



Partnership for  
Workplace  
Mental Health™

A program of the  
American Psychiatric Foundation

*A Mentally Healthy Workforce –  
It's Good for Business.*





# Table of Contents

Executive Summary . . . . .	2
The Problem for Business . . . . .	6
Treatment Works and is Cost Effective . . . . .	7
Ignoring Mental Illness is Costly . . . . .	8
■ Direct Costs to Employers	
■ Indirect Costs to Employers	
Mental Illnesses are Medical Conditions . . . . .	12
■ The Many Faces of Mental Illness	
■ Who Treats Mental Illnesses?	
Building a Mentally Healthy Workforce: . . . . .	15
A Blueprint for Employers	
■ Phase 1: Evaluating Your Current Programs	
■ Phase 2: Constructing Your Program	
■ Phase 3: Strengthening Your Program	
Important Resource Materials . . . . .	21
References in Text . . . . .	22



Partnership for  
Workplace  
Mental Health™

A program of the  
American Psychiatric Foundation

# Executive Summary

Most employers know that a mentally healthy workforce is linked to lower medical costs, as well as less absenteeism and presenteeism. And most employers know that a mentally unhealthy workforce is associated with increased loss of productivity. What employers may not know, however, is how to get from A to B: How does a company change a mentally unhealthy workplace — or a marginally healthy one — to a healthy workplace? Where does it start?

## Phase 1: Evaluate Your Current Programs

- **Evaluate your current mental health benefits and health services.** Sprint's Corporate Benefit Manager, Collier Case, identified this as a very important first step (*Mental HealthWorks*, First Quarter 2005). A recent report on the "best" of *Fortune* 100 mental health plans showed that even the best plans varied greatly in the mental health benefits offered. For example, the annual limit on outpatient visits for mental health offered by the retail sector ranged from 10 visits to 90 visits. Do you know what your health plan covers?
- **Question your health plan or behavioral health vendor.** Ask them:
  1. Do your employees have ready access to mental health information through employee educational and referral programs, the Internet, or other self-screening tools? A tollfree 800 number? Adequate mental health benefits? A well-trained clinician at the earliest point of contact?
  2. Once employees contact your plan, do they receive a diagnosis from a clinician trained in screening for depression and anxiety disorders? Core personal, family, or work issues? Substance abuse? Medical illnesses? An accurate initial diagnosis facilitates successful clinical outcomes.
  3. After a diagnosis is made, will the employee be referred to a clinician who can effectively manage a psychiatric disorder with the appropriate balance of medication and psychotherapy? *Medication and psychotherapy enhance—but do not replace—each other.*
  4. Does your health plan encourage its PCPs (primary care physicians) to routinely screen for and treat depression? Does it provide PCPs with the appropriate support and guidance, including guidance about how to code depression treatment in order to be paid



Partnership for  
Workplace  
Mental Health™

A program of the  
American Psychiatric Foundation

appropriately and when to refer patients to mental health specialists? Let your health plan know this is important to you.

[See *Mental HealthWorks*, First Quarter 2006, for articles about Aetna's program to screen for depression at the primary care level and New York City's campaign to screen for depression.]

5. How will specialty behavioral healthcare be provided if clinicians are not readily available in the employee's location?
6. Can your behavioral health vendor integrate its services with your employee assistance program (EAP), disease management, and disability? Integration can provide employees with better coordination of care and can save employers a good deal of time, effort, and dollars.

■ **Find out what your pharmacy benefit manager (PBM) is doing.**

Restricted or unduly limited pharmacy benefits may be costing you more money than is saved. Employers should know what hoops the PBM has set up for their employees and their doctors. Does your PBM have a process for handling requests for an exception to the formulary? How does your PBM monitor and encourage patients to start and remain on their medications?

■ **If your company doesn't already have an EAP, consider getting one.** EAP interventions have been shown to produce rapid improvements in work performance.

■ **Calculate the cost of depression and alcoholism in your workplace** quickly by using free Web-based tools, such as the depression and alcohol calculators. See [www.depressioncalculator.com](http://www.depressioncalculator.com) and [www.alcoholcostcalculator.org](http://www.alcoholcostcalculator.org). These tools are also available at [www.workplacementalhealth.org](http://www.workplacementalhealth.org).

■ **Develop a business case for management.** To develop the business case, Catherine Baase, M.D., at Dow Chemical made the following suggestions during an interview with *Mental HealthWorks* (Fourth Quarter 2002).

1. Add up your direct costs—that means every expenditure related to the support of employee health.
2. Estimate your indirect costs, such as absenteeism, presenteeism, and job satisfaction.
3. Figure out what kind of performance outcomes you want, e.g., employees who are creative, show initiative, are innovative, etc.
4. Write a report for management emphasizing the total economic impact on the company and the outcomes the company can expect from “the spend.” Emphasize that this is an investment.

Psychiatric medications are not interchangeable, and, in contrast to many other medications, they have a long phase-in/ phase-out period. Psychotropics usually take 4–6 weeks “to work,” and it takes just as long for a patient to be tapered off the drug if another one has to be tried. If an employee with depression doesn't get the right antidepressant, it could be months before that employee receives optimal treatment and is fully productive at work.

Rather than ask management for more money, spend what you have more wisely by eliminating duplication, implementing better practices, etc.

5. Start with a quick success so that you can build on early successes.

## *Phase 2: Construct Your New Programs*

- **Conduct an employee awareness program about depression, anxiety, and substance abuse.** People with positive expectations and knowledge about the effectiveness of mental health treatment will be less impaired at work. In fact, researchers found that people who are depressed but saw themselves as able to work did indeed stay on the job.

The Mid-America Coalition on Health Care ([www.machc.org](http://www.machc.org)), based in Kansas City, successfully launched a 5-year initiative in 2000 to educate employees about depression. The Coalition included 14 Kansas City employers, including Hallmark; Cerner Corporation; Blue Cross and Blue Shield of Kansas City; Farmland Industries, Inc.; Sprint Nextel; Yellow Corporation; and the State of Kansas. They found that conducting a survey of employee knowledge and attitudes about depression was an effective way to start the education process.

- **Educate managers about mental disorders.** “We got the biggest bang for our buck by training our managers in recognizing mental illnesses,” according to a director at a major financial institution.
- **Establish an easily accessible behavioral health system.** Create procedures so that employees can access the appropriate treatment no matter where they first enter the system. When employees do access your system, make sure that procedures are in place to help them connect to treatment easily—people are often reluctant to seek treatment, and asking them to jump through hoops by making multiple calls is problematic. Providing assistance in navigating the healthcare system can be a crucial part of helping employees to receive the treatment they need.
- **Offer mental health screening.** Early identification of mental illness can save money, and screening for mental illness is one of the most effective tools available. More than 250 employers have used Workplace Response, a Screening for Mental Health program that takes an anonymous approach and engages many individuals who wouldn’t otherwise seek help for mental illness because they are ashamed, afraid, or in denial.



