

SUSTAINING **PRODUCTIVITY**

Addressing the **ECONOMIC BURDEN** of workplace depression



**An employer's guide
to improve the design,
delivery, purchase and
implementation of
employer-sponsored
behavioral health
care benefits**

A SPECIAL SUPPLEMENT TO

**Advancing Suicide
Prevention®**

IN PARTNERSHIP WITH

EmployeeBenefit
news

The economic benefits of a healthy workforce

A strong workforce—a ready pool of well-trained and educated employees healthy in mind, body and spirit—gives Wisconsin its competitive edge in a global economy. While our workforce is among the most robust in the nation, data show women here suffer depression at rates higher than average, and peg our alcoholism rates among the highest in the nation.



And since clinical depression often goes hand-in-hand with substance-use disorders, Wisconsin residents have a higher-than-average incidence of depression, and suicide rates here are higher than in any of our neighboring states, according to the Centers for Disease Control and Prevention—17 percent higher than in Minnesota and 27 percent higher than in Illinois, at 11.64 per 100,000, from 2000-2004.

A new report from the National Institutes of Health asserts that providing a minimal level of enhanced care for employees' depression would result in a cumulative savings to employers. The data show that even though the intervention would initially increase use of mental health services, it would ultimately save employers money by reducing absenteeism and employee turnover costs.

As employers, you are uniquely positioned to improve the productivity of your workforce, ultimately your own bottom line and the economic outlook for our state. As major purchasers of health care coverage, you are de facto health policymakers. You drive quality and accountability performance with the decisions you make as collective consumers. And your influence bears the weight of responsibility for the health and wellbeing of families, the workplace and our state economy.

I invite you to bring together your experience and expertise, and the full weight of your clout as employers, to drive down the incidence of depression and alcoholism in Wisconsin. Read carefully all the information in this special supplement to *Advancing Suicide Prevention*, a national health policy magazine. It will reach the desks of 5000 corporate leaders and benefits managers in private and public settings throughout Wisconsin, thanks to a grant from the Charles E. Kubly Foundation of Milwaukee.

Then I invite you to answer the "Employer Call to Action" on the back cover of this report. Your response will chart a course for a healthier and more productive workforce, a better bottom line for your company—and a more prosperous outlook for all of Wisconsin.

Barbara Lawton

BARBARA LAWTON
Lieutenant Governor
State of Wisconsin



LOW PRODUCTIVITY

How employee depression affects the bottom line — and how employers can best offset its impact

As Wisconsin employers seek better ways to maximize workforce productivity and company-sponsored health benefits, considering the role of depression is critical. The business case? Compelling. The economic burden of depression on American industry is incredibly high and growing. Research suggests that workplace depression costs a staggering **\$51.5 billion¹** per year in the United States. The largest component of these costs, an estimated \$33 billion, is in **lost work, productivity and absenteeism**. Approximately 225 million workdays are lost annually due to productivity decline related to depression². This amounts to more days of work loss and work impairment than many other chronic conditions such as diabetes, asthma and arthritis.





LOW MORALE

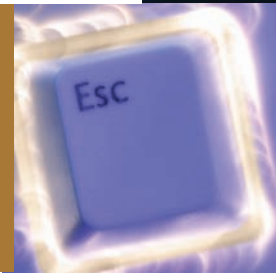


INCREASED ABSENTEEISM



FAULTY PRODUCTS

Depressed workers lose about 5.6 hours of productive time on the job each week, compared with 1.5 hours for workers who are not depressed, according to a June 2003 report in the Journal of the American Medical Association.³ These employees come to work but can't concentrate. Yet associated costs of this productivity loss can be far eclipsed by faulty judgement, missed deadlines and failed products that can result from untreated depression in the workplace, particularly among white-collar workers.⁴



POOR TEAMWORK

It causes a host of problems in the Wisconsin workplace

Depression: A common, expensive problem

Don't think that depression is rare in your workforce. Or that it will subside in time but without treatment. You're wrong on both counts.

In an organization of 400 employees, it's likely that 20 of them will experience depression this year⁵. Research shows that 15-20 percent of Americans have depression at some point during their lifetime. And if left undiagnosed, untreated or undertreated, depression can be more difficult to arrest—and can lead to self-destructive thoughts, acts and potential for suicide.

Your best and brightest employees may be grappling with job stressors combined with personal issues that can include marital strife, parent/child discord, physical health concerns, financial burdens or death of a loved one. These problems can and do spill over into employees' professional lives, with research showing that 90 percent of employees say their mental health and personal problems affect their job and directly impact their job performance.

