



EMPLOYEE ASSISTANCE PROGRAMS:

# Investing in Employee Wellbeing in 2020 and Beyond

BENEFITS BY DESIGN (BBD) INC.



Mental health benefits continue to be a **priority for many employers.**

Employee Assistance Programs are well-positioned to help working Canadians navigate anxiety, fear, depression, and stress.

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# The Impact of Lost Productivity

**Think of a colleague you'd classify as friendly, hardworking, and a real asset to your organization. We all have at least one of those.**

Now, imagine that same colleague is starting to struggle at work. They're stressed out and showing up late or leaving early from the office. They're not completing their work, and you're feeling the need to step in to help them with their workload.

Finally, that same colleague takes an extended leave of absence to deal with personal issues. What happens to their work? Will you have to assume some of their responsibilities? How does that make you feel? Are you now stressed out? Are you worried about how you are going to get everything done?

The impact of having someone off work due to a mental health issue is huge. Today, mental illness is a leading cause of disability in this

country, **preventing nearly 500,000 employed Canadians from attending work each week.**<sup>1</sup>

To make matters worse, **the cost of disability leave as a result of mental illness is about double the cost of a leave due to physical illness.** All in, the economic burden of mental illness in Canada is an estimated \$51 billion per year, including healthcare costs, lost productivity, and reductions in health-related quality of life.<sup>2</sup>

**Fifty-one percent of plan sponsors have a mental health training program for managers and/or employees to help them recognize and appropriately respond to signs of mental illness.** We expect those numbers to increase as more employers add Employee Assistance Programs to their group insurance plans.



**"The cost of disability leave as a result of mental illness is about double the cost of leave due to physical illness."**

<sup>1</sup> [The Centre for Addiction and Mental Health \(2020\)](#)

<sup>2</sup> [The Centre for Addiction and Mental Health \(2020\)](#)

# What is an Employee Assistance Plan (EAP)?

An Employee Assistance Plan (EAP), also commonly referred to as an Employee Family Assistance Program (EFAP), provides employees and their dependents confidential support and counselling with accredited professionals to help work through some of life's challenges. Counselling services are typically offered in-person, by phone, or through virtual mediums.

## EAP's can assist in the following areas:

- Marital and relationship support;
- Stress and anxiety, substance abuse;
- Child and eldercare issues;
- Diet and nutrition; as well as
- Legal and financial support.



# More Employers are Adding EAPs to their Employee Benefit Plans

**At Benefits by Design (BBD) Inc., we understand the importance of employee wellbeing, both in their professional and personal lives. As such, we've been offering EAP products since the late 90's as part of our employee benefit plans.**

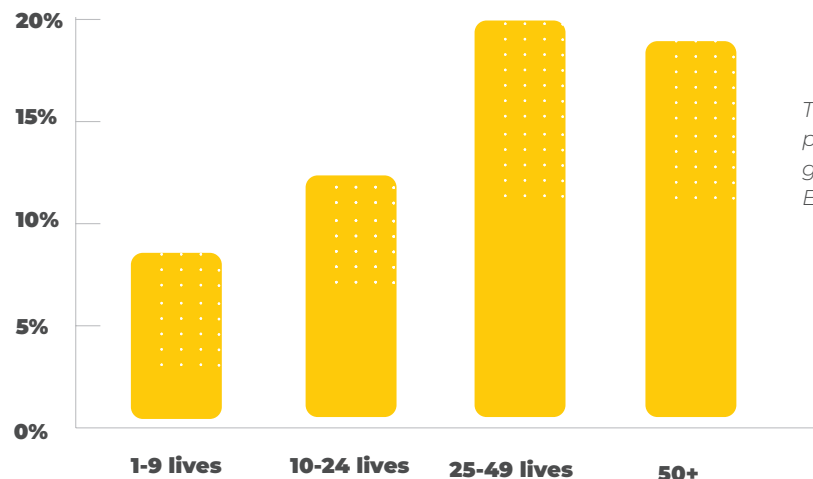
For over 20 years, we've been watching the steady growth of the product. From 2018 to 2019, we saw a **30%** growth in employee benefit plans that included an EAP.