Partnership for  
Workplace  
Mental Health™

A program of the  
American Psychiatric Foundation

## Phase 3: Strengthen Your Programs

- **Integrate all healthcare services** (such as behavioral health, other medical illnesses, pharmacy, disability, disease management, and EAPs) to improve patient outcomes, reduce time away from work, and minimize the cost and impact of behavioral health conditions on the workplace and healthcare costs. IBM did and saved \$500,000 in outpatient costs in one year (*Mental HealthWorks*, Second Quarter 2004).
- **Leverage your purchasing power to obtain quality**, possibly by joining business coalitions, to ensure health plans are following “best practices” and delivering the services you want.
- **Collaborate with other employers and stakeholders.** E. J. Holland, Jr., Sprint’s Vice-President for Compensation, Benefits, Labor and Employee Relations, wrote about his company’s experience with the Mid-America Coalition on Health Care: “...Kansas City business leaders sought to engage stakeholders in changing the healthcare system. While the bottom line is critical to Sprint, we are taking a broad, long-term view of the bottom-line impact by working collaboratively with other stakeholders” (*Mental HealthWorks*, First Quarter 2005).
- **Link up with mental health clinicians in your community.** When Florida Power & Light Company (FPL) established a program, called Operation Home Front, to support their employees who have been deployed in Iraq and their families, the company’s relationship with a local psychiatrist was crucial to the program’s success. In response to 9/11, FPL had already established a solid working relationship with a psychiatrist. “He is our safety net,” said Luis J. Rodriguez, Ph.D., EAP administrator. “We call on him proactively.” (*Mental HealthWorks*, Third/Fourth Quarter 2004).
- **Spread the word.** Let us know what programs your companies have undertaken that might be helpful to others. The Partnership for Workplace Mental Health is collecting examples of corporate innovations that address mental health. If your company or organization would like to be included in that project, contact Mary Claire Leftwich at 703-907-8561 or go to [www.workplacementalhealth.org](http://www.workplacementalhealth.org).

# A Mentally Healthy Workforce — It's Good for Business.

Investing in a mentally healthy workforce is good business. It can *lower* total medical costs, *increase* productivity, *lower* absenteeism and presenteeism, and *decrease* disability costs.

Recognizing these truths, many businesses have invested in the mental health services necessary to create a mentally healthy workforce. They have recognized the value, both in dollar and human terms, of treating mental illnesses on a par with other medical illnesses.

Businesses that have been slow to invest in mental health services for employees appear to have three major stumbling blocks:

- misperceptions about the cost-effectiveness of treatment;
- lack of information about the direct and indirect costs of mental illness in the workplace;
- and a general wariness about all things related to mental illness.

One by one, these three concerns will be addressed in this brochure. In addition, employers will find a step-by-step blueprint for creating and sustaining a mentally healthy workforce, including examples of programs already in use by employers across the country.

Investing in workplace mental health is a win-win for employers — and employees.

## The Problem for Business

Mental illness and substance abuse are much more common and costly to employers than most realize.

- According to the Surgeon General, one in five adults (20%) will experience a diagnosable mental illness in any given year.<sup>25</sup> About 15% of those will also experience a co-occurring “substance use disorder,” a term used by clinicians but more commonly called “substance abuse.”
- Among those of working age, it is estimated that the prevalence of mental illness and/or substance abuse in any given year approaches 25%.<sup>10</sup>
- Mental illness and substance abuse annually cost employers in indirect costs an estimated \$80 to \$100 billion.<sup>10</sup>



Partnership for  
Workplace  
Mental Health™

A program of the  
American Psychiatric Foundation

- More workers are absent from work because of stress and anxiety than because of physical illness or injury.<sup>24</sup>
- Stress and depression probably explain “close to 30% of the total risk of heart attacks,” according to a cardiovascular physician at the University of Florida.<sup>33</sup>
- In one large manufacturing corporation, depression accounted for at least as much medical and disability costs as hypertension, diabetes, back problems, and heart disease.<sup>6</sup>
- Mental illness short-term disability claims are growing by 10% annually and can account for 30% or more of the corporate disability experience for the typical employer.<sup>24</sup>

-Yet,

- Less than one-third of adults with a diagnosable mental disorder receive treatment in any given year.<sup>25</sup>

## Treatment Works and Is Cost Effective

Treatments for mental illness are highly effective. Advances in medication and psychotherapy produce very good results, especially when those therapies are combined.

In the vast majority of cases effective treatment for mental illness will have a net positive impact on employees and the bottom line, even when you factor in the cost for treatment. This net benefit is achieved through savings in other medical costs – frequently referred to as “cost offsets” – as well as through increased productivity, and decreases in absenteeism, disability, “presenteeism” (reduced productivity while at work), and a wide range of other definable indirect costs.

The high cost of mental illness can be mitigated through timely diagnosis and appropriate treatment. In addition, appropriate workplace and psychiatric management can be of significant benefit in reducing the occupational impact of these disorders and can greatly improve the employee’s overall mental health and workplace productivity.

Here are some data to support these statements.

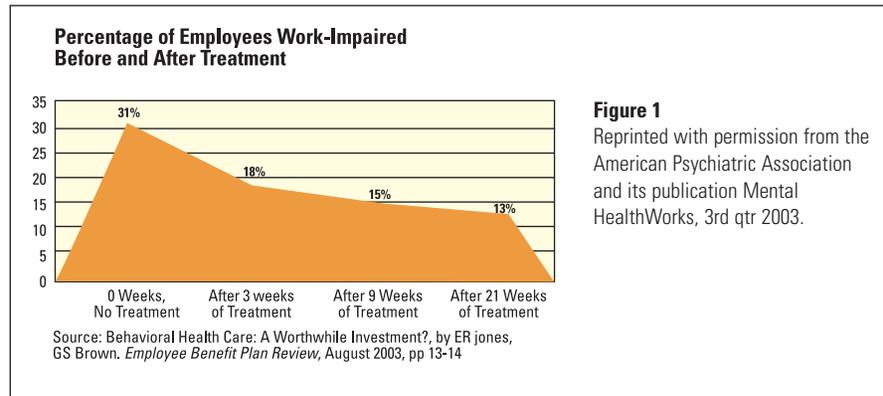
- Nearly 86% of employees who were treated for depression with antidepressant medications reported that their work performance improved.<sup>14</sup>
- A Harris Poll found that 80% of those treated for a mental illness reported “high levels of efficacy and satisfaction.”<sup>39</sup>
- Abbott achieved a 1.7:1 return on investment by conducting a depression screening program.<sup>1</sup>

### Did you know?

About 80% of individuals with depression will recover fully with appropriate diagnosis, treatment, and monitoring.