Struggling with these sorts of issues can bring about the onset of clinical depression, particularly in vulnerable individuals whose resiliency or coping skills are compromised by genetics, substance-use disorders or environmental stressors—personal or professional.

"Failure on the part of Wisconsin employers to fully recognize depression as a substantial drain on our state's economy is short sighted," notes Wis. Lt. Gov. Barbara Lawton. "Employers are de facto health policymakers by virtue of their role in providing health

insurance benefits to the vast majority of workers and their families. The interests of these Wisconsin residents and their employers are best served only when the state's business community aptly and cooperatively addresses depression in its workforce."

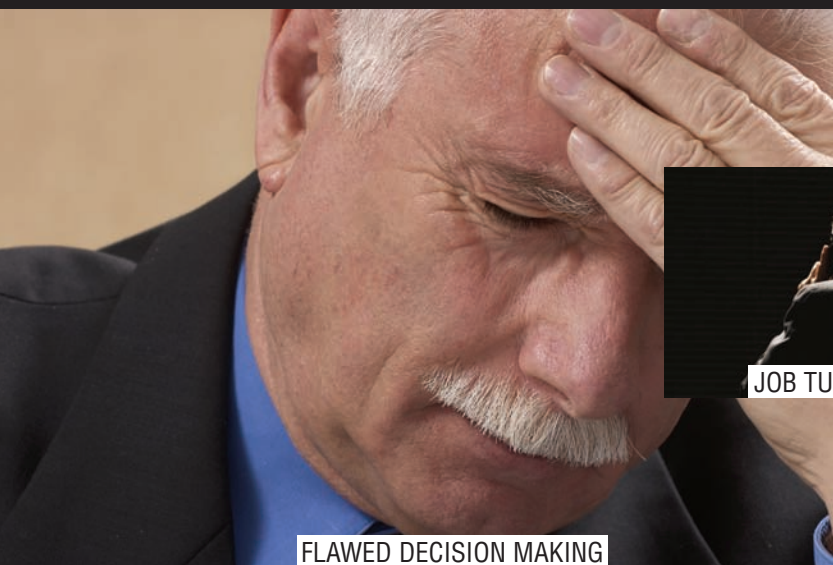
Less now may mean more in the long run

Attempting to manage behavioral health costs with higher co-pays, visit limits and management of utilization can have an unforeseen and unfortunate effect: a surprising rise in employer health care costs.⁶

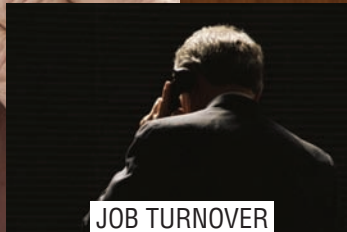
Rather than containing behavioral health costs, these constraining limits can create a contrary financial incentive for patients to access mental health care from primary care physician or other general medical provider instead of specialty mental health providers. This is because there are typically no limitations on PCP visits, and patient co-pays can be significantly less for primary care services.

In fact, one study found that limiting employer-sponsored specialty behavioral health services increased direct medical costs of beneficiaries who used behavioral services by as much as 37 percent⁷; it also increased the number of sick days taken by employees with behavioral health problems. The study's conclusion? Any savings attributed to limiting behavioral health benefits were fully offset by increased use of other medical services plus lost workdays.

Another problem with limiting employer-sponsored behavioral health care services centers on substandard treatment regimens⁸.



FLAWED DECISION MAKING



JOB TURNOVER



LOST PRODUCTIVITY

General medical practitioners will typically treat depressed patients with medications alone, and do so often with inadequate screening, monitoring and follow-up. While commonplace, this “medication only” protocol is inconsistent with current evidence-based best practices for depression treatment, which call for a combination of psychotherapy and medication to achieve the most successful patient outcomes.

“Numerous studies over the past two decades have found that the adequacy and quality of mental health care delivered in the general medical setting is sub-optimal,” notes Ronald Finch, EdD, Vice President of the National Business Group on Health (NBGH) in Washington, D.C., a consortium of more than 260 large employers including 63 of the Fortune 100 companies.

make a mental note **ABOUT DEPRESSION**

More than mood swings, clinical depression is a chemical imbalance in the brain. It creates changes in mood, cognition, physical wellbeing and behavior. Depression can be triggered by experiences or events, often tied to significant loss—financial, personal or job-related. It can also be brought on by physical health issues such as diabetes, heart disease, cancer or chronic pain⁵. Depression can be chronic and reoccurring in nature, and in that respect it must be managed, sometimes over the course of years. Some of America’s best and brightest have had depression, including Fortune 500 CEO Philip J. Burguières, NFL quarterback Terry Bradshaw and U.S. President Abraham Lincoln.

