

Benefit Fact Sheet

What is it?

An Employee Assistance Program (EAP) provides a variety of clinical and non-clinical services to assist employees and their family members in dealing with personal issues. Based upon an individual's needs, services may be provided over the phone or through a face-to-face visit.

In addition to counseling sessions, EAPs typically offer the following:

- **Management resources:** counselors are available to assist managers in dealing with workplace situations, including critical incident debriefings (workplace violence, grief counseling, etc.).
- **Non-clinical services, including:** child and elder care referral, financial assistance, wellness referrals, and legal assistance or referrals.

Why offer it?

- Increases employee effectiveness at work and reduces absenteeism.
- Minimizes need for employee counseling by management and supervisors.
- Helps address depression, stress, and anxiety problems that cost U.S. employers an estimated \$344 billion in lost productivity per year.
- Allows for early detection and improved treatment of mental health disorders such as depression. Note: The World Health Organization reports that depression is the second leading cause of disability in the U.S. for ages 15-44, and affects 121 million people worldwide.
- A large scale study by Abbott Laboratories reported a 2:1 return on dollars spent for an EAP. Also to note, over a three year period the average employee who utilized the EAP spends \$2,200 less in overall healthcare expenses than non-EAP clients.

What types of employers offer it?

All types of employers.

What size employers offer it?

All size employers. The Society of Human Resource Management reported that 67% of employers offer some sort of counseling to their employees.

What are the critical underwriting or participation requirements?

- Plan design
- Employer size and location

What's new in this area?

The Mental Health and Addiction Equity Act removed the limitations on mental health and substance abuse benefits provided through group health plans. Analysis of the guidelines has indicated that EAP plans cannot serve as gatekeepers for mental health and substance abuse services unless similar restrictions are placed on other medical conditions. Also, employers are not allowed to require employees to exhaust their EAP benefit prior to accessing coverage through the group health plan if a similar requirement does not apply to other medical care.

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How much does it cost?

Monthly premiums vary based on selected plan design and insurance carrier. For an employer with 250 employees, average premium for a 1-5 sessions model is between \$3.05 and \$4.00 per employee per month.

Informational Links

- [Workplace Solutions](#)
- [Employee Assistance Professionals Association](#)

EAP Providers

- [Concern](#)
- [United Behavioral Health](#)
- [Magellan Health](#)
- [MHN](#)

Pros and cons

Pros

- Low cost benefit enhancement.
- Easy access to counselors and mental health professionals.
- Improves employee productivity.

Cons

- Small additional cost.
- Although minimal, additional administration and communication.

Notes

- EAP coverage may be subject to COBRA continuation rights if it offers more than referral services. (DOL Advisory Opinion 88-04A, March 11, 1988)
- Many long-term disability carriers will provide a telephonic EAP for free or for a nominal cost.

This Fact Sheet is designed to provide a general overview of the benefit program, service, or regulatory act it describes. The information included in this document is not a substitute for legal or professional opinion relative to a plan sponsor's particular fact pattern. Your ArlenGroup consultant can answer more specific questions relative to its application for your organization. A menu of additional topics is available online at: www.arlengroup.com/facts.