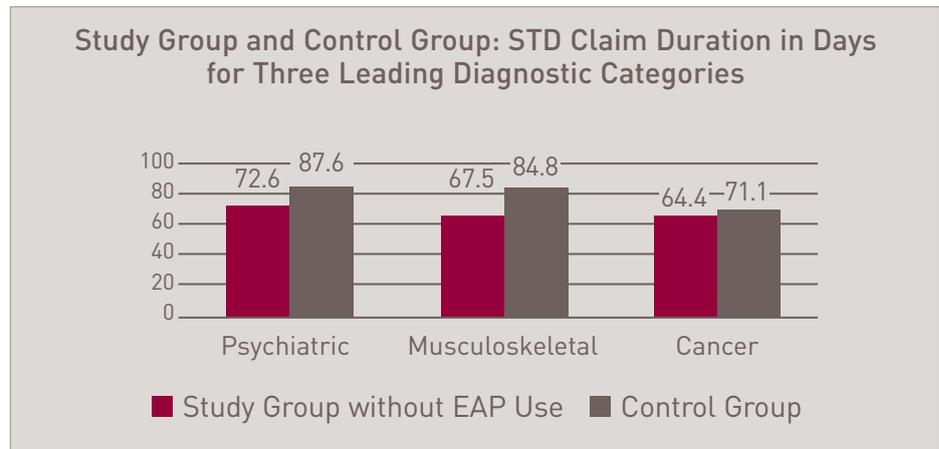
Ideally, EAPs and STD should work together to help reduce absenteeism and lost-time costs, while improving employee productivity and morale.

The Hartford compared the STD duration between the Study Group and the Control Group using the Employer Measures of Productivity, Absence and Quality (EMPAQ) definition for duration.⁴

The Control Group STD duration averaged 68.9 days compared to 54.4 days for the Study Group. Employees who used EAP services contributed to the lower Study Group average, however even those Study Group employees who did not use EAP services had shorter durations than those of the Control Group - as depicted in the chart below.

None of these employees used EAP services, yet we found a reduced STD duration for employees working in companies offering EAP plans.

Perhaps employees working for companies offering EAP plans benefit from a work environment that they perceive as more supportive. This could contribute to a higher level of overall employee satisfaction, leading to a shorter STD duration. Shorter STD durations can have a positive impact on productivity and absenteeism.

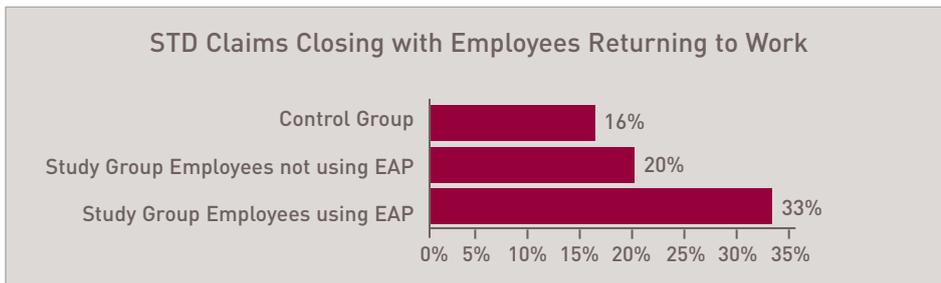
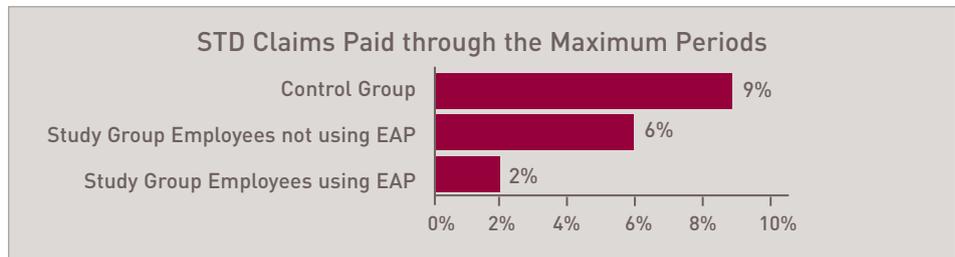


Conclusion 2: EAPs Can Help More Employees Return to Work

A major goal for many employers is to increase the number of employees who return to work when their STD cases close. Ideally, EAPs and STD should work together to help reduce absenteeism and lost-time costs while improving employee productivity and morale. Our study supported this objective, showing that workers who accessed their EAP returned to work twice as often at the conclusion of an STD claim than employees who did not have an EAP available to them.

number of claims paid through the maximum periods.