NBGH advocates for a quality health care delivery system based on scientific evidence of effectiveness. “In fact, data show that only about 13 percent of individuals treated for behavioral health issues in the general medical sector received minimally adequate care, as compared to 44 percent of patients treated in the specialty mental health sector,” adds Finch.

One solution? Supporting these general medical providers with high-quality behavioral health care services, delivered through a collaborative care model, with primary care working hand-in-hand with specialty behavioral health providers⁹. Problem is, access to specialty mental health care services is constrained by benefit design with higher co-pays, visit limits and utilization management.

So, is effective depression treatment a Catch-22, that is, best delivered by specialty mental health care providers but more likely delivered by the general medical sector? And is this dilemma sustained by employer- and insurance-imposed constraints that are short sighted and can be more costly in the end—to employers, employee patients and society?

It appears so, say experts, unless those carrying the bulk of the cost for these services—employers—recognize what the research suggests, and act on it to mandate “make-sense” approaches to the treatment of depression and other behavioral health conditions.

[case study]

A return on investment

Correlation between employer costs and equalized coverage

Do insurance costs skyrocket with equalized health benefits coverage? No, says a 2006 research study¹⁰.

EMPLOYER: The U.S. government

EMPLOYEES: More than 8 million

IMPETUS: An executive mandate in 1999 to equalize benefits

CHANGES: This equalization meant removing special limits on care, or reducing co-payments or deductibles for mental health and substance abuse care (MH/SA).

TIMING: Beginning in Jan. 2001

FINDINGS: A win-win. Little or no significant adverse impact on federal benefits spending or access to and quality of services.

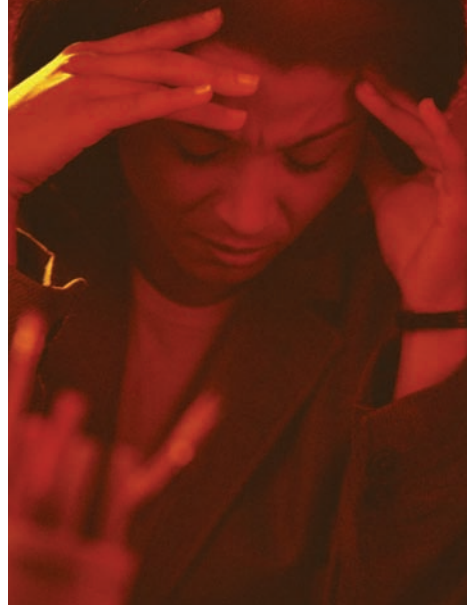
IMPLICATIONS: When coupled with care management, MH/SA coverage on par with other health coverage can improve protection for employees without increasing total costs for employer.

Early, integrated, equalized treatment has payback

Intervening sooner rather than later can save costs associated with treatment of employees for depression. A 2000 research study¹¹ suggests more intense outreach to identify depression symptoms in employees earlier and to initiate treatment sooner can be more cost-effective than waiting until the condition and associated costs rose to a disability claim.

The tangible benefits of this “sooner rather than later” approach to employee depression treatment? Many, according to Johns Hopkins University School of Medicine researcher Alan M. Langlieb, MD, MPH, MBA.

“The story exists. The data stands on its own,” says Langlieb of the financial benefits to employers of a strong behavioral health benefits, borne out in the research—and in real-world corporate stories. “Companies could feel they’re helpless,” adds Langlieb of the role that employers



have in improving the quality, delivery and cost of health care, including that for behavioral and substance abuse. “But they’re in the driver’s seat. They can demand benchmarks from managed care. It’s not a mystery; it shouldn’t require that much legwork. These data have been building for some time and showing impressive results; the data keep building the same story—getting behavioral health assessments, managing the success, following patient outcomes. This is the bread and butter of good health care services.”

