

# The Economic Impact of Mental Health an Employer's Perspective



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# Presentation Structure

- Introduction
- Direct versus indirect costs productivity model
- Suggested actions
- Return on investment of EAP/Mental Health Programs
- FHCHS Experience



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# Mental Health

Relates to your ability to:

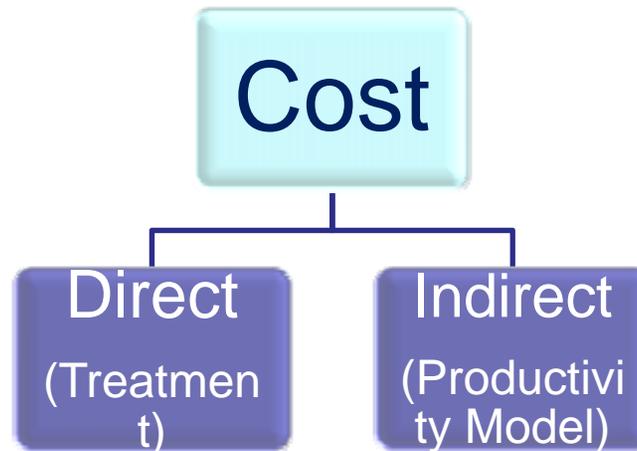
- WORK
- PERFORM
- STABLISH MEANINGFUL RELATIONSHIPS
- COPE WITH UNCERTAINTY
- COPE WITH PROBLEMS

- DEPRESSION
- SCHIZOPHRENIA
- BIPOLAR DISORDER
- SUSTANCE ABUSE



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# Mental Health Cost



# Puerto Rico's Work places

We don't have more people with Mental Health illness  
than the rest of the world



However, you may have less probability to  
recover



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# Prevalence of Mental Illness

- In general terms, the 4 epidemiologic studies conducted in Puerto Rico in the last 20 years presents similar prevalence rates as in the USA (Canino 2007 PRHSJ).
- Data in 1989 survey showed 28.1% of P.R. population with high depressive symptoms.
- According to CDC's Behavioral Risk Factors Surveillance Survey Data (BRFSS) in 2007 17.3% P.R. population self reported "Poor Mental Health" compared to 18.7% in the USA (Kaiser States Facts).



# Similar Prevalence vs. Different Disability Rates

- Although epidemiological studies in Puerto Rico showed similar prevalence rates of mental illness diagnoses as in the USA, disability rates differ significantly.
- Social Security Disability Insurance data for workers disability is used as a proxy.(3)
- *(3)Workers disability is for long term disability available to all those workers younger than the legal retirement age that has worked long enough and contributed to Social Security.*



## Workers Disability Insurance 2009(4)

	Number	Percent of Population
USA	7,788,013	2.53%
Puerto Rico	159,775	4.21%

(4) Annual Statistical Report on the Social Security Disability Insurance Program, 2009



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## Disabled Workers in Mental Disorder Diagnostic Group(5)

	Percentage of total disabled workers
USA	28.5%
Puerto Rico	39.6%

(5) Mental Retardation is excluded.



