



ROI Guide p.2

Curbing Spend With Comprehensive Mental Health Care



Table of Contents

Introduction	03
The Costs of Inaction: Why Your Organization Needs Mental Health Care	04
Health Care Cost Savings	05
Retention	06
Leaves of Absence and Short and Long-Term Disability	06
How Comprehensive Mental Health Care Impacts Your ROI	07
Moving Away from an EAP	11
Checklist for Prioritizing Your New Benefits Search	12
Evaluating the Mental Health Benefits Landscape	13
Tips for Comparing Mental Health Benefits Platforms and Offerings	14
Resources for Understanding the ROI of Mental Health Benefits	15



Introduction

Untreated mental illness costs the United States \$3.7 trillion annually, with \$1.4 trillion attributed to the cost of turnover alone¹. And yet, the U.S. only invests an average of \$43 billion in mental health support for workers every year, missing a massive opportunity for cost savings at a time when most businesses are looking to reduce spend.

Investing in employee mental health is essential for cost savings — untreated mental illness accounts for 56% of employer health care spend. If an employee is given robust mental health support, they will have faster and frictionless access to support when they need it, directing them away from more costly and inefficient care through their medical plan. Supporting mental health quickly and comprehensively also reduces risks of absenteeism, burnout, and lost productivity, maximizing the value of your workforce.

In this playbook, we'll discuss how a robust, comprehensive mental health benefits solution can help your organization avoid massive long-term expenses while improving your workplace's overall well-being. Use this guide to take steps to move away from current outdated offerings, compare tech-forward platforms, and understand the impacts of more comprehensive and personalized care.



