



**DISABILITY MANAGEMENT
EMPLOYER COALITION**

2006 DMEC Employer Behavioral Risk Survey

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Background

Behavioral Risk, a new term to describe an approach to an age-old problem, was the basis for the February 2006 member survey by the Disability Management Employer Coalition (DMEC). As defined by this survey, behavioral risk is "the review, analysis, and implementation of processes to prevent and limit losses related to a psychological component of claims, absence, and productivity in the workplace." This process includes examination of the underlying psychosocial elements of physical claims, psychiatric claims, presenteeism, safety incidents, and performance issues by trained mental health professionals.

The findings of this timely survey underscore a quietly escalating attempt to identify, qualify, and quantify the human elements that complicate issues confronting disability and human resource professionals. Just 10 years ago, only the most innovative employers would attempt to review underlying behavioral issues to get at unresolved claims, difficult performance issues, or high-frequency safety incidents. Work that was initially done by a handful of employers and mental health professionals produced rewarding results, but the "time" had not arrived, nor had the resources been identified, to make this a best practice in the industry.

Enter the 21st century and the passage of time, improved technology, and defining research, which has impacted the challenges of the '90s by reducing perceived barriers, such as:

- **Stigma** relating to having a MH condition, receiving MH treatment, or using psychotropic drugs.
- **Frustration** of disability and absence management professionals working in isolation who are unable to resolve complicated claims, knowing full well that "something" was going on beneath the surface.
- **Fear** of creating a stress claim (opening the proverbial Pandora's Box) as a result of investigating behavioral issues of a physical claim.
- **Lack** of qualified MH providers who understood the psychiatric/psychological aspects as well as the inner workings of the workplace.
- **Support** and commitment from upper management for the pursuit of such innovative programs.
- **Best practice** guidelines that included hard data and cost-savings results.

Additional complicating behavioral factors, however, continue to cause alarming increases in claim frequency and severity:

- Federal agencies like the Center for Disease Control, Department of Labor, and Social Security Administration have demonstrated

overwhelmingly an increase in *all* claims made, noting a 300 percent increase in mental health claims in the past decade.¹

- Psychological issues cannot be separated from physical concerns and are virtually a part of the majority of LTD claims. Empirical research has demonstrated that at least 64 percent of individuals with physical concerns (musculoskeletal, cardiac, etc.), or with extended LTD claims, experience psychological concerns that cause a delay in the improvement of physical health.¹
- Mental health concerns in the workplace have considerable economic impact, including lost productivity, additional health care costs, increased likelihood of an employee-generated STD or LTD claim, greater number of accidents, poor decision-making and problem-solving skills, and diminished work interactions.¹

SURVEY RESULTS

Behavioral Risk as an Accepted and Emerging Trend

The most impressive finding from this survey is that a clear trend is developing, which includes investigating behavior as a new employer best practice. When asked if they thought behavioral risk emerging as an area of concern for employers, 82 percent said yes and another 15 percent said maybe, indicating that **97 percent of the employers surveyed recognized that behavioral risk as an important consideration going forward.**

This was underscored by the response to another question: “*Has management’s opinion regarding the need to review behavioral issues changed in the last five years?*” An astounding 53 percent said yes. When asked to explain the nature of this question, 88 percent said that **management was “more open” to this concept.** This shift toward fuller acceptance provides an opportunity for disability and absence management professionals to develop new behavioral programs.

EAP as Management Resource

Of the companies surveyed, 97 percent provided an EAP for their employees, 72 percent of which were assess and treat programs, with 41 percent providing six or more visits, 31 percent three to six visits, and only 29 percent providing the traditional one to three visits. This indicates a move toward more intensive counseling at the EAP level, which can potentially be utilized as a management resource (see Innovative Programs).

Twenty-six percent of the companies surveyed use EAP professionals as members of a disability management team, with another 11 percent considering this option. This demonstrates increased utilization of MHPs as a management resource and tool.

