



THE IMPORTANCE OF INVESTING IN

# EMPLOYEE MENTAL HEALTH

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# The Employee Mental Health Situation

Health and wellness programs have recently changed their focus to more of a holistic approach, and mental health is a critical component of overall well-being. Employers are starting to realize just how important it is to help their workers deal with anxiety and stress, both of which have a significant effect on their employees' job performance.

For years, employees only had corporate health and wellness programs that offered exercise, nutrition and biometric-type services. However, an increasing number of employers are adding new mental health services that tackle issues such as depression and financial stress, to name a few examples.

By adding mental health services as an element to traditional corporate health and wellness programs, employers will likely see a return on their investment in the manner of increased productivity and reduced healthcare costs.

Employers have been using incentives, such as gift cards, to help encourage initial participation in meditation programs aimed at reducing the key triggers of stress. Incentives can also be used in the quest to change an employee's bad spending habits and improve his or her overall financial well-being.

Four out of five US companies offer wellness programs, and experts estimate that \$8 billion is spent annually on these. However, workers aren't jumping at the chance to participate in them. But why has participation been limited?

Do employers need to offer better mental health services? Or do companies simply need to provide more enticing incentives to encourage more participation in these types of programs.

## In this white paper, you'll learn more about:

- The current state of US mental health
- Why employers should care
- What companies are doing to address the issue
- Using incentives and rewards for employee mental wellness

# Current State of Mental Health in the US

Before diving into how mental health is affecting US employees and the workplace, it might be helpful to see where things currently stand from a broader perspective. Today, one in four adults experiences mental illness annually, according to the National Alliance on Mental Illness (NAMI).

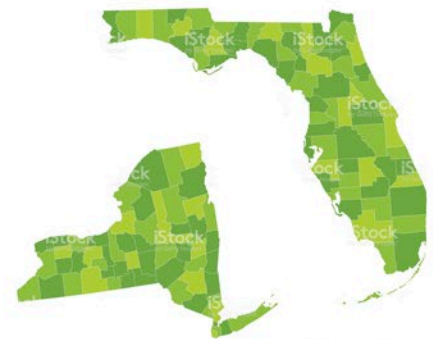
Mental Health America (MHA)'s "State of Mental Health in America 2017" claims that 20 percent of adults currently have a mental health condition. To put that into perspective, that represents more than 40 million Americans, which is the equivalent of Florida and New York's populations combined, MHA notes. MHA's findings revealed 56 percent of US adults with a mental illness failed to get treated for their condition. The report adds that Vermont, which offers the best access to healthcare in America, still had 43 percent of adults dealing with mental illness choosing not to get help.

## 43% OF ADULTS DEALING WITH MENTAL ILLNESS CHOOSE NOT TO GET HELP

### Mental Health Affects

20%

of adults in the US



Or the combined population of Florida & New York

One of the more eye-opening findings of the MHA report was this: Alabama, Arkansas and Mississippi, three states with the least access to healthcare and highest incarceration rates, have more than 57,000 people with mental health conditions imprisoned or jailed.

Meanwhile, America's youth is also dealing with depression at an increasing rate. In November 2016, Pediatrics published a study investigating depression in nearly 172,500 kids between the ages of 12 and 17 and about 179,000 young adults, who are 18-to-25 years old.



Major depressive episodes (MDEs) increased from 8.7 percent in 2005 to 11.3 percent in 2014 in adolescents, while MDEs went up from 8.8 percent to 9.6 percent during the same period, according to the study.

About 12 million US women suffer from clinical depression annually, and the group hit hardest by this mental health condition are women between the ages of 25 and 44, according to a Mental Health American report.

**However, the Movember Foundation reports that men ages 40 to 59 experience the highest rate of depression of any group.**

According to a Business Wire press statement, Payoff conducted a study that revealed one in three millennials and nearly 25 percent of Americans have post-traumatic stress disorder brought on by financial stress.