We've noticed several factors that contribute to whether or not an organization offers an EAP. In terms of client industries, we continue to see more "professional services" organizations (i.e., finance and insurance, public administration, and professional, scientific, and technical services), including EAPs as part of their group insurance plan.

Surprisingly, **23%** of our business block in the **Mining and Oil and Gas Extraction industries have an EAP.** Based on the overall plan designs for organizations in this industry, we suspect that including EAPs was a part of offering a comprehensive and competitive employee benefits plan to aid in talent acquisition.

The organization's size is also a contributing factor to whether an employee benefits plan includes an EAP. As the size of the organization increases, so does the uptake in EAP.

## Organization Size and EAP Adoption



*This chart shows the percentage of BBD groups who have an EAP on their plan by size*

<sup>3</sup> [Sanofi, The Sanofi Canada Health Care Survey \(2020\)](#)

## Putting a Price on EAPs

**As a third-party administrator (TPA), with the ability to work with multiple EAP providers, our unique position in the market has taught us that EAPs cost anywhere from \$2 to \$6 per employee per month. Even at the high end, the total yearly cost of an EAP amounts to \$72.00 per employee.**

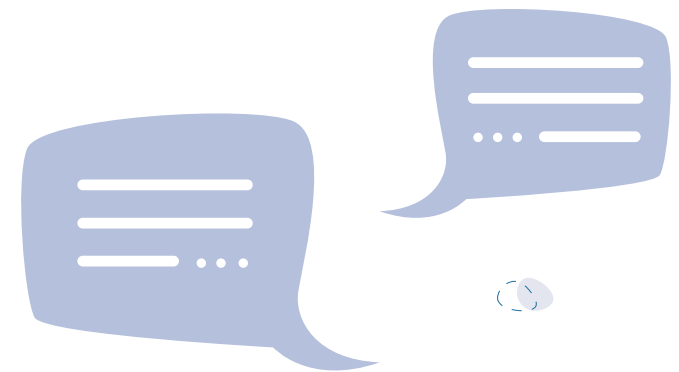
One of the industry challenges with EAP adoption continues to be the return on investment (ROI) factor. [A 2013 study from Morneau Shepell](#) and a similar report from [Arete HR Inc.](#), share their calculations on the ROI of an EAP.

**Both suggest that for every \$1 spent on an EAP, an organization would see \$6 - \$10 return on investment.**

Since ROI can be very subjective, in 2019, Arete HR Inc., in conjunction with WorkReach solutions, put out a report studying the impact

of EAPs on workplace functioning. The research study evaluated the workplace performance of individuals who utilized the EAP service compared to the same-sized group who did not access the service during the study period. Overall, “the greatest impacts of the EAP were observed on mental health and life satisfaction, followed by workplace functioning”.<sup>4</sup>

For the group with an EAP there were “significant reductions in overall psychological distress (including work-related distress) and symptoms of depression and anxiety, as well as increases in life satisfaction in EAP users in relation to the equivalent comparison group at follow-up”.<sup>5</sup>



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<sup>4,5</sup> Milot, Marc. The impact of a Canadian external Employee Assistance Program on mental health and workplace functioning: Findings from a prospective quasi-experimental study. *Journal of Workplace Behavioural Health*, 2019. Vol. 34, No. 3, 167-191