Presenteeism is much more difficult to measure than absenteeism. Yet researchers have found that **lost productivity due to presenteeism is, on average, 7.5 times greater than that lost to absenteeism.**

—SOURCE: The Chief Executive, June 2005. “Weighing the costs of presenteeism: CEOs may be burning out their workforces”

[must read]

MILESTONE REPORT HELPS EMPLOYERS MAXIMIZE BEHAVIORAL HEALTH BENEFITS

A new groundbreaking report released in Dec. 2005 is a roadmap employers can use to examine current services and develop contracting requirements for effective behavioral health services. “An Employer’s Guide to Behavioral Health Services” was developed by the National Business Group on Health (NBGH) with support from SAMHSA, an agency of the U.S. Department of Health and Human Services. NBGH is a Washington, D.C. non-profit representing more than 260 mostly large employers. Its focus is finding solutions to employers’ most important health care and related benefits issues. Recommendations in the report can help employers examine their current

behavioral health benefits and services, and develop contracting requirements to guide their selection of future vendors including health plans, managed health care organizations, disability managers, pharmacy benefit managers and employee assistance programs. The Guide is the result of a national committee convened by the federal government in 2004 and comprised of 25 leading benefits and health care experts including professionals in disability management, EAP, managed care and pharmacology. Download a copy of “An Employer’s Guide to Behavioral Health Services” by visiting NBGH online at www.businessgrouphealth.org.

AN EMPLOYER’S GUIDE TO BEHAVIORAL HEALTH SERVICES

A roadmap and recommendations for evaluating, designing, and implementing behavioral health services

- ▶ Major Trends in the Epidemiology, Treatment, and Cost of Behavioral Healthcare in the United States
- ▶ The State of Employer-Sponsored Behavioral Health Services in the United States
- ▶ Recommendations to Improve the Design, Delivery, and Purchase of Employer-Sponsored Behavioral Healthcare Services
- ▶ Overview of the President’s New Freedom Commission on Mental Health
- ▶ Measuring Quality in Behavioral Healthcare

[working well]

COMPANIES THAT COST-EFFECTIVELY ADDRESS BEHAVIORAL HEALTH BENEFITS

These companies enjoy the value of better integrating behavioral health and general medical benefits to clearly demonstrate their value of people and the importance of human systems that most directly impact their bottom line.

COMPANY	OVERVIEW
<p>HIGHSMITH, INC. Ft. Atkinson, Wis. 220 employees</p> <p>Rural medium-size educational supplies distributor</p> <p>"The smartest little company in America" - INC magazine</p>	<p>When this medium-size rural Wis. employer faced a 53% increase in health insurance premiums, the company instituted programs that integrate behavioral health into a comprehensive approach to encourage healthy lifestyle choices; its blended program to support employee development and productivity is delivered for \$175 per employee per year. Management credits this program with holding premium costs to levels dramatically below national averages. Those premium levels rose by only 4.9%, versus a national increase of 12.6% (3-year average 2002-2004, as reported by Mercer National Survey of Employer-Sponsored Health Plans). Additionally, employee loyalty was tested in April 2002 during a workforce reduction affecting 31 employees. A month later, the EAP conducted a resiliency survey finding that faith and trust in company management remained solid. Average length of employee service is 13 years with minimal turnover—in contrast with turnover in the Madison/Milwaukee corridor averaging 22 percent from 1999 to 2002; Highsmith's turnover was in the single digits.</p>
<p>WEINGARTEN REALTY INVESTORS Houston, Texas 266 employees</p> <p>Publicly traded Fortune 500 firm</p>	<p>This Fortune 500 corporation delivers profitable growth and long-term value for shareholders—while offering equality in insurance coverage for behavioral health and general medical benefits for its employees, and has done so since 2001. This policy was put in place, in part, in response to a staff survey revealing employees were not seeking behavioral health treatment or paying for it out-of-pocket. Driving their decision: stigma in seeking mental health services. Results of two years of insurance plan data for Weingarten Realty Investors show average annual increase in behavioral health benefits was less than 1% of total medical plan expense. "These are not illnesses of choice ... they are biologically-based imbalances in the brain," notes Weingarten Chairman Sanford Alexander in support of his corporation's equal coverage for behavioral and general medical benefits.</p>
<p>MERCY MEDICAL CENTER Mason City, Iowa 2800 employees</p> <p>Multiple-site health care network</p>	<p>Award-winning employee wellness program called "Kailo" focuses on stress, depression, exhaustion, relationships, domestic violence and other psychosocial issues. Two-year depression campaign had statistically significant reductions in depressive symptoms of 58% improvement. Moreover, Mercy estimates cost savings of \$154,728 to \$262,080 in lost productivity and health care claims for 42 individuals who eliminated depressive symptoms. To learn more, contact Kelly Putnam, MA, Health Promotion Coordinator, Mercy Medical Center – North Iowa, putnamk@mercyhealth.com or 800-433-3883; or visit kailo.org online.</p>