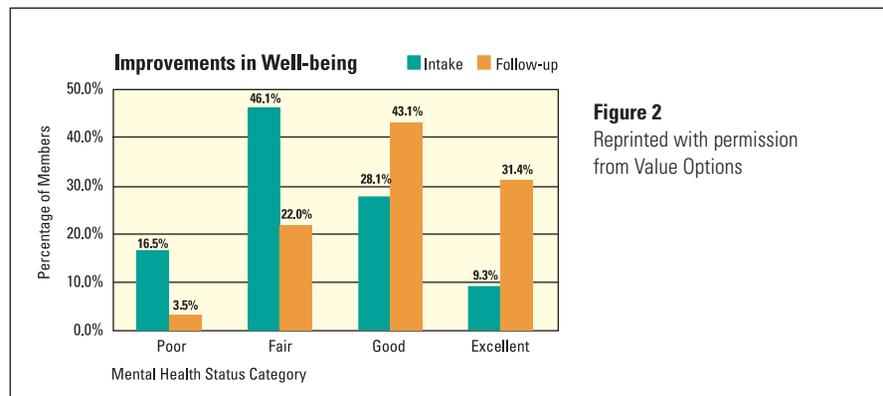
Education  
+ Early Diagnosis  
+ Treatment  
= Reduced Costs

- In one study, the number of work-impaired individuals with mental illness was cut nearly in half after three weeks of treatment; after 21 weeks of treatment, almost two-thirds were no longer work-impaired.<sup>18</sup>



**Figure 1**  
Reprinted with permission from the American Psychiatric Association and its publication *Mental HealthWorks*, 3rd qtr 2003.

- Thirty-nine percent of individuals who sought treatment for depression, substance abuse problems, workplace issues, or trauma-induced stress reported a problem completing their work; after three months of treatment, 77% of these patients improved.<sup>22</sup>
- Employees who completed at least one session with a mental health provider had a statistically significant improvement in work performance, according to an ongoing study by ValueOptions. Members reported less absenteeism, increased productivity, and substantial improvement in overall mental health, as shown in Figure 2.



**Figure 2**  
Reprinted with permission from Value Options

- From 40% to 60% of patients treated for alcoholism and/or other drug use disorders remain abstinent after a year; another 15% resume drinking, though not to the point where they become dependent again. This is comparable to the effectiveness of treatment for other chronic diseases such as diabetes, high blood pressure, and asthma.<sup>42</sup>

## Ignoring Mental Illness Is Costly

In spite of the high prevalence of mental illness and substance abuse among the working population, most will never receive treatment. A nonprofit group called Screening for Mental Health has been screening employees at

companies such as Pitney Bowes, Delta Airlines, Union Pacific, and the San Francisco Giants since 1995. Their program, the Workplace Response Program, found that of those who screened positive for mental illness, only 12.7% were in treatment.<sup>26</sup>

Unfortunately, of those who do receive treatment, most will receive inadequate care. The National Comorbidity Survey Replication conducted from 2001 to 2003 demonstrated that 60% of individuals with a mental disorder received no treatment in the 12 months before the survey, and of individuals who did receive care, only one-third met the criteria for minimally adequate care.<sup>35</sup> In other words, **four out of five people in the United States with treatable and often debilitating mental illness do not receive effective treatment.**

These figures matter to employers because for every untreated or inappropriately treated employee with a mental illness, it costs them money – directly and indirectly.

### Direct Costs to Employers

When employees with mental illness are not treated or inadequately treated, employers often end up paying more. Direct costs include expenses for health and mental healthcare services, pharmaceuticals, short and long term disability and others services related to the provision of care. Subsequent inpatient and outpatient services, laboratory and diagnostic procedures, and pharmaceutical expenses could be mitigated or avoided entirely with early intervention and proper treatment. Additionally, failure to properly treat mental health disorders can adversely affect the rate of disability claims and their duration. Intervening early and ensuring that quality care is delivered right the first time is the best way to avoid unnecessary suffering, healthcare, and disability costs. Early intervention also provides the best opportunity for positive health outcomes. Untreated, undiagnosed, and undertreated mental illness all hurt the bottom line.

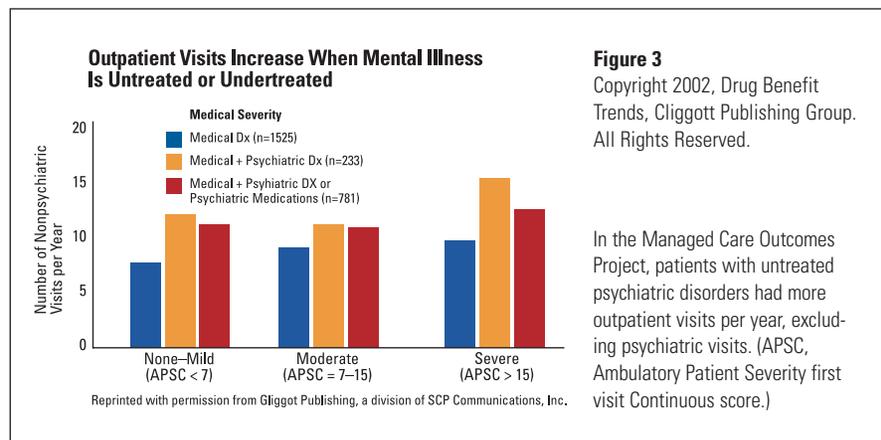
**Fact #1.** People with *untreated* mental illness cost more. They use non-psychiatric inpatient and outpatient services three times more than those who are treated.<sup>16</sup>

Why? Because 50% of visits to primary care practitioners (PCPs) result from patient symptoms unexplained by a physical illness but often associated with depression or an anxiety disorder – such as fatigue, sleep disorders, chronic pain, chest pain, dizziness, abdominal discomfort, etc. — that often lead to unnecessary and expensive testing. This also results in the underreporting of mental health claims, leading employers to mistakenly think that mental health problems in their workforce are much less than they actually are.

**Fact #2.** The number of outpatient visits to a non-psychiatric provider was about 50% higher for patients with untreated/undiagnosed or undertreated psychiatric conditions than for those diagnosed and treated.<sup>16</sup> (See Figure 3)



Employers will find a useful summary of the direct and indirect costs of mental illness in an article written by Alan M. Langlieb, M.D., and Jeffrey P. Kahn, M.D., in the *Journal of Occupational and Environmental Medicine*.<sup>18</sup> (Available at [www.workplacementalhealth.org](http://www.workplacementalhealth.org))



**Fact # 3.** Individuals who are depressed but not receiving care for the condition consume two to four times the healthcare resources of other enrollees.<sup>11</sup>

**Fact #4.** Medical illnesses and mental illnesses are strongly linked. Many individuals with chronic medical conditions, such as diabetes, heart disease, asthma, cancer, or low back pain, are at increased risk of mental illness and substance abuse, particularly depression. Individuals with depression are about twice as likely to develop coronary artery disease, twice as likely to have a stroke, and more than four times as likely to die within six months from a myocardial infarction.<sup>35</sup>