Trying to help treat the many Americans dealing with various mental health conditions may be a challenge. According to the MHA report, there is a major shortage in mental health experts. It states that there is one mental health professional for every 1,000 US citizens.

## Why Employers Should Care About Mental Health

On the surface, mental health may not seem like the place to invest or look for cost-saving opportunities. However, recent reports suggest that failing to dedicate money to health and wellness programs can lead to major health expenses for employers.

In a 2016 Huffington Post report, the online news outlet, citing analysis published in the journal Health Affairs, stated the US spent an estimated \$201 billion on mental disorders in 2013. That's \$54 million more than what was spent on heart conditions and \$58 million more than trauma and injury costs that same year.

NAMI claims that 217 million workdays are either partially or fully lost each year due to mental disorders, and they cost employers \$100 billion-plus in lost work days.



Forbes, citing the Center for Prevention and Health, reports that companies spend between \$79 and \$105 billion annually on mental illness and substance abuse. The business publication says that absenteeism, increased healthcare costs, and a decline in productivity are a couple of examples where mental illness hurt an employer's bottom line.

Of all the mental conditions that exist, depression will be the most expensive disease burden in the world, according to the World Health Organization (WHO). Workers suffering from depression lose about six productive work hours per week, NAMI reports, costing companies \$44 billion annually in lost time.

If there's a study that employers will want to become familiar with, it's one published by WHO in The Lancet Psychiatry. The study found that for every US dollar invested in anxiety and depression results in a return of four US dollars in improved health and ability to work.

**...EVERY \$1 THAT'S INVESTED IN ANXIETY AND DEPRESSION RESULTS IN A RETURN OF \$4 IN IMPROVED HEALTH AND ABILITY TO WORK.**

"We know that treatment of depression and anxiety makes good sense for health and wellbeing; this new study confirms that it makes sound economic sense too," said Dr. Margaret Chan, director-general of WHO, in a WHO-World Bank joint news statement. "We must now find ways to make sure that access to mental health services becomes a reality for all men, women and children, wherever they live," Chan added.

## **What Employers are Saying & Doing About the Mental Health Issue**

Employers are trying to be respectful of employees' privacy, while recognizing that behavioral health has consequences in the workplace. That's why employers encourage employees to use support tools, such as emergency hotlines and telemedicine.

Understanding that it's difficult for employees to break old habits, employers use incentives to encourage workers to participate in various mental programs because they've been proven to be effective.

According to a Benefits Pro report, 314 US companies participated in a survey and the vast majority recognize that they need to make changes when it comes to mental health. The survey, conducted by Willis Towers Watson in October 2016, revealed that 88 percent of employers believe behavioral health (used interchangeably with mental health) will be a main priority over the next three years.