Use of Mental Health Professionals and Triage Systems in Case Management

Employing a Mental Health Professional (MHP) to perform, or oversee, case management on psychological or psychiatric claims was common in 38 percent of claims. Only 26 percent of physical claims with a potential psychosocial issue employed the assistance of a MHP, and a mere six percent used these services for disciplinary problems. Given that many disciplinary problems are related to personality disorders, this clearly points out an area in which qualified professionals can make a difference in the outcome of certain problematic human resource cases. While the use of MHPs is encouraging, and seems to be broadly employed across programs, extensive use of these professionals could certainly be increased.

The use of mental health professionals in the case management of a variety of claim types was explored and found to be more prevalent in older claims. Only 31 percent of Workers' Compensation claims adjusters review for possible underlying psychological issues in physical claims, whereas this grew to 40 percent for Short Term Disability (STD) and 49 percent for Long Term Disability (LTD). The trend to bring in MHPs earlier in the process will be explored more fully in the next survey as this development continues to unfold.

Interestingly, 38 percent of the companies surveyed analyze accident or safety reports for underlying behavioral risk. This appears to indicate interest and success in behavioral safety programs as another best practice area.

Sixty percent of the respondents said they used "triage" or "red flag" systems to identify potential problem claims up front. Only nine percent said they were unsure of this practice. This underscores a proactive approach to case management in which claims are sorted out in the early stages to avoid protracted absence, higher costs, and complications. An apparent higher interest in resolving psychological or psychiatric claims led to 38 percent of the cases subject to review by an MHP, while only 26 percent of the physical claims with potential psychosocial issues were sent out for further examination.

Progress has been made in the acceptance of conducting case management over the telephone for psychological or psychiatric claims, and 35 percent of those surveyed currently use this method, thus providing a more efficient use of mental health professionals.

Existing Mental Health Benefit Offerings

DMEC member companies obviously see the value of providing mental health benefits to their employees. Fully 95 percent of those surveyed indicated that their companies provided behavioral health benefits and the vast majority (97

percent) provided an Employee Assistance Plan. Forty-seven percent had carve-out behavioral health plans administered by someone other than their employees' health plan. Clearly, there are resources available to employees and employers.

Effect of Stigma

Stigma tends to be caused by negative stereotypes regarding mental health issues, as well as inaccurate information about the etiology, prevalence, common symptoms, treatments, and expected outcomes. Because of this stigma, mental health problems frequently go untreated.² Exploration of the existence of stigma is important in understanding the openness to behavioral risk interventions and programs in the workplace. In this survey respondents were asked about several perceived forms of stigma. Eighty-four percent associate stigma with psychological or psychiatric problems, 67 percent with seeing an MHP, and 71 percent with taking antidepressant medication. While in some quarters taking Prozac and seeing a therapist on a regular basis is regarded as a status symbol; clearly at the corporate level it has not fully succeeded in shedding the traditional associated stigma. While seeing an MHP appears to be the least objectionable, it opens the door for EAP to be more effective in the workplace. Stigma still presents a barrier to resolving complex claims and HR issues. Further analysis will be employed in the next survey to fully understand the trend in this area.

Current Innovative Behavioral Risk Programs

Impressive movement was found in the answers to questions relating to the innovative programs now in operation. Thirty-one percent currently have a behavioral component to their integrated or coordinated programs. When asked about functioning programs, the following programmatic tools were in operation.

- A behavioral component is considered in *every* disability claim.
- EAP information is provided with the disability application and referral is recommended when the claim strays from a recovery path for any reason.
- Any lost-time claimant is automatically provided EAP information and benefits are explained.
- Anyone entering the RTW program is offered EAP services.
- EAP is included in the RTW interactive, reasonable accommodation, process.
- Integration of case management, disease management, and wellness.
- Additional behavioral health benefits offered outside the medical plan.
- Care coordination where health coaches are involved.
- Psychological consultation if there are behavioral components that may be impacting either a physical or psychological claim. Referral can be full assessment or just counseling support.
- All employees on FMLA are provided EAP resource information reminding them of available services.