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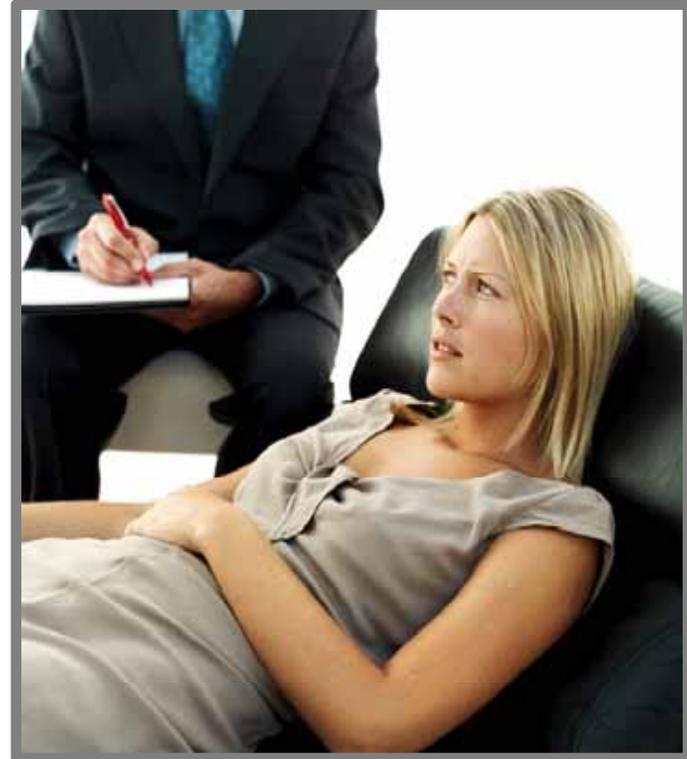
# Productivity Models Assumptions

1. Employees affected by depression miss more work. Conservative models use 22 to 32 days of absenteeism a year.
2. Employees affected by depression incur higher medical costs.
3. Its costs more when workers miss work due to depression
4. Medical cost and absenteeism are reduced when depression is treated successfully.



# More Evidence

5. Good Treatment works
6. Good Treatment is not more treatment is treatment with an Outcome in mind.  
RECOVERY
7. Return to adequate productivity levels after a depressive episode is possible



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# National Business Group on Health Recommends:

- Eliminate financial access restrictions to specialty mental health services thru lower co-payments for visits or limits to visits.
- Need to integrate the health insurance structure by integrating mental health benefits management to employee assistance program.
  - Reduce redundancies.
  - Identify individuals at risk of mental illness and substance abuse and provide direct counseling
  - Provide a continuum of care to those at risk.
  - Conduct periodic assessments to identify employee health status, productivity and job satisfaction



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Source: An Employer's Guide to Child and Adolescent Mental Health Recommendations for the workplace, health plans and Employee Assistance Programs. *National Business Group on Health*, March 2009. Finch R, Krackowsky K., Reagin A., Sherrets, D

# National Business Group on Health Recommends:

- Address the high risk of co-morbidity
- Case Management Programs at Plan level should screen for depression and other behavioral problems among individuals with chronic conditions (diabetes, COPD, high blood pressure, etc.)
- Establish a collaborative care model.
  - Identify PCPs that are the usual source of care for individuals with mental illness. (this can be done by evaluating psychotropic drug use and the prescribing physician).
  - Develop program to support these practices according to quality standards.
  - Reimburse these providers if they comply with the standards
  - Coordinate care with the specialty provider when needed.



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# ROI

## Were should you expect savings?

- Medical Cost- Direct Cost
- Disability days due to depression
- Job Accidents due to stress
- Replacement costs
- Legal exposure due to mismanagement of disciplinary or non compliance issues
- Workers' compensation claims
- Alcohol abuse at the workplace



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# Return on Investment/ EAP

- \$5 to \$16 in health care dollars  
(\*for every dollar spent)

# Local Examples by Type of Industry

## Banking Industry

- Local Examples:  
Workers' compensations (FSE) after a critical incident

Year I without EAP			Year II with EAP	
	Incident by type	FSE Employees	Incident by type	FSE Employees
Violence	2	1	0	0
Robberies	10	10	2	0