**...88% OF EMPLOYERS BELIEVE BEHAVIORAL HEALTH WILL BE A MAIN PRIORITY OVER THE NEXT THREE YEARS.**

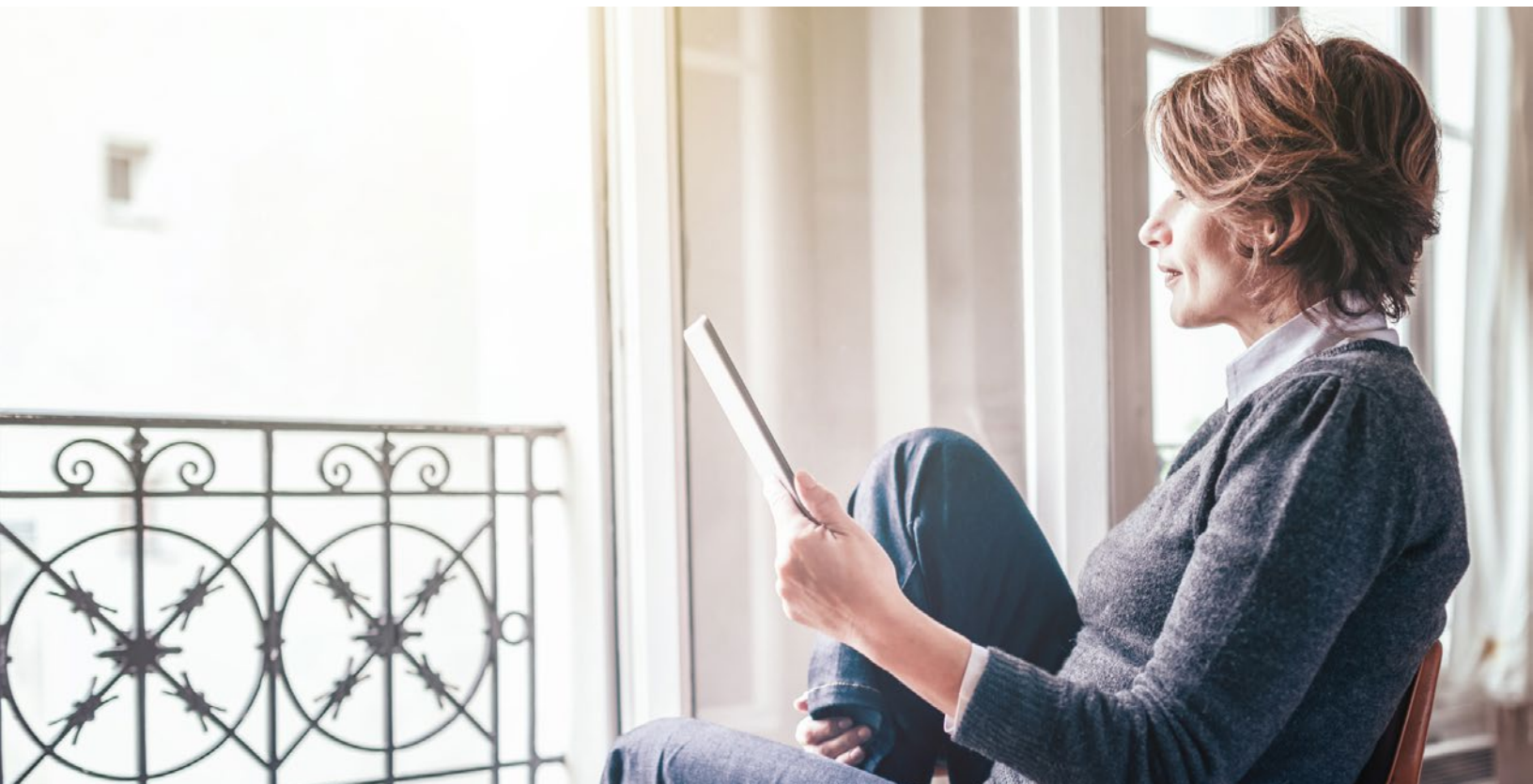
“Employers are concerned about behavioral health issues because of the impact on costs, employee health and productivity, and workplace safety,” said Julie Stone, a national health care practice leader at Willis Towers Watson, in a news statement.

“The seriousness of the issues — both for employers and employees — has led to a deeper understanding of the problem and greater resolve to take action. Employers are now more committed than ever to improving access to treatment, providing employees with better coordination of care across various health programs and reducing the stigma that could be associated with behavioral health through educational programs.”

**Based on where things stand today, 25 percent of employers offer telemedicine services for treatment of behavioral health issues, according to Willis Towers Watson. Employers see telemedicine as an easily accessible alternative to physically traveling to visit a mental health specialist at his or her office. The study adds 46 percent of companies are contemplating implementing a telemedicine plan sometime in the next three years.**

While some companies continue to explore the possibility of expanding their mental health services and coverage in the future, others have already done so. At HR Company Store, LLC, managers attended training sessions to learn how to spot and assist workers dealing with mental health issues, according to an Entrepreneur report.