- The Workers' Compensation TPA utilizes a team of professionals to review claims and identify potential behavior-related issues with each claim, even if the claim is not originally identified as a "stress" claim.
- On-site medical facility covering all specialties including psychological and psychiatric.
- Referrals to and from EAP and/or psychiatric providers from disability case management specialists, supervisors, and employee health providers. Employees may also self-refer.
- Communication regarding behavioral health issues are shared when appropriate to work place responsibilities.
- Utilization of psychiatric clinical specialists or psychiatric physician advisors.
- Nine percent provide depression or anxiety screenings for employees.

Future Program Plans

Another 16 percent of the employers surveyed are considering adding some form of behavioral risk to their current integrated program. Following are examples of how they will either begin this process or expand their current offerings.

- Expand the EAP component with automatic referral to EAP with all Leaves of Absence (LoA).
- Look for a more specialized case management unit.
- Meet with various areas to work toward a more integrated path to EAP to help support disability, Workers' Compensation cases, and medical case management.
- Work with each of the health care vendors to raise awareness of the EAP and to be in a position to transfer the call to EAP if necessary.
- Add EAP component in cases with potential risk or "red flag" criteria.
- Conduct preliminary discussions with EAP that include outreach to employees on any type of leave.

SURVEY PARTICIPANTS AND PROCESS

Participant Profile

Of the 55 companies surveyed, 47 percent were large employers (more than 10K employees), 44 percent were mid-sized (1-10K), and nine percent were small (less than 1K), which closely represents the DMEC member breakdown. It also reflects disability and absence management as not just a purview of large companies, but as something that has migrated down to smaller companies, another development that has occurred in the last three to four years. This sampling of companies at various sizes means that such thinking is now prevalent in a broad spectrum of companies, not just only the super-sized giants that were leaders the field initially.

Survey respondents were asked what field they specialized in. The most prevalent were*:

- Disability: 80 percent
- Workers' Compensation: 69 percent
- Human Resources: 56 percent
- Absence: 49 percent
- Employee Benefits: 46 percent
- Wellness: 27 percent
- Safety: 25 percent
- Risk Management: 20 percent
- Behavioral/EAP: 20 percent

*Percentages do not add up to 100 percent due to the option of picking multiple areas of expertise.

Many participants asked for additional information and education in this growing area. Eighty-seven percent indicated interest in attending future educational conferences on this topic while 10 percent wanted to be included in a special interest group to exchange information and resources on an ongoing basis.

Survey Process and Questions

The survey was emailed in early February 2006 to 221 separate corporations that represent the employer segment of the DMEC membership base. To avoid duplicate answers, only one survey was sent to each organization. Of these, 55 were returned, providing an impressive 24 percent rate of return.

Sponsors/supporting members were not included in this survey mailing to eliminate bias in survey results. Surveys were accepted until February 24, 2006. Survey software was used to collect and tabulate the responses. A list of survey questions is included as Appendix I.

Conclusions and Next Steps

In the last few years **employers have clearly made a quantum leap and have embraced the concept of behavioral risk.** These results show that employers and their management understand the value and need to include an analysis of human behavior into their claims and human resource dealings. They are utilizing their mental health resources and providers, integrating a more humanistic approach, and breaking down old barriers and misconceptions.

A shift in industry thinking is occurring on the supplier side as well, leading them to some of the same conclusions³:

- Companies with EAPs in place have a 21 percent lower absenteeism rate and a 14 percent higher productivity rate (Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services).