REFERENCES

- Greenberg PE, Kessler RC, Birnbaum HG, Leong SA, Lowe SW, Berglund PA, Corey-Lisle, PK. The Economic Burden of Depression in the United States: How Did It Change Between 1990 and 2000? J Clin Psychiatry 64:12, Dec 2003. <http://www.psychiatrist.com/issues/greenberg.pdf>
- "Bipolar Disorder Exact Twice Depression's Toll in Workplace." National Institute of Mental Health (NIMH), National Institutes of Health, U.S. Department of Health and Human Resources. Available at: <http://www.nimh.nih.gov/press/workplacebipolar.cfm>; Internet; accessed Nov 2006.
- Stewart WF, Ricci JA, Chee E, Hahn SR, Morganstein D. Cost of Lost Productive Work Time Among U.S. Workers with Depression. JAMA. 2003;289:3135-3144.
- Goetzl RZ, Ozminkowski RJ, Sedere LI, Mark TL. The Business Case for Quality Mental Health Services: Why Employers Should Care About the Mental Health and Well-Being of Their Employees. J Occupational and Environmental Medicine 44(4):320-330, Apr 2002.
- "What To Do When An Employee Is Depressed." NIMH, National Institutes of Health, U.S. Dept. of Health and Human Resources. Available at: www.magellanassist.com/mem/library/default.asp?TopicId=70&CategoryId=0&ArticleId=106; Internet; accessed Nov 2006.
- Wang PS, Patrick A, Avorn J, Azocar F, Ludman E, McCulloch J, Simon G, Kessler R. The Costs and Benefits of Enhanced Depression Care to Employers. Arch Gen Psychiatry. 2006 Dec;63(12).
- Rosenheck RA, Druss B, Stolar M, Leslie D, Sledge W. Effect of Declining Mental Health Service Use on Employees of a Large Corporation: General health costs and sick days went up when mental health spending was cut back at one large self-insured company. Health Affairs, 1999; 18(5):125-130.
- Wang PS, Lane M, Olfson M, Pincus HA, Wells KB, Kessler RC. Twelve-month Use of Mental Health Services in the U.S.: Results from the National Co-morbidity Survey Replication. Arch Gen Psychiatry. 2005;62(6):629-640.
- Gilbody S, Whitty P, Grimshaw J, Thomas R. Educational and Organizational Interventions to Improve the Management of Depression in Primary Care: A Systematic Review. JAMA. 2003 Jun 18;289(23):3145-51.
- Goldman, HH, et. al. Behavioral Health Insurance Parity for Federal Employees. New England J Med, Mar 30, 2006; 354:1378-86.
- Druss BG, Rosenheck RA, Sledge WH. Health and Disability Costs of Depressive Illness in a Major U.S. Corporation. Amer J Psych. 2000;157:1274-1278.

SUSTAINING PRODUCTIVITY Addressing the economic burden of workplace depression

A SPECIAL SUPPLEMENT TO

Advancing Suicide Prevention®

IN PARTNERSHIP WITH

Employee Benefit news

Senior Editor
Denise Pazar

Creative Director
Ric Kositzke

Circulation Director
Hervey Evans

Consulting Editor
Alan M. Langlieb, MD, MPH, MBA
Director of Workplace Psychiatry
Johns Hopkins Medical Institutions

This publication was made possible with support from



THE CHARLES E. KUBLY FOUNDATION

A PUBLIC CHARITY DEVOTED TO IMPROVING
THE LIVES OF THOSE AFFECTED BY DEPRESSION.

P.O. Box 170284
Milwaukee, WI 53217
(414) 962-0918
www.charlesekublyfoundation.org

Advancing Suicide Prevention®
(ISSN 1554-4508) is published by

Point de Vue
COMMUNICATIONS INC.

Editorial and Advertising Offices
629 North 8th Street, Suite 203
Sheboygan, Wisconsin 53081-4502
Phone 920-457-4033 Fax 920-457-4011
advancingsp.org

© 2007 Point de Vue Communications Inc.
All rights reserved.

No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without prior written consent of publisher.

Printed in the U.S.A.