## BONUS: COVID-19 and the Impact on Mental Health

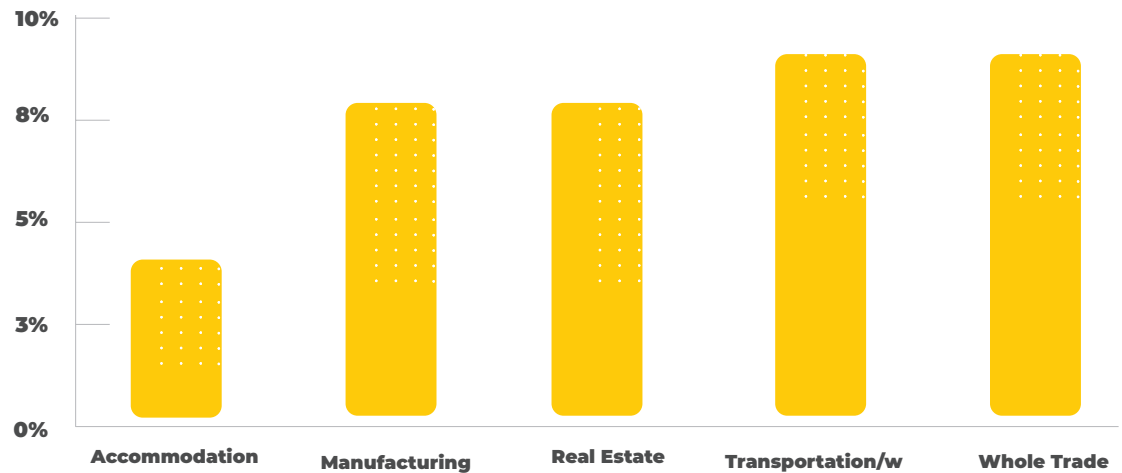
The COVID-19 pandemic has drastically altered the lives of Canadians. While its full effects on mental health remain to be seen, there's no question that the pandemic's anxiety, fear, and social isolation are already having an impact on mental health.<sup>6</sup>

Call volumes for EAP noticeably increased during March and April 2020 when workplaces began to temporarily close due to COVID-19. Increases were seen in two areas: informational calls (how the service works, what coverage is available), and financial calls (focused on CERB, layoffs, and accessing Employment Insurance).


### The Most Vulnerable Industries Aren't Covered

The industries most likely to be negatively impacted by the economic downturn from COVID-19, including Accommodation, Food Services, and Transportation, **are also those with the lowest uptake of an EAP.**

Industries with Lowest EAP Uptake



It is important to note that this data was taken as of January 1st, 2020 — before COVID-19 began negatively impacting the Canadian economy. These industries typically have low-profit margins or fluctuating income (or both). It's possible that an EAP was considered a luxury benefit when compared to coverage deemed more crucial, such as Extended Health Care (EHC) or Disability Insurance.

 Percentage of groups with an Employee Assistance Program

<sup>6</sup> [The Centre for Addiction and Mental Health \(2020\)](#)

# Increasing Anxiety Related to COVID-19

Statistics Canada conducted a survey of roughly 46,000 Canadians from April 24th to May 11th, 2020 to evaluate their mental health amidst the height of the pandemic in Canada<sup>7</sup>. In the two weeks prior to completing the survey, Canadians reported:

- **88%** had experienced at least one symptom of anxiety
- **71%** reported feeling nervous, anxious, or on edge
- **69%** said they were becoming easily annoyed or irritable
- **64%** indicated they had trouble relaxing

As workplaces contemplate having employees return to work and the possibility of a “second wave,” these anxieties around COVID-19 may increase. HumanaCare, our own EAP provider, has seen an increase in calls related to returning to work and a possible second wave<sup>8</sup>.

<sup>7</sup> [Statistics Canada, “Canadians’ Mental Health During the COVID-19 Pandemic”, \(2020\)](#)

<sup>8</sup> [HumanaCare, “COVID-19 EFAP Experience”, \(2020\)](#)

<sup>9</sup> [HumanaCare, “COVID-19 EFAP Experience”, \(2020\)](#)

Additionally, employees may face increased stresses as parents and students grapple with changes in their day-to-day and returning to school with new rules and environments.