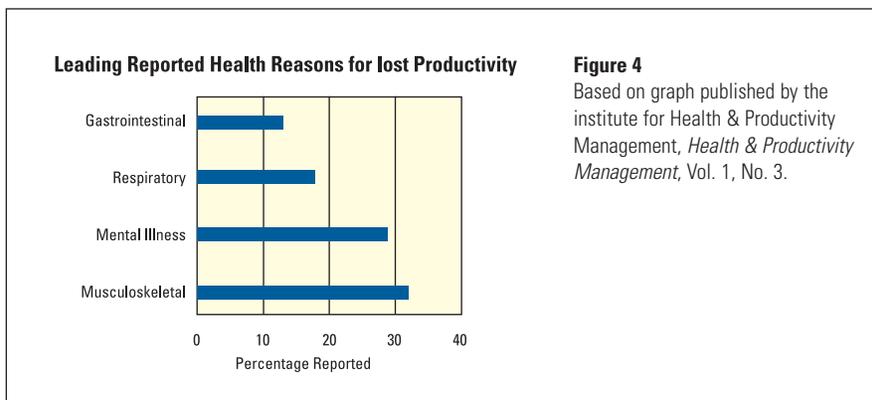
**Fact #5.** More than 13% of the adult U.S. population suffers from an anxiety disorder. People with anxiety disorders see a doctor three to five times more often than those without anxiety disorders.<sup>8</sup>

**Fact #6.** Aggressive efforts to contain mental healthcare costs at one large corporation resulted in a decline of mental health service use and costs by more than one-third, but triggered a 37% increase in medical care use and sick leave.<sup>30</sup>

**Fact #7.** Limited access to psychiatric medication is associated with higher total healthcare costs: companies with the most restrictive formularies have double the use of healthcare services as those with no formulary restrictions.<sup>16</sup>

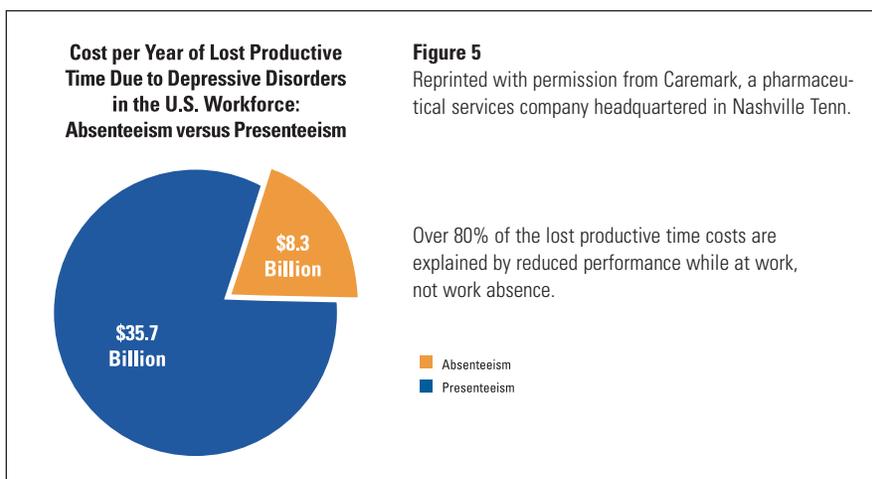
**Fact #8.** Individuals with chronic diseases who also have depression can significantly increase healthcare use and expenditures, as well as disability costs, because they have poorer adherence to their treatment regimens. This results in increased physician and emergency room visits and hospitalizations. For example, healthcare expenditures are more than four times greater for people with diabetes who have depression than for people with diabetes who do not have depression.<sup>10</sup>

**Fact #9.** More than 8% of full-time workers (12.7 million people) have drinking problems. Twenty percent of workers say that they have been injured, have had to cover for a coworker, or needed to work harder because of another employee's drinking, which leads to decreased productivity, increased indirect costs, and a host of other workplace problems.<sup>2</sup>



## Indirect Costs

Measurable direct medical costs are only the tip of the iceberg for employers. Mental illness related absenteeism, reduced productivity while at work (sometimes called “presenteeism”), disability, increased Workers Compensation claims, OSHA and other safety issues, employee turnover, etc. have an even greater negative impact on the employer’s bottom line.



**Fact #10.** Mental illness ranks near the top of the list for lost productivity. (See Figure 4)

**Fact #11.** Physical symptoms commonly co-occur with depressive disorders and substantially impact work productivity.<sup>21</sup>

**Fact #12.** More days of work loss and work impairment are caused by mental illness than many other chronic conditions such as diabetes, asthma, and arthritis.<sup>10</sup>

**Fact #13.** Employees with depression cost employers \$44 billion per year in lost productive time.<sup>38</sup>

**Fact #14.** Presenteeism (reduced work performance) takes a larger toll on business than absenteeism – 81% of lost productive time for depressed individuals is explained by presenteeism, and only 19% by absenteeism.<sup>38</sup> (See Figure 5)

**Fact #15.** In a study of work impairment due to chronic medical conditions, individuals with mental illness reported losing between 4.3 and 5.5 days of productive work during the 30 days prior to their interview. And another study documented that employees suffering from depression or anxiety lose 2.2 hours of productivity per workday due to their illness.<sup>10</sup>

**Fact #16.** According to the World Health Organization, unipolar major depression was the leading cause of disability in 1990.<sup>12</sup> Depression was the fourth leading contributor to the global burden of disease in 2000, and by the year 2020, depression is projected to be the second leading cause of disability worldwide in the age category 15-44 years for both sexes combined.<sup>4</sup>

**Fact #17.** Researchers found that absence, disability, and absence-related lost productivity cost employers more than four times the cost of employee medical treatment, even when Workers' Compensation medical costs were added in.<sup>3</sup>

**Fact #18.** The odds of missed work due to health problems were twice as high for employees with depressive symptoms as for those without depressive symptoms. Decreased job performance was seven times higher for depressed employees.<sup>6</sup>

Despite these compelling numbers, Ronald E. Bachman cautioned employers while he was working at PriceWaterhouseCoopers to remember, "This is not about numbers; it's about people."

"People really are the source of our success," Catherine Baase, Global Medical Director of Dow Chemical, told *Mental HealthWorks*, "especially now when the true competitive advantage for corporations is tied to their people."<sup>5</sup> Sean Sullivan and Kent Peterson writing for the Institute for Health & Productivity Management underscore the point: "Ultimately, the added value of healthy employees should show up as an asset on the balance sheet, much like the value of new capital equipment."

## *Mental Illnesses Are Medical Conditions*

Mental illnesses – or psychiatric disorders – are *medical* illnesses. They include depression, anxiety disorders, substance abuse, bipolar disorder, eating disorders, sleep disorders, attention deficit hyperactivity disorder (ADHD), and personality disorders.

A mental illness does *not* mean you're worried about tomorrow's meeting, feeling extremely unhappy for a while when you missed out on a big promotion, or sad when you lost a loved one. It means you have a persistent, and possibly chronic, and often disabling medical condition. In fact, individuals with a mental illness can have "flare ups" in the same way that people with asthma and diabetes experience their chronic illnesses.