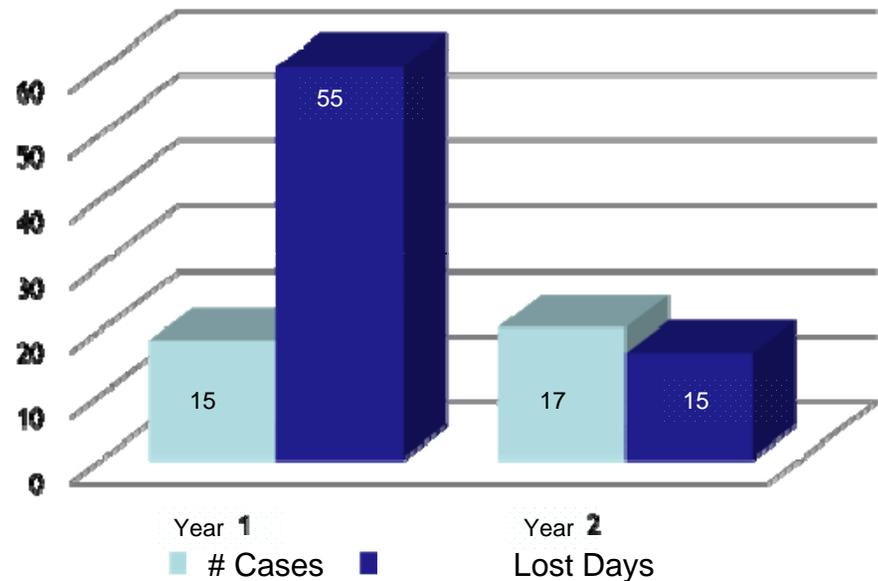
# FHC Experience

## Manufacturing

### Initiatives:

- Mandatory referrals to EAP
- Case Management
- Preferred provider-eliminate those not committed with recovery

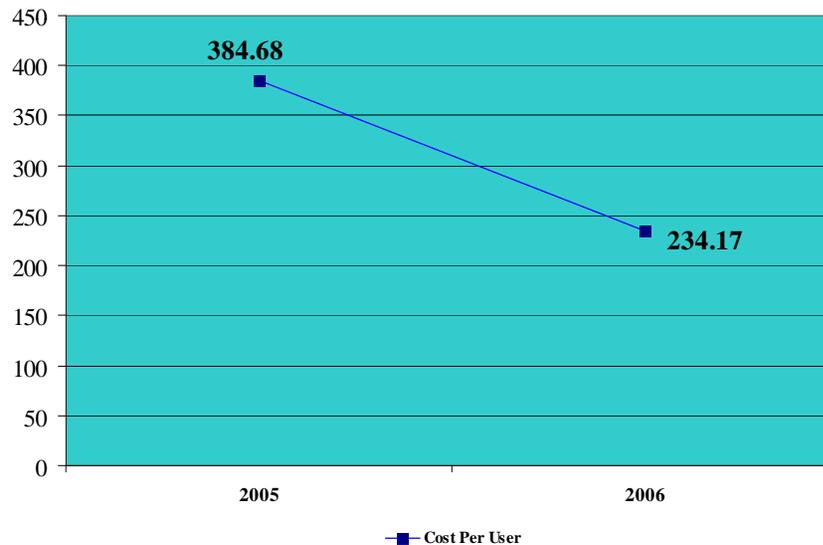
Comparison Year 1 vs. Year 2



Average Lost Days

# Cost Reduction due to the Drug Utilization Program Manufacturing Industry

## Assistance in Benefits Design



### Targeted Medication Protocols for:

- Major Depression
- Bipolar Disorder
- Schizophrenia

## Integrated Program Pharmaceutical Industry

Situation	Initiatives	Results
<ul style="list-style-type: none"><li>• Direct cost up 102,000</li><li>• Workers' compensations (FSE) – 20 cases</li></ul>	<ul style="list-style-type: none"><li>• Supervisory trainings and coaching</li><li>• Preferred Provider</li><li>• On site counseling</li></ul>	<ul style="list-style-type: none"><li>■ 16 % Reduction direct cost</li><li>■ Reduction workmen compensations (FSE) - 5 cases</li></ul>



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# Finally

- Indirect costs are higher for mental health than for other illnesses
- Ignoring mental health does not eliminate costs
- Integrate programs and vendors
- Not all mental health providers are created equal
- Expect positive outcomes
- Resiliency is better than disability