EMPLOYER CALL TO ACTION

What businesses and policy leaders can do to better address economic, emotional burden of depression in the workplace

> KNOW WHERE YOUR DOLLARS ARE GOING

Have a clear idea of how your investment in health care, including that for depression, is being used. Identify the prevalence of behavioral health conditions in your covered populations, the percentage treated and where treatment occurs. Quantify spending on prescription medications used to treat mental illnesses, and identify if and where there is

1

waste due to treatment adherence problems, under-dosing, overuse of brands, and other misuse. Identify barriers precluding patients from seeking treatment by a mental health specialist, such as higher co-pays, benefit limits or network inadequacy. Visit depressioncalculator.com from SHRM and PhRMA to better gauge cost of depression within your highly valuable employee population.



> FOCUS FIRST ON OUTCOMES

Experts say a reason health costs are skyrocketing is that payers aren't paying enough attention to outcomes, so they end up financing care that can be unnecessary, expensive, or does little to improve health. Businesses, health plans, public agencies, professional training programs and funding groups need to support development of evidence-based protocols

2

that demonstrate superior outcomes. Moreover, they need to communicate these to purchasers and providers for adoption and leverage, and educate their constituencies on the advantages of seeking this care. In the end, this may do more to control costs than short-term cost-cutting measures, say experts.



> CALL FOR TRANSPARENCY AND ACCOUNTABILITY

Our nation has 21 states with mandatory quality reporting requirements for health care providers; Wis. is not among them. Proactive employers are actively managing the supply side by using comparative measures to assess provider performance and pushing providers to report their performance publicly; they also offer financial rewards to providers and create

3

incentives for consumers to reinforce quality and efficiency. Participants in Leapfrog Group (leapfroggroup.org) and Bridges to Excellence (bridgestoexcellence.org) purchase health care according to its actual value. See state-healthfacts.kff.org for how Wis. health care compares with other states; and the Mass. model that mandates public release of performance and payment data.



> EVALUATE BEFORE ENDORSING

When considering vendor programs in depression, employers can look for endorsements from the National Committee for Quality Assurance (NCQA) or URAC, both offering disease management vendor accreditation. Three with NCQA accreditation for depression programs are CorSolutions, Health Integrated and Kaiser Permanente Care Management

4

Institute. Looking for a universal health plan evaluation tool? Visit eValue8, a disease management module from the National Business Coalition on Health (nbch.org). Depression is one of four conditions covered, and eValue8 queries health plans on identifying members with depression, treatment guidelines, member/physician support, and plan participation in collaborative projects.



> CALL FOR COORDINATION

Mandating better coordination between general medical and specialty behavioral health services is key to improving health care service delivery, as significant quality and accountability problems arise from lack of coordination and integration among managed care vendors of employers. By rethinking their benefits design and requiring health vendors and managers

5

to coordinate with one another, employers can minimize fragmented and ineffective care. Employers should also urge their health plans to reimburse physicians for collaboration and care management, so if primary care and mental health clinicians consult on a patient's care, this would be covered by health plans; MercyCare Health Plans in southern Wis. reimburses for care management.



> CATALYZE A CULTURE SHIFT

Often, depressed employees will avoid treatment over fears that it will adversely affect their career. So the key to containing costs from workplace depression is to ensure that employee confidentiality is upheld, that barriers to treatment are minimal, and that workplace repercussions are absent. Forward-thinking employers are working their EAPs to remove the stigma of

6

depression, and to offset the significant cost differential between encouraging depressed employees to seek treatment and not doing so. For more on building a healthy and highly functioning workplace read "Mental Health: It's part of our workplace" from SAMHSA, the Substance Abuse and Mental Health Services Administration website at allmentalhealth.samhsa.gov.



> PROMOTE PROACTIVE PREVENTION

Research shows that more than three-quarters of benefit managers believe the cost to their companies in lost productivity because of depression is greater than the cost of treating this condition. Yet only 11 percent facilitate employee screenings. Evidence-based anonymous screening tools for behavioral and substance-use disorders are offered through Screening

7

WorkplaceResponse by Screening for Mental Health, Inc. (mentalhealthscreening.org). Additionally, the Mental Health Association of Wisconsin has a workplace initiative with the local business community to help employers effectively and cost-effectively address mental health in the workplace (mhawisconsin.org).



> ENSURE PROVIDER COMPENSATION

One of the most important, practical and easiest steps employers can take to minimize the effects of depression in the workplace is to ensure primary care physicians are being paid for screening for depression. Often physicians do not screen for depression because they believe they will not be

8

paid for their time. Employers can ask insurers to educate physician office managers on how to code a visit so that a screening test would be covered. Communication is key and often a policy change is not needed—just communication between employer, insurer and provider.