Depression, anxiety disorders, and substance abuse are by far the most common mental illnesses and are some of the most common medical illnesses of any kind. People who are depressed or suffer from an anxiety

### **Did you know?**

Most people work productively while in treatment for a mental illness. A Harris Poll found that almost four out of five employees (79%) believe that if a co-worker were in therapy it would make no difference in his/her ability to do the job.<sup>38</sup>

disorder often “self-medicate” with alcohol and other substances, which only compounds the problem of mental illness in the workplace. Needless to say, if there is someone with a mental disorder in an employee’s family — be it a spouse, a child or adolescent, or other dependent — this, too, will very likely adversely affect an employee’s stress levels and have a negative consequence on the workplace.

Luckily, there are companies that have pushed open the doors and shed light on mental illnesses in the workplace. John J. Mahoney, M.D., Corporate Medical Director of Pitney Bowes explained his company’s approach this way, “We recognize that psychiatric disorders are legitimate, valid illnesses that have to be treated appropriately.”<sup>27</sup>

## The Many Faces of Mental Illness

Mental illness takes many forms. It can be found in the offices of CEOs, in the cubicles of analysts, on the field with star football players, and at your accountant’s desk. Mental illness is an equal opportunity medical disease. It does not discriminate. Mental illness affects men and women, young and old, rich and poor, and people of all races and cultures.

Traditionally, the workplace has been more supportive of employees with diabetes or heart disease than it has been to employees with, say, posttraumatic stress disorder or depression. Listen to what these executives have had to say about the stigma surrounding their own mental illness.

- **Larry Gellerstedt**, the master builder behind Atlanta’s Olympic Stadium, suffered from depression and would “sneak out” to his psychotherapy appointments. “*My embarrassment of the stigma of mental illness kept me from getting it properly treated,*” he said.<sup>28</sup>
- **Tom Johnson**, who ran CNN news for 11 years, said this about why he did not seek treatment for depression: “*A CEO is expected to be a strong, stable, dynamic leader. I didn’t want to provide a bullet that could be used against me.*”<sup>27</sup> Johnson finally found relief after a psychiatrist prescribed one of the newer antidepressants in the early 1990s, and he went public with his struggle in January 2002. Calls, notes, and e-mails have poured in from across the country thanking him for shining a light on a taboo subject.
- Ignorance about mental illnesses kept **Jane Pauley** from seeking help until her bipolar disorder landed her in the hospital. “*I knew I wasn’t well,*” she wrote, but she didn’t know what was wrong.<sup>29</sup>
- **Mike Wallace**, co-editor of 60 Minutes, wouldn’t tell people at work about his depression because “*I was simply ashamed of the fact. I think everyone breathed a sign of relief when [my depression] was finally out in the open.*”<sup>20</sup>

And then, of course, there are legions of not-so-famous employees who daily “struggle along” with their depression or anxiety or alcoholism or all three ... while they are at work. A Harris Poll found that 22% feared that mental health therapy would go “on their record,” and 19% were afraid that family and friends would find out. (Men expressed concern more often than women.) In fact, many prefer to pay for treatment out-of-pocket to avoid the diagnosis of depression appearing on their medical records.<sup>39</sup>

## Who Treats Mental Illnesses?

Mental illnesses are treated by a variety of specialty and non-specialty providers

- **Psychiatrists** are physicians who specialize in the diagnosis, treatment, and prevention of mental illnesses, including substance abuse and addiction. Psychiatrists have graduated from medical school and have completed four years of residency training in the field of psychiatry. As physicians, they can prescribe medications, as well as offer a wide range of psychotherapies. Psychiatrists have either an M.D. degree (doctor of medicine) or a D.O. degree (doctor of osteopathy).
- **Psychologists** apply a broad range of psychotherapies to the treatment of mental, emotional, and behavioral disorders and developmental disabilities. Most clinical psychologists have a master’s or doctoral degree. At the doctoral level, the degree is usually a Ph.D. (doctor of philosophy) or Psy.D. (doctor of psychology).
- **Licensed clinical social workers** (L.C.S.W.s) are also trained in psychotherapy and help individuals deal with a variety of mental health and daily living problems to improve overall functioning. A social worker usually has a master’s degree in social work (M.S.W.).
- **Psychiatric nurses** may have an associate arts, bachelor’s, or master’s degree in nursing. They are trained to provide (at the order of a physician) various patient care services, administer medications, and other duties commonly performed by nurses.

The majority of individuals with mental illness are treated by PCPs. Unfortunately, the previously noted National Comorbidity Survey Replication demonstrates that PCPs are not successfully detecting and treating these disorders.<sup>35</sup> The reasons are many, and the business community can influence only some of them. (See “A Blueprint for Employers” below.)

Quality in the treatment of mental illnesses including substance use disorders requires early and accurate diagnosis (including detection of other medical illnesses that cause mental symptoms); well-informed choice of medications with active management of dosing and side effects; and/or skilled psychotherapy. Recent studies show that the combination of medication and psychotherapy achieve the best results for patients with more

severe illness. Frequent visits with a clinician are usually required early in the treatment of acute illness.

## *Building a Mentally Healthy Workforce: A Blueprint for Employers*

Here are some of the ways and some of the tools employers have already used to counter the costly effects of mental illness in the workplace. In the process, companies have often saved money or, at the very least, used already dedicated resources to better advantage. It's a win/win for employers – and employees.

An excellent and comprehensive resource for employers is *An Employer's Guide to Behavioral Health Services: A Roadmap and Recommendations for Evaluating, Designing, and Implementing Behavioral Health Services*, published by the National Business Group on Health, [www.business-grouphealth.org](http://www.business-grouphealth.org).

### **Phase 1: Evaluating Your Current Programs**

- **Evaluate your current mental health benefits and health services.** Sprint's Corporate Benefit Manager, Collier Case, identified this as a very important first step.<sup>36</sup> A recent report on the “best” of *Fortune* 100 mental health plans showed that plans varied greatly in the mental health benefits offered.<sup>37</sup> For example, the annual limit on outpatient visits for mental health offered by the retail sector ranged from 10 visits to 90 visits. Service industries had the lowest average co-insurance rate (7%); the retail trade industry had the highest average rate (26%).
- To aid employers in evaluating various plans, the National Business Coalition on Health developed a survey tool — *eValue8* — that allows purchasers to compare plans and decide which offers the most quality healthcare to their employees. [To learn more about *eValue8*, which is increasingly being used by purchasers during their decision-making process, visit [www.nbch.org](http://www.nbch.org).]
- **Ask your health plan or mental health vendor questions.** Mental health clinicians listed the following questions as ones employers should want to ask their vendors.
  1. Do your employees have ready access to: mental health information through employee educational and referral programs, the Internet, or other self-screening tools? A toll-free 800 number? Adequate mental health benefits? And a well-trained clinician at the earliest point of contact?
  2. Once employees contact your program or plan, do they receive a diagnosis from a clinician adequately trained in the following areas: screening for depression and anxiety disorders? Core per-

sonal, family, or work issues? Substance abuse? Medical illnesses? An accurate initial diagnosis facilitates quality treatment and successful clinical outcomes.