“Supervisors want to help, but because of all the laws surrounding HIPAA and privacy, they are not sure what they can and cannot say to an employee,” Laurie Brednich, CEO of HR Company Store, told Entrepreneur. “By hosting this training, we provided them with the tools they need to help their team member appropriately.”



EY, formerly Ernst & Young, launched the “r u ok?” program aimed at stopping the stigma around mental health and letting workers know about available services offered by the company, according to the American Psychiatric Association Foundation.

Dr. Sandra Turner, who heads up the program, told Forbes that the program saw positive results in the first three months following the October 2016 launch including:

## Results from the “r u ok?” Program

**30%↑**

EY assist  
phone calls

**1,000+**

EY assist  
consultations

**781**

e-learnings  
finished

An anonymous man, who works for EY and is a “r u ok?” participant, provided a testimonial for the program, saying in the Forbes report: “I began to realize I have an enormous amount of support at this firm and they could even help me think when I couldn’t,” he shares. I think being asked ‘are you okay?’ was something for me that was truly life-changing.”

### **EMPLOYEES ARE MORE LIKELY TO PARTICIPATE IN MENTAL HEALTH SERVICES AND PROGRAMS IF THEIR LEADERSHIP TRULY LEADS BY EXAMPLE.**

Enter Kevin Barnicle, founder and CEO of Controle. Barnicle told Entrepreneur that he turned to Transcendental Meditation (TM) after experiencing burnout. Barnicle was so enamored with the program that he offered to cover 50 percent of the cost for his workers to participate in TM sessions, according to Entrepreneur. Since his employees began taking TM, Barnicle told Entrepreneur he has observed their improved concentration and creative thinking, and they’ve also been less stressed.

Meanwhile, Sheetz, a convenience store chain with nearly 550 locations, has gone to great lengths to expand its mental health offerings, according to an Incentive Magazine report. Incentive Magazine reports that Sheetz launched a robust health management program in 2012. The company boasts an onsite licensed counselor as part of a team of dieticians, medical office assistants and nurse practitioners, to name a couple members, at its three employee health centers at the 12,000-square-foot headquarters in Pennsylvania, according to the report.

Bill Young, director of risk management, talent acquisition and total rewards for Sheetz, told Incentive Magazine that three of the company's top 25 prescriptions were tied to behavioral health. That's when the company started a pilot program, with a focus on mental health services and getting more employees to participate in an Employee Assistance Program, Incentive Magazine reports. The program took off, and it wasn't long before a part-time onsite mental health counselor became full-time and eventually expanded to Sheetz's North Carolina location, the report adds.

While some employers have relied on telemedicine and health-related reimbursements, other corporate wellness program administrators and organizations have turned to incentives and rewards to help their workers get the mental health attention that they need.



## Using Incentives & Rewards for Employee Mental Wellness

The Center on Budget and Policy Priorities (CBPP) reports that “evidence from private-sector worksite wellness programs suggests that small financial incentives such as cash or gift cards can change some health behaviors.” CBPP notes that offering financial incentives increases participation in several healthy activities, including diabetes and obesity prevention initiatives, immunizations, preventative screenings and smoking cessation.

Financial rewards have proven to be effective at getting Medicaid members to take one-time exams or short-term activities, such as preventative health services, according to CBPP. Immediate rewards, such as gift cards, proved to be more effective than those that took longer to receive, the report adds.

Wellsteps recommends using an incentive approach whereby “employees can qualify for a drawing if they complete a personal health assessment, biometric screening, a behavior change campaign, or a challenge.”