- Having an EAP can prevent a disability in the first place as well as speed recovery and the time it takes to return an employee to work (Disability and Health Care Connection Report, Cigna Insurance).
- A 4 percent to 6 percent employee assistance program utilization rate could significantly reduce unscheduled absences. A one to two percent employee assistance rate translated into “close to the majority” of employees returning to work after a disability (Carol Harnett, The Hartford).
- A Ceridian Survey found that 80 percent of UnumProvident claimants who used the EAP said it reduced stress, 74 percent reported missing less work, and 70 percent said it improved their productivity.
- Timing is critical. “The best way to let employees know about the existence of an EAP is when they are dealing with a STD claim.” (Ron Leopold, M.D., MetLife).
- EAPs have led to a 33 percent reduction in the use of sick leave, 65 percent reduction in work-related accidents, 30 percent reduction in Worker’s Compensation claims, 40 percent decline in lost time, 50 percent reduction in grievances, and 74 percent less time by supervisors in managing HR issues (Carrie Craven, Horizon Behavioral).⁴
- The 2005 Call Center Leadership Series revealed that one employer’s stress management program led to a 610-hour reduction in disability benefits, saved \$20,000 in overtime, and saw a 30 percent decrease in EAP referral requests by call center employees (Lynn Maloney, Liberty Mutual).

We have only begun to fight, as the saying goes. And we’ve only scratched the surface of what can be achieved. Sharing behavioral risk best practices, case studies, longitudinal studies and research, and successful programs will propel this practice area to the next stage in development. Further education, surveys, publications, and special interest groups will be supported by DMEC in the future. With the help of compelling research, innovative employers, and forward-thinking suppliers, the industry will profit from this emerging trend in behavioral risk.

References

- (1) Warren, P.A., “The Management of Workplace Mental Health Issues and Appropriate Disability Prevention Strategies,” *WLDI*, 2005, 6-7.
- (2) Ibid, 8.
- (3) Toran, M.W., “Making Mental Connections”, *Risk & Insurance*, May 2005, 44.
- (4) Proceedings of the DMEC 10th Annual National Disability and Absence Management Conference, Pre-Conference Session: “Behavioral Health in the Workplace: The Business Case for Opening Pandora’s Box,” Orlando Florida, July 15, 2005 (anticipated publication, April 2006)

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Appendix I: Survey Questions

1. What is your membership type?
2. Which of the following DMEC events have you attended in the last 12 months? (Check all that apply)
3. Please identify your field of specialty (check all that apply).
4. Does your company provide behavioral health benefits?
5. Are behavioral benefits carved out and administered by other than the employee's health plan?
6. Do your Workers' Compensation claim adjusters review for possible underlying psychological issues for physical claims?
7. Do your short-term disability claim adjusters review for possible underlying psychological issues for physical claims?
8. Do your long-term disability claim adjusters review for possible underlying psychological issues for physical claims?
9. Does your company utilize a "triage" or "red flag" system to identify potential problem claims or cases?
10. Does your company utilize Mental Health Professional (MHP)** to perform, or oversee, case management on psychological or psychiatric claims?
11. Do you utilize a MHP to do case management on physical claims with potential psychosocial issues?
12. Do you utilize a MHP to do case management for disciplinary problems?
13. If you use a MHP for any case management, does the MHP perform telephonic case management?
14. Does your company analyze accident or safety reports for underlying behavioral risk?
15. Do you currently include an EAP representative or other MHP on your Disability Management Team?
16. Do you include an EAP as part of the benefit package or health coverage for employees?
17. Do you currently include a behavioral component to your integrated or coordinated program? If yes or considering, please explain.
18. Does your EAP plan "assess only" or "assess and treat"?
19. How many visits does your EAP provide?
20. Are retirees able to access the EAP?
21. Has management's opinion regarding the need to review behavioral issues changed in the last 5 years?
22. If yes to the prior question, are they more open?
23. Do you think behavioral risk is an important emerging area of concern for employers?
24. Do you think that there is still a stigma associated with having a psychological/psychiatric problem?

25. Do you think there is a "negative" stigma associated with seeing a MHP?
26. Do you think there is a stigma associated with taking antidepressant medication?
27. Does your company provide depression or anxiety screenings for employees?
28. Please indicate the total number of employees in your company.
29. Would you be interested in attending a one-day conference on behavioral issues?
30. If yes to question 29, what part of the country would be most convenient?
31. Would you like to be more involved in a behavioral risk special interest group?

** Definition of Mental Health Professional as provided to survey takers:
One of the following trained professionals: Psychiatrist; Psychologist; Marriage, Family, and Child Counselor (MFCC); or Social Worker.