3. After an accurate diagnosis is made, will the employee be referred to a clinician who can effectively manage a psychiatric disorder with the appropriate balance of medication and psychotherapy? Medication and psychotherapy enhance – but do not replace – each other.
4. Does your health plan encourage its PCPs to routinely screen for depression? Does it have a program to accomplish this that provides PCPs with the appropriate support and guidance, including guidance about when to refer patients to mental health specialists? *Let your health plan know this is important to you.* [See *Mental HealthWorks*, First Quarter 2006, for articles about Aetna’s program to screen for depression at the primary care level and New York City’s campaign to screen for depression.]
5. How will mental healthcare be provided if clinicians are not readily available in the employee’s location? Employers should place special emphasis on specialty providers, such as child therapists.
6. Can your mental health vendor integrate its services with your other programs, such as your EAP, disease management, and disability providers? Such integration can provide employees with better coordination of care and can save employers a good deal of time and effort.
7. Because communication between psychiatrists or other mental health clinicians and PCPs or other specialists is often valuable to treatment, health plans that integrate mental health services with general medical health services (rather than carving them out) are preferable. This integration also assures that the costs of treating mental illness are in the same risk pool as the savings achieved in diminishing unnecessary use of other medical services. In this way, the cost savings are evident.

- **Find out what your pharmacy benefit manager (PBM) is doing.** Restricted or unduly limited pharmacy benefits may be costing you more money than is saved. Furthermore, employers should know what hoops the PBM has set up for their employees and their doctors. Does your PBM have a process for handling requests for an exception to the formulary? How does your PBM monitor and encourage patients to start and remain on their medications?

Psychiatric medications are not interchangeable, and in contrast to many other medications, they have a long phase-in/phase-out period. Psychotropics usually take 4-6 weeks to achieve full effect, and it takes just as long for a patient to be tapered off the drug if another one has to be tried. If an employee with depression doesn’t get the right antide-

pressant, it could be months before that employee receives optimal treatment and is fully productive at work.

The nation's largest study on depression, STAR\*D (Sequenced Treatment Alternatives to Relieve Depression), demonstrates that people who have access to a full array of treatment options have a better outcome.<sup>23</sup> During STAR\*D's first phase, just one-third of patients responded to the first SSRI they received.<sup>39</sup> In Phase 2, another 25% to 30% responded to a change in their medication regimen and in some cases commenced psychotherapy.<sup>32, 41</sup>

- **Calculate the cost of depression and substance use disorder in your workplace** quickly by using web-based tools such as the depression and alcohol calculators. See [www.depressioncalculator.com](http://www.depressioncalculator.com) and [www.alcoholcostcalculator.org](http://www.alcoholcostcalculator.org). These free online calculators can give you the information you need to make the business case for addressing mental illness in the workplace.
- **Engage your benefit consultants in a discussion about mental health benefits.** Find out if they are up to date on the latest mental health data and how they evaluate the mental health services of the various vendors. Simply asking questions will demonstrate to your consultant that mental healthcare matters in your company.
- **If your company doesn't already have an employee assistance program (EAP), consider getting one.** EAP interventions have been shown to improve emotional well-being, as well as produce rapid improvements in work performance. This will translate into significant reductions in lost productivity, absenteeism, and healthcare costs.
- **Develop the business case for the company.** To develop the business case, Catherine Baase, M.D., at Dow Chemical made the following suggestions during an interview with *Mental HealthWorks*.<sup>5</sup>
  1. Add up your direct costs. This means adding up every expenditure related to the support of employee health.
  2. Estimate your indirect costs, such as absenteeism, presenteeism, and job satisfaction.
  3. Figure out what kind of performance outcomes you want, e.g., employees who are creative, show initiative, are innovative, etc.
  4. Write a report for management emphasizing the total economic impact on the company and the outcomes the company can expect from "the spend." Emphasize this is an investment. Rather than ask management for more money, seek to spend what you have more wisely by eliminating duplication, implementing better practices, etc.

5. Start with a quick success — the low-hanging fruit, so to speak — so that you can build on early successes.

A number of company-specific variables need to be considered when developing the business case for management, making it difficult to set forth a one-size-fits-all template. There are, however, useful tools and resources that already exist. Particularly helpful are the previously mentioned depression and alcohol cost calculators, as well as *An Employer's Guide to Behavioral Health Services: A Roadmap and Recommendations for Evaluating, Designing and Implementing Behavioral Health Services*. Additional resources can be found in the “Important Resource Materials” section below.

## Phase Two: Constructing Your Program

- **Conduct an employee awareness program about depression, anxiety, and substance abuse.** Common sense tells us that people with positive expectations and knowledge about the effectiveness of mental health treatment will be less impaired at home and at work. In fact, researchers found that people who are depressed but saw themselves as able to work – who saw themselves as nondisabled – stayed on the job.<sup>9</sup>

The Mid-America Coalition on Health Care, based in Kansas City, successfully launched a 5-year initiative in 2000 to educate employees about depression. The Coalition included 14 Kansas City employers, including Hallmark; Cerner Corporation; Blue Cross and Blue Shield of Kansas City; Farmland Industries, Inc.; Sprint Nextel; Yellow Corporation; and the State of Kansas. They found that conducting a survey of employee knowledge, attitudes, and receptivity to addressing depression in the workplace was an effective way to assess workplace conditions and start the education process. [Visit [www.machc.org](http://www.machc.org) for more information about the Coalition's Depression Initiative. Also, read Sprint's story in *Mental Health Works*, first quarter 2005, which can be found at [www.workplacementalhealth.org](http://www.workplacementalhealth.org).]

- **Educate managers about mental illnesses** and train them in how to react to employees they suspect may be suffering with such a disorder. According to Daniel J. Conti, Ph.D., EAP Director at JPMorganChase (formerly BankOne), “We got the biggest bang for our buck by training our managers in recognizing mental illnesses.”
- **Offer mental health screening.** Early identification of mental illnesses can save money, and screening for mental illness is one of the most effective tools employers can use to cut costs.<sup>26</sup> More than 250 employers have used Workplace Response, a program of Screening for Mental Health that is a non-profit group and member of the Partnership for Workplace Mental Health. The program's anonymous approach engages many individuals who wouldn't otherwise seek help because

To find out more about anxiety and depression and their impact on the workplace, see these two Partnership publications: Employers: *What You Need to Know About Depression and Anxiety Disorders – Serious Business for Employers*. Both can be found at [www.workplacemental-health.org](http://www.workplacemental-health.org)



they are unaware, too ashamed, afraid of stigma, or in denial. [See [www.mentalhealthscreening.org](http://www.mentalhealthscreening.org).]