To highlight this, we took a look at our **EAP business through HumanaCare from January 2020 - July 2020**, and the top five reasons for a service call included:<sup>9</sup>

- **(22%)** Stress/Emotional Support
- **(12%)** Anxiety/Fear
- **(12%)** Marital/Relationship
- **(9%)** Depression
- **(6%)** Legal



**These top 5 categories account for 60% of all calls.**

*Interesting note: Two-thirds (67%) of callers were female, with only 33% of callers being male.*



# Rising Antidepressant Prescriptions

The number of Canadians who made claims for antidepressants between January and June was **11% higher in 2020 than the number recorded during the same period the previous year.**<sup>10</sup>

In addition, the overall claims volumes rose by **20%** during the pre-isolation period<sup>11</sup> as patients stockpiled preemptively.

With rising rates of anxiety and depression, the subsequent rise in prescription antidepressants isn't shocking. As a result, we're already seeing [requests from employers to increase drug coverage](#), either through increased maximums or greater co-insurance.

## Employers are Making Changes

A [new survey by Mercer](#) Canada shows that Canadian employers are already on track to make investments in employee wellbeing after COVID-19.

Two-thirds (**63%**) of employers surveyed said they're investing or plan to invest in ensuring the wellbeing of their workforce in both the short and long term, while **51%** said they're reviewing their strategies to further manage benefits costs<sup>12</sup>.

When asked about prioritizing new programs, employers' top choices were flexible work (**37%**), including work-from-home options, and mental health and wellness program (**30%**)<sup>13</sup>.

We expect to see an uptake in EAPs over the next few years as the full impacts of COVID-19 on mental health become clear, and employers begin to see the benefit's value.



<sup>10</sup>Express Scripts Canada, "Depression is an Illness — Let's Manage it that Way", (2020)

<sup>11</sup>Life Health Professional, "Mental Health Medications Use Rose Amid COVID-19" (2020)

<sup>12</sup>Benefits Canada, "63% of Canadian employers investing in employee well-being for post-pandemic: survey", (2020)

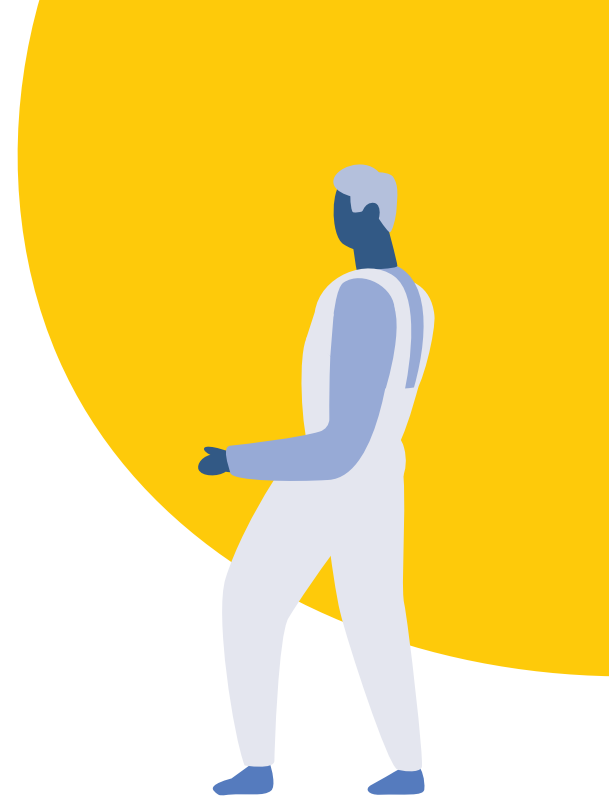
<sup>13</sup>Benefits Canada, "63% of Canadian employers investing in employee well-being for post-pandemic: survey", (2020)

### Data Analysis

Data represents 3,000 small- to medium-sized employers and a portion of Benefits by Design (BBD) Inc.'s group benefits business. These small- to medium-sized employers reflect a cross-section of industries located across Canada, including construction, manufacturing, retail trade, finance, and more.

### About Benefits by Design (BBD) Inc.

Benefits by Design (BBD) Inc. is a proud Canadian success story. Established in 1996, we are on a mission to help working Canadians promote and protect their health, wealth, and happiness by delivering employee benefits by design.



**You have the data - now  
let us help you put it into action.**

**Contact us to learn more about our  
Employee Assistance Program.**



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