

Behavioral Health: Developing A Better Understanding

UNLEASHING WORKFORCE PRODUCTIVITY

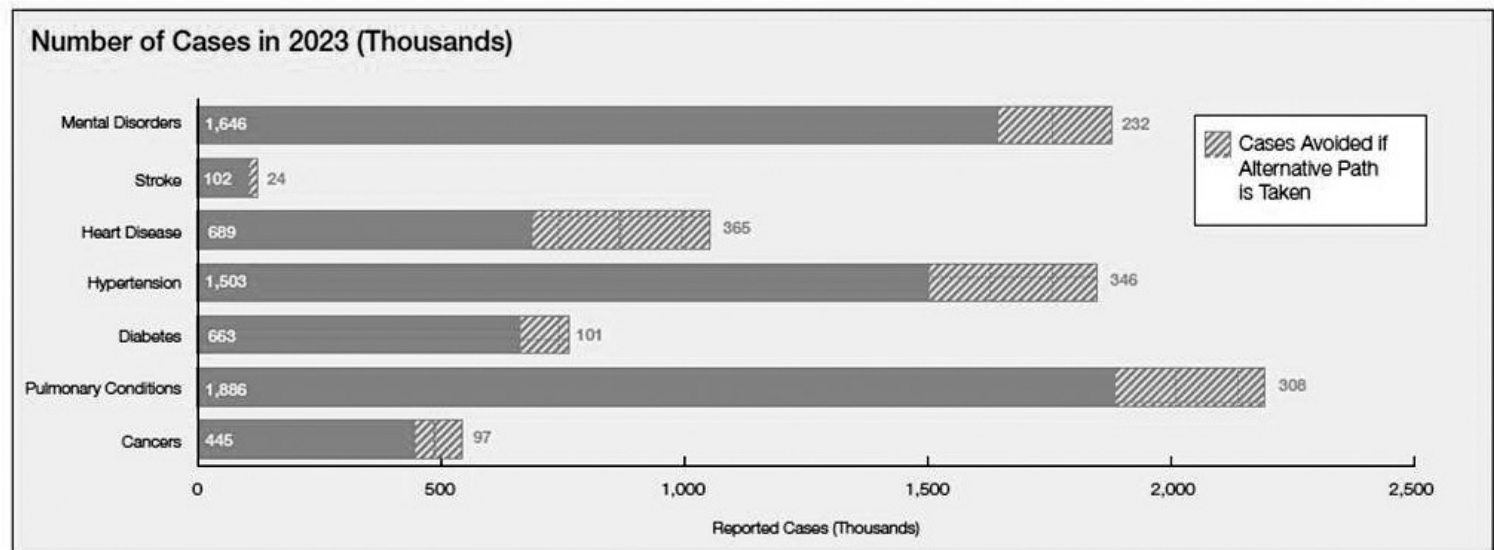
Ohio needs a productive and competitive workforce in order to succeed in job creation. Research indicates that if Ohio wants to have a workforce known for low absenteeism, excellent job performance, low disability rates and low on-the-job accident rates, the key lies within our response to addressing alcohol, drug addiction and mental health disorders.

Why should policy makers and employers care about behavioral health?

Each year, substance abuse costs the United States billions of dollars in expenditures for health care, workplace injuries, disability payments and productivity losses. Drug and alcohol problems cost the United States an estimated \$276 billion per year. In 2007, approximately 60% of adults with substance dependence were employed full time. Mental illness is considered responsible for an estimated 59% of the economic costs deriving from injury or illness-related loss of productivity. In just one large U.S. financial services company, depression alone resulted in an average of 44 work-days taken off for short-term disability as compared to 42 days for heart disease, 39 days for lower back pain, and 21 days for asthma. Thus, employers incur a large share of the costs related to lost productivity and increased health care needs.

Unfortunately, a significant proportion of individuals with mental illness or addictive disorders do not receive the care they need. For example, research shows that 47% of men and 41% of women in need of treatment for illicit drug abuse are not treated. Between 44% and 70% of patients with depression, schizophrenia and child and adolescent mental illnesses do not receive treatment. This unmet need is not just the uninsured – one study showed that almost half of individuals in need of substance abuse treatment had private insurance.

Ohio's Option: Research shows Ohio will experience a dramatic increase in chronic disease in the next 20 years, with mental disorders trailing only pulmonary conditions as a driving factor. But there is an alternative path. By making reasonable improvements in preventing and managing chronic disease, 1.5 million cases can be avoided. This would reduce future economic costs by 27% (\$40 billion in 2023.) \$32 billion of this would come from gains in productivity and \$9 billion would come from reducing treatment spending.



Source: Milken Institute

Big Results; Small Investment

Employers and policy makers have proven and effective methods at their disposal for reducing the costs associated with substance abuse, some include:

Workplace Health and Wellness Programs – Programs that incorporate substance abuse education and prevention components can reduce overall healthcare costs and are likely to pay for themselves.

- Xerox workers who participated in a wellness program and limited their alcohol consumption enabled the company to reduce its costs for both healthcare and health insurance over four years, achieving a five to one return on investment

Employee Assistance Programs (EAP) – EAPs can provide confidential services, including educating employees, screening for mental illness and addiction, and referring employees for appropriate treatment.

- The Gillette Company saw a 75% drop in inpatient substance abuse treatment costs after implementing an EAP
- An international company found that employees who used an EAP for help with mental health and substance abuse problems had fewer inpatient medical days

Health Plan Design – Comprehensive health plan benefits that support individuals with mental illness and addictive disorders have been shown to have little to no increase in healthcare premiums while cutting down on employee replacement costs. Reducing employee replacement costs can be very important to an employer's bottom line, as replacing an employee costs from 25% to almost 200% of annual employee compensation.

Support the Public Behavioral Health Care System – Whether it is helping Ohio reduce and avoid criminal justice costs, decrease expensive Medicaid costs to the physical health care system, lower the number of children in the public children service system, attacking the opiate epidemic, or engage in proven prevention activities, Ohio's alcohol, drug addiction and mental health boards are equipped to partner with Ohio's policy makers and employers to improve productivity, reduce costs and restore lives.

Did you know?

- Providing access to substance abuse and mental health treatment can save companies money by:
 - Lowering healthcare costs
 - Reducing absenteeism
 - Reducing risk
 - Improving job performance
 - Reducing costs associated with short and long-term disability and workers' compensation
- Fatal and non-fatal opiate prescription drug poisonings cost Ohioans \$3.6 billion per year
- Indirect costs (lost productivity) either match or outweigh the direct costs (payments for treatment) for all mental health areas
- Investing in substance abuse treatment can yield savings that exceed costs by a ratio of 12 to 1

Treatment Works; People Recover

Recovering People Work

Working People Pay Taxes

Sources:

Milken Institute – *An Unhealthy America: The Economic Burden of Chronic Disease*
Ohio Department of Health, Citing Ohio Hospital Association's *Hospital Discharge Data, 2002-2007*
SAMHSA Issue Briefs for Employers
World Health Organization - *Investing in Mental Health*