### Phase 3: Strengthening Your Program

- **Integrate all healthcare services** (such as mental health, other medical illness, pharmacy, disability, disease management, and EAPs) to improve patient outcomes, reduce time away from work and minimize the cost and impact of mental health conditions on the workplace and healthcare costs. IBM did just that, and the company saved \$500,000 in outpatient costs in one year.<sup>17</sup> Create procedures so that an employee can access the right treatment no matter where they first enter your system. When employees do access your system, make sure they receive referrals to other vendors by a caring professional rather than just “handing out phone numbers.”
- **Leverage your purchasing power to obtain quality**, possibly by joining coalitions, to ensure health plans are following “best practices” and delivering the services you want. [See the National Business Coalition on Health Web site for a list of coalitions in your area, [www.nbch.org](http://www.nbch.org)].
- **Collaborate with other employers and stakeholders.** E.J. Holland, Jr., Sprint’s Vice-President for Compensation, Benefits, Labor and Employee Relations, wrote about his company’s experience with the Mid-America Coalition on Health Care. “In contrast to other coalitions that try to leverage their market power to purchase healthcare, Kansas City business leaders sought to engage stakeholders in changing the healthcare system. While the bottom line is critical to Sprint, we are taking a broad, long-term view of the bottom-line impact by working collaboratively with other stakeholders.”<sup>36</sup>
- **Adopt a proactive approach.** Alberto M. Colombi, M.D., M.P.H., Corporate Medical Director at PPG Industries, sums it up this way: “We can influence both worksite interventions and coordination of care. We can help to de-stigmatize the issue by letting people understand that we can screen for depression [in the same way] we screen for high blood pressure, and [we can] let wellness teams include mental illness as an educational topic along with other ‘classic’ wellness issues. Finally, we can help coordinate screening and early identification with primary and specialty care follow-up by removing benefit design obstacles and demanding vendors and providers collaborate.”
- **Link up with mental health clinicians in your community.** When Florida Power & Light Company (FPL) established a program, called Operation Home Front, to support their employees who have been deployed in Iraq and their families, the company’s relationship with a local psychiatrist was crucial to the program’s success. In response to 9/11, FPL had already established a solid working relationship with a

#### A Small Business With a Big Message

*Inc.* magazine proclaimed Highsmith, Inc., “The Smartest Little Company in America” in its 1999 cover story. (Highsmith, a company with 226 employees in rural Wisconsin, sells library supplies and equipment and publishes learning materials.) Duncan Highsmith, Chairman and President of Highsmith, Inc., explains why his company has received the attention.

“Developing the full potential of the business means developing the potential of the people who work there. We wanted good, smart people... people willing to make decisions. People who make better choices in their own lives make better choices on the job.” (Smart Little Company)

Highsmith, Inc., supported job and career development, destigmatized mental illness, offered a rich health insurance plan, provided incentives for employees to stay healthy, as well as offered flextime, free time, 401ks, and HSAs – all for \$175/employee/year. “We all got healthy together,” said Highsmith. “You may ask, what was our ROI? I firmly believe we wouldn’t be in business if we hadn’t done these things.”

psychiatrist. “He is our safety net,” said Luis J. Rodriguez, Ph.D., EAP administrator. “We call on him proactively.”<sup>15</sup>

- **Spread the word.** Let others know what programs your companies have undertaken that might be helpful to them. *Mental HealthWorks*, a quarterly newsletter that is mailed at no charge to nearly 12,000 employer representatives, will be glad to spread the word. The Partnership for Workplace Mental Health is collecting examples of corporate innovations that address mental health.

*The conclusion is clear: Healthy employees —  
physically and mentally healthy employees —  
are good for business.*

## Important Resource Materials

Partnership for Workplace Mental Health (formerly the National Partnership for Workplace Mental Health). Information on mental health/workplace issues, including materials for employees and their families. Visit [www.workplacentalhealth.org](http://www.workplacentalhealth.org) or call 703-907-8561.

American Psychiatric Association Committee on APA/Business Relations. Information in this brochure was drawn in part from a review article prepared for the committee by two of its members: Jeffrey P. Kahn, M.D., and Alan M. Langlieb, M.D. Information regarding substance use disorders was drawn in part from a review article prepared for the Committee by Avram H. Mack, M.D. To contact the committee call 703-907-8561.

How Much Does Quality Mental Health Care Profit Employers? by AM Langlieb and JP Kahn, *Journal of Occupational and Environmental Medicine*, November 2005, pp. 1099-1109. This article may be accessed at no cost by going to the Partnership for Workplace Mental Health Web site, [www.workplacentalhealth.org](http://www.workplacentalhealth.org).

*Mental HealthWorks*, a quarterly newsletter written and distributed by the American Psychiatric Association and the American Psychiatric Foundation to nearly 12,000 corporate representatives and 12,000 psychiatrists. To see a copy, visit [www.workplacentalhealth.org](http://www.workplacentalhealth.org). For a free subscription, e-mail [MHW@psych.org](mailto:MHW@psych.org).

*An Employer's Guide to Behavioral Health Services: A Roadmap and Recommendations for Evaluating, Designing, and Implementing Behavioral Health Services*, National Business Group on Health, Washington, DC, 2005. [www.businessgrouphealth.org](http://www.businessgrouphealth.org)

National Institute of Mental Health. See in particular "Real Men, Real Depression" section and the accompanying brochure on "Men and Depression." Also see "Anxiety" brochure. [www.nimh.nih.gov](http://www.nimh.nih.gov).

Ensuring Solutions for Alcohol Problems, a program of The George Washington University Medical Center. Ensuring Solutions' Web site, [www.ensuringsolutions.org](http://www.ensuringsolutions.org), has a special section for employers and includes fact sheets such as "Alcohol Problems Cost American Business" and "Challenges to Solving Alcohol Problems at Work."

*Mental Health and Productivity in the Workplace: A Handbook for Organizations and Clinicians*, edited by JP Kahn and AM Langlieb. San Francisco: Jossey-Bass, 2003. 618 pp. incl. index.

Mid-America Coalition on Health Care Depression Initiative. See "Depression Resources" for employees, managers, and clinicians. [www.machc.org](http://www.machc.org)