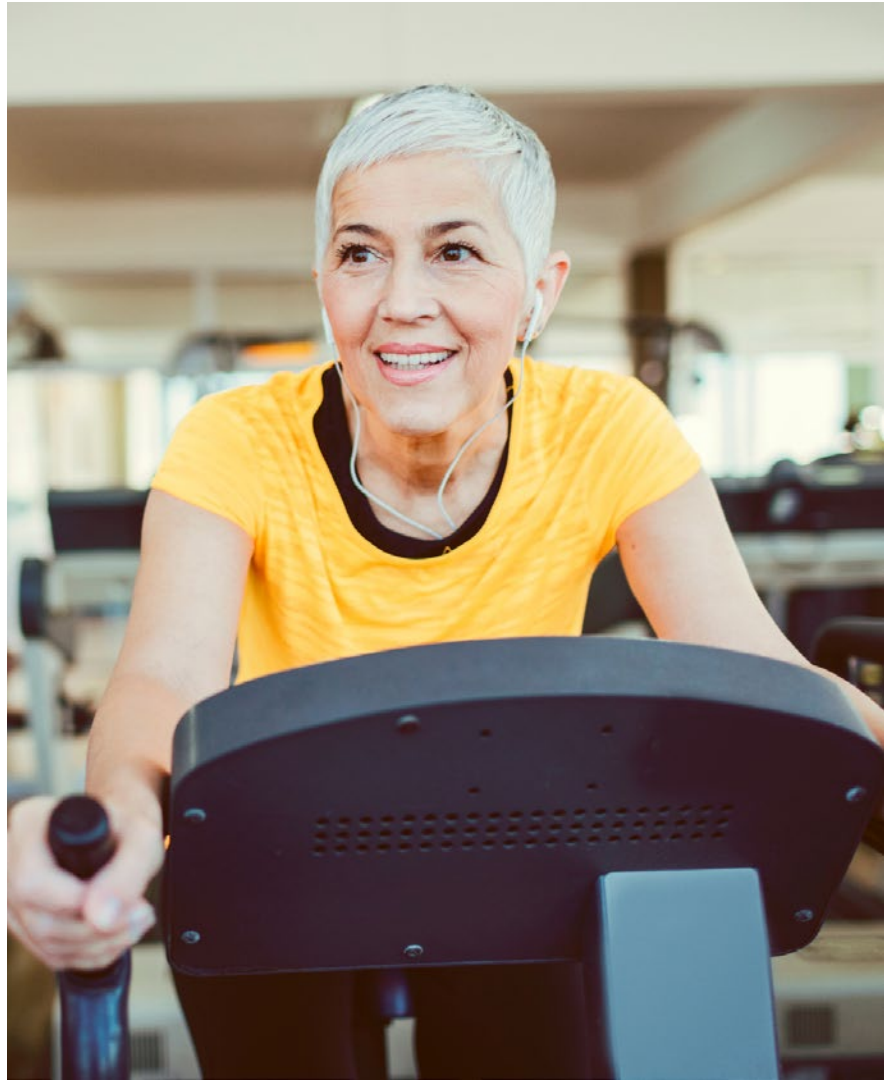
**“These small gifts given immediately upon program completion make the program more fun, create the opportunity for vicarious reinforcement, and provide substantial motivation at very little cost,” reads the Wellsteps report.**



Meanwhile, Passport Health Plan members who have a specific medical condition, belong to an age group, or have a mental condition and complete various tasks or tests have the opportunity to receive a gift card. Adult members with depression who have used antidepressants for more than three months and are at least 18 years old receive a \$30 gift card through the Passport plan.

It's important to offer robust mental health program options your employees can use, so they can be healthy and productive in the workplace. Otherwise, you run the financial risk of diminished productivity, lost work hours, as well as increased healthcare costs.

Even if the initial investment in expanding mental health service offerings seems too expensive, remember there is evidence supporting the return on investment of such an expenditure.



Let the Massachusetts Chamber of Commerce leave you with **“workforce wellness” advice** on what companies and employers can do to address mental and emotional well-being.

**The organization suggests employers can:**

- Make organizational changes, such as developing well-defined positions and responsibilities to cut down on employee stress, and offer flexible work schedules, helpful technology and work stations.
- Offer mental health services as part of health insurance plans, and promote that employees take advantage of them.
- Provide educational and training opportunities focused on “mental health parity in employment-based health insurance coverage and group health plans.”

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