

# The Costs of a “Free” EAP

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Many organizations today have experienced the benefits of offering an Employee Assistance Program (EAP) for their employees. Whether they have seen reduced absenteeism or increased productivity, these employers understand that a productive and resilient organization begins with a healthy workforce. EAP services assist employees who bring into the workplace interpersonal, home-life, legal, and financial problems and a whole host of social concerns that hinder their ability to be a productive member of the workforce. Organizations that offer a comprehensive EAP benefit provide an invaluable resource for employees to overcome both simple problems of daily living and those that are potentially debilitating and at times life threatening. Unfortunately, in an attempt to manage and reduce costs, many companies have decided to leave their comprehensive EAP provider for an EAP offered through a health insurance company, payroll management provider, or disability carrier.

### *The Reality of a “Free” EAP*

EAPs that are embedded within insurance plans are often labeled as “free” or at “no cost,” but to the educated consumer this is truly not the case. In order to manage the cost burden of providing this service, insurance carriers have marginalized the service offerings of the EAP and some have outsourced the services to a less robust behavioral health organization, leaving employers with an extremely limited EAP service benefit package. Plainly, the cost of the unaccountable EAP is intertwined into the insurer’s fees and by default, imbedded into their insurance premium. For the knowledgeable buyer this shell game is clearly exposed as cost shifting, so as to seemingly make it appear that the EAP is for free.

At the same time, the free EAP can actually create additional costs for both employers and employees. When an employee contacts the EAP, the insurer will often refer them to a counselor within the medical carrier’s network. This causes the employee to be charged with a co-payment and, in turn, raises the company’s medical premium.

### *Free EAP vs. Stand- Alone EAP*

It’s crucial for employers to recognize that there are significant differences between a free EAP and a stand-alone, robust EAP provider. These differences are centered on the fact that a free EAP does not include, or cannot deliver, many of the valuable components that a specialized EAP provider can offer. It is essential that an organization’s EAP includes these components in order to provide a comprehensive and impactful set of services for employees. The following components are essential to

creating a powerful and productive benefit for employers and employees alike.

- Statistical reporting

Employee utilization reports allow a company to identify prevalent issues by pinpointing the areas in which their employees need greater assistance. This information permits organizations to better understand the overall needs of their employees by proactively addressing issues of concern. Being in touch with and anticipating employee needs is key to a successful EAP as it leads to a more productive and healthy workforce. When a company offers a free EAP it may lose out on an important opportunity to benefit from the information captured through this reporting.

- Face to face clinical sessions

Comprehensive EAPs will take the time to ensure that employees are referred to the most appropriate counselor who will meet them face-to-face. While telephonic and online counseling has gained in popularity, and has a place as a convenient means to offer some level of EAP service, these modalities should not be seen as a replacement product that can be simply exchanged for the value of a face-to-face counseling session. Not all behavioral healthcare issues are either appropriate or safe when delivered via the telephone or online. This is especially true when counseling a person with a severe mental illness. When clinical sessions are not in-person, they are restrictive of establishing a personal connection and creating a comfort level between counselor, the employee or a dependent.

- Satisfaction surveys

In an attempt to constantly improve upon program effectiveness, EAPs should follow up with each employee referral and distribute a customer satisfaction survey for every service provided. This process will ensure that an employee is able to get in contact with a counselor, and determines how effective the sessions were in helping resolve their issue. Without distributing satisfaction surveys to employees there is little way of measuring EAP value and gauging results.

- Crisis intervention/Critical incident stress debriefing

When crisis strikes within an organization it is crucial for the individuals who are directly impacted to take advantage of critical incident stress debriefing to move towards a successful recovery. Employees who are not properly treated have the potential to cause a liability for employers and are at risk for an extended recovery that creates challenges both at home and in the office. A comprehensive EAP offers employees the benefit of quickly locating a counselor within the employee's and/or employer's geographic location that specializes in crisis intervention and/or critical incident stress debriefing. These services need to be offered in a very timely manner and can be

extremely costly for employers when they are not included within the EAP and not planned for ahead of time in the business' crisis management response plan. The out-of-pocket costs will be exorbitant and the response time will be hindered by the ad-hoc nature in which the services are acquired.

- On-site presence/Promotional materials

A specialized EAP often includes customized promotional brochures, flyers, and newsletters that will help boost employee utilization. Comprehensive EAPs will also generally provide companies with a designated account manager that takes part in regular communications and on-site visits to address concerns and offer consultations. Offering a robust communication plan that includes promotional materials and an on-site presence has been found to yield high employee utilization rates when compared to EAPs that do not offer these features.

- Management referrals

Supervisory referrals are an especially valuable resource for managers dealing with troubled or poorly performing employees. For instance, if a supervisor perceives that an employee is struggling with a substance or alcohol abuse problem they can advise a mandatory referral of that employee to the EAP. This allows employees the opportunity to receive help for their issue and to return to their job without penalty. Free EAPs are lacking in that managers are often unable to make these referrals, or the process to do so is complicated, not documented, costly, and not timely. Not to mention the manager will not have any follow-up and will not be notified whether the employee has contacted the EAP and/or attended sessions with a counselor. Managers need their EAP, often in the form of their personal account manager or referral specialist, to be consultative in this process and to be a partner in making sure both their interests and the interests of the employee are satisfied.

### *The FEI Difference*

It's not uncommon for organizations to find themselves dissatisfied with their decision to leave their comprehensive EAP provider for the free EAP. In fact, FEI Behavioral Health recently spoke with a former client who decided to bundle their EAP within their insurance plan. The Fortune 500 technology, computer and services company disclosed that cost was initially a driving factor for their decision, but they are now finding that they are displeased with certain aspects of their current free EAP plan.

Among these aspects is quality of employee care. "I find it disturbing that I am unsure of how well our employees are being taken care of," the company's Director of Benefits explained. "With FEI, we valued the personal connection we had to our account manager and felt confident in the care our employees were provided."

The company also expressed their concern about the depth of their statistical reporting. "With our current plan, we receive utilization numbers but no narrative to go along with them," shared the benefits director. "We really appreciated the holistic reporting that we used to receive from FEI because it allowed us to see the connection between a major health diagnosis and the EAP."

Additionally, the company was not convinced of any actual cost savings with the free EAP. "Since the program is self-funded we have been unable to determine whether behavioral costs are up or down," the director of benefits explained. "As of yet, we have not seen the promised fruits of an integrated approach."

Not only are "free" EAPs not cost-free, but their value is lacking in comparison to the benefits that a comprehensive, specialized EAP offers both employees and the organizations as a whole. FEI Behavioral Health, with an over 30-year history, is a nationally respected, trusted partner in providing workplace solutions. FEI was the first national network EAP provider in the United States and is one of the nation's leading behavioral health providers today. FEI provides employees and their immediate family members with professional, user-friendly, 24-hour access to problem-solving resources that support a healthy, productive, and successful workforce.

*FEI partners with you to protect and enhance your workforce effectiveness and organizational resiliency. We offer flexible solutions for the full spectrum of your workforce resilience goals, from EAP and wellness to crisis preparedness and management. We leverage our proven resources, compassionate experts and robust network to improve your employees' focus, empower your managers and prepare you to handle the unthinkable crisis, so that you can maintain a healthy, resilient organization.*