## References in Text

1. Abbott Targets Depression Among Employees; Reduces Total Medical Costs, *Mental HealthWorks* 4th qtr 2003.
2. Alcohol Problems Cost American Business, Ensuring Solutions to Alcohol Problems, The George Washington University Medical Center, December 2002. [www.ensuringsolutions.org](http://www.ensuringsolutions.org)
3. Bendt ER et al: Workplace Performance Effects from Chronic Depression and Its Treatment. *Journal of Health Economics*, October 1998, pp. 511-535.
4. Depression, World Health Organization Web site: see [www.who.int/mental\\_health/management/depression/definition/en/print.html](http://www.who.int/mental_health/management/depression/definition/en/print.html)
5. Dow Explores Investment Mindset Regarding Healthcare Costs, *Mental HealthWorks*, 4th Qtr 2002.
6. Druss BG: Health and Disability Costs of Depressive Illness in a Major US Concern. *American Journal of Psychiatry*, August 2000, pp. 1274-1278.
7. Druss BG et al: Depressive Symptoms, Satisfaction with Health Care, and 2-Year Work Outcomes in an Employed Population. *American Journal of Psychiatry*, May 2001, pp. 731-734.
8. Early Treatment of Anxiety Disorders Will Save Money in the Workplace, *Mental HealthWorks*, 3rd and 4th qtrs 2004.
9. Elinson L et al: Depression and the Ability to Work. *Psychiatric Services*, January 2004, pp. 29-34.
10. *An Employer's Guide to Behavioral Health Services*, National Business Group on Health, December 2005.
11. *Employer's Guide to Pharmaceutical Benefits*, Wye River Group on Healthcare, April 2003.
12. Global Burden of Disease Publication Series, World Bank and World Health Organization based at the Harvard School of Public Health, 1993.
13. Greenwood KL, Phipps S: Behavioral Health Benefits Have Positive Impact on Productivity, Absenteeism. *Mental HealthWorks*, 4th qtr 2005.
14. Finkelstein SN et al: Improvement in Subjective Work Performance after Treatment of Chronic Depression: Some Preliminary Results. *Psychopharmacology Bulletin*, vol. 32, 1996, pp. 33-40.
15. Florida Power & Light Co. Supports the Troops and Their Families with "Operation Home Front," *Mental HealthWorks*, 3rd and 4th qtrs 2004.
16. Horn SD: Outcomes and Expenditures: Lessons From a New Research Paradigm, *Drug Benefit Trends* Supplement titled "Limiting Access to Medications: Impact on Managing Mental Illness," December 2002.
17. IBM Saves Dollars by Integrating Services, *Mental HealthWorks*, 2nd qtr 2004.
18. Jones ER, Brown GS: Behavioral Healthcare: A Worthwhile Investment? *Employee Benefit Plan Review*, August 2003, pp. 13-14.
19. Langlieb AM, Kahn, JP: How Much Does Quality Mental Health Care Profit Employers? *Journal of Occupational and Environmental Medicine*, November 2005, pp. 1099-1109.
20. Larson K: Wallace Speaks Out on Mental Illness, Free Press, April 8, 2003.
21. Lost Productive Time – New Findings on the Invisible Costs of Depression, *Mental HealthWorks*, 2nd qtr 2003.
22. Magellan's Employee Assistance and Managed Behavioral Health Programs Improve Workplace Productivity, Magellan Health Services press release, July 14, 2003. [www.magellanhealth.com](http://www.magellanhealth.com) or Healthcare Intelligence Network, [www.hin.com](http://www.hin.com).

23. Major Study Confirms One Size Does Not Fit All in Depression Treatment, *Mental HealthWorks*, 1st qtr 2006.
24. Marlowe JF: Depression's Surprising Toll on Worker Productivity, *Employee Benefits Journal*, March 2002, pp. 16-20.
25. *Mental Health: A Report of the Surgeon General*, U.S. Department of Health and Human Services, December 1999. The report is the product of a collaboration between the Substance Abuse and Mental Health Services Administration and the National Institutes of Health, which supports the National Institute of Mental Health.
26. Mental Health Screening Can Cut Costs, Save Lives, *Mental HealthWorks*, 2nd qtr 2003.
27. Miller CI: Pitney Bowes Integrates Disability and Services Data – and Saves Money. *Mental HealthWorks*, 4th qtr 2003.
28. Mollenkamp C: A CEO's Secret: His Long Battle with Depression. *The Wall Street Journal*, June 26, 2002, p. 1.
29. Pauley J: *Skywriting: A Life Out of the Blue*. New York: Random House Publishing Group, 2004.
30. Rosenheck RA et al: Effect of Declining Mental Health Services Use on Employees of a Large Corporation. *Health Affairs*, September/October 1999, pp. 193-203.
31. Real Men, Real Depression Web site, National Institute of Mental Health of the National Institutes of Health. [www.nimh.nih.gov](http://www.nimh.nih.gov). See also accompanying brochure on "Men and Depression."
32. Rush AJ et al: Bupropion-SR, Sertraline, or Venlafaxine-XR After Failure of SSRIs for Depression. *The New England Journal of Medicine*, March 23, 2006, pp. 1231-1242.
33. Szegedy-Maszak M: Reason to Be Happy. *U.S. News & World Report*, April 10, 2006.
34. A "Smart Little Company" Lowers Healthcare Costs and Improves Employee Health, *Mental HealthWorks*, 2nd qtr, 2005.
35. Sederer LI et al: Integrating Care for Medical and Mental Illnesses. *Preventing Chronic Disease*, April 2006.
36. Sprint Sprints Ahead in Healthcare Thinking; Launches Depression Initiative, *Mental HealthWorks*, 1st qtr 2005.
37. Slade EP, Anderson GF: Health Plan Options at Fortune 100 Companies: Available Coverage for Mental Health Care Consumers. *Psychiatric Services*, June 2003, pp. 815-817.
38. Stewart WF et al: Cost of Lost Productive Work Time Among U.S. Workers with Depression. *JAMA*, June 18, 2003, pp. 3135-3144.
39. Therapy in America 2004: Poll Shows Mental Health Treatment Goes Mainstream. See <http://psychologytoday.com> and click on Therapy in America 2004.
40. Trivedi MH et al: Evaluation of Outcomes with Citalopram for Depression Using Measurement-Based Care in STAR\*D: Implications for Clinical Practice. *American Journal of Psychiatry*, January 2006, pp. 28-40.
41. Trivedi MH: Medication Augmentation After the Failure of SSRIs for Depression. *The New England Journal of Medicine*, March 23, 2006, pp. 1243-1252.
42. What Is Alcohol Treatment and How Does It Work?, Ensuring Solutions to Alcohol Problems, The George Washington University Medical Center, Washington, DC, December 2002. See [www.ensuringsolutions.org](http://www.ensuringsolutions.org).

**The Partnership for Workplace Mental Health is a unique program of the American Psychiatric Foundation. The Partnership advances effective employer approaches to mental health issues in the workplace by combining the knowledge and experience of the American Psychiatric Association and our employer partners, which include:**

- American Psychiatric Association
- Academy of Organizational and Occupational Psychiatry
- AstraZeneca
- Caterpillar
- Centers for Disease Control and Prevention
- Center for Mental Health Services
- Coca-Cola Company
- Constellation Energy Group
- Cyberonics
- Delta Air Lines
- Dow Chemical
- Disability Management Employer Coalition
- DuPont
- Employee Assistance Professionals Association
- GlaxoSmithKline
- Goldman Sachs
- Hughes Electronic Corporation
- IBP Corp
- Johnson & Johnson
- Merrill Lynch
- Mid-America Coalition on Health Care
- National Association of Manufacturers
- Depression and Bipolar Support Alliance
- New York Mercantile Exchange
- Screening for Mental Health
- Society for Human Resource Management
- 3M
- UnumProvident Corporation
- U.S. Chamber of Commerce

[www.workplacementalhealth.org](http://www.workplacementalhealth.org)



Partnership for  
Workplace  
Mental Health™

A program of the  
American Psychiatric Foundation





# Partnership for Workplace Mental Health™

A program of the  
American Psychiatric Foundation

**Partnership for Workplace Mental Health**  
1000 Wilson Blvd., Ste. 1825,  
Arlington, VA 22209  
703-907-8561  
[www.workplacementalhealth.org](http://www.workplacementalhealth.org)