This is another indication that EAP availability and utilization can help decrease the STD duration as well as the number of employees who transition to LTD benefits.



EAPs Can Also Help Prevent STD Claims from Becoming Long-Term Disability (LTD) Claims

The Hartford also looked at how many claims were paid through the end of the STD period. Although the maximum duration available to employees among the 11 Study Group companies ranged from 91 to 182 days, when we averaged all claims for which EAP services were used, we saw a reduction in the

A well-promoted EAP or work-life program with 24/7 access to professional clinical, legal and financial counselors and licensed, local providers in communities throughout the country is a benefit employees and their families will value.

When an EAP is bundled with a quality disability plan, the combination can be essential to a sound Human Resources or benefit strategy and to overall business success.

Conclusion 3: Utilization Can Help Make an Impact

Does offering an EAP reduce the number of STD claims an employer will experience? Overall STD incidence rates for the Study and Control Groups were about the same – 6.7% for the Study Group and 6.3% for the Control Group. But the two Study Group companies with EAP utilization rates over 10% had a notably lower STD claim incidence than that of their corresponding Control Group companies.

STD Incidence Rates for Study Group
Companies with Highest EAP Utilization Rates

11% EAP Rate	Study Group	5.3%
	Control Group	10%
12% EAP Rate	Study Group	7.9%
	Control Group	10.3%

Historically, EAP vendors generally recommended a minimum utilization rate of 3% to 6% in order to see an impact on employees and the workplace, but this study raises the possibility that a rate closer to 10% would be more accurate.

Healthy Minds in Healthy Bodies

One of the most important themes to emerge from the study was its substantiation of the theory that treating employees well means effectively treating the whole person. Traditionally, EAPs have focused on behavioral issues, but workplace trends tell us that we cannot view behavioral and physical issues in isolation. When they occur together, they can contribute to one another's severity. In fact, the study found that 52% of employees seeking EAP services

did so primarily for psychological or emotional reasons. Yet, of the employees approved for STD claims, behavioral issues accounted for only 26%.

An Evolution in Employee Support

The Hartford's study presents EAPs as a potential way to help assess and manage some basic employee concerns, both physical and emotional. As we increasingly come to understand the frequency of mental health problems in the working population, EAPs emerge as valuable resources to help reduce employer exposure to loss, and they help to increase employee satisfaction and quality of life. In conclusion, the findings of this study confirm that EAPs can be powerful tools for employers who want to support the employees – the *people* – who work for them in the most holistic manner possible.

New Questions for the Future

The wealth of information that this study provided because of its length and scope led us to uncover other issues worthy of future research:

- What EAP utilization rates might provide maximum benefits from the program?
- Can EAPs help reduce repeat STD claims?

Answers to both these questions, most likely requiring studies of substantially more than 100,000 employees and periods longer than four years, would be of great interest to employers in assessing how best to implement, use and promote EAPs.

¹The Hartford® is The Hartford Financial Services Group, Inc. and its subsidiaries, including issuing companies Hartford Life Insurance Company and Hartford Life and Accident Insurance Company. Policies sold in New York are underwritten by Hartford Life Insurance Company. Home Office of both companies is Simsbury, CT. All benefits are subject to the terms and conditions of the policy. Policies underwritten by the issuing companies listed above detail exclusions, limitations, reduction of benefits and terms under which the policies may be continued in force or discontinued.

²ComPsych® is the largest provider of employee assistance programs, managed behavioral health, work/life and crisis intervention services. ComPsych is not affiliated with The Hartford and is not a provider of insurance services. For more information on ComPsych, visit www.compsych.com. Source: Business Insurance, Largest EAP Provider 2008 Survey, January 2009 edition.

³These figures use weighted averages to balance out the difference in employee population between the Study and Control Groups and are based on the number of covered employee life-years.

⁴The EMPAQ definition of duration is the number of calendar days between the date the disability is filed and the date it is terminated. It relates to closed claims only.



Mixed Sources

Product group from well-managed forests and recycled wood or fiber
www.fsc.org Cert no. XXX-XXX-000
© 1996 Forest Stewardship Council

Expertise without equal.
Benefits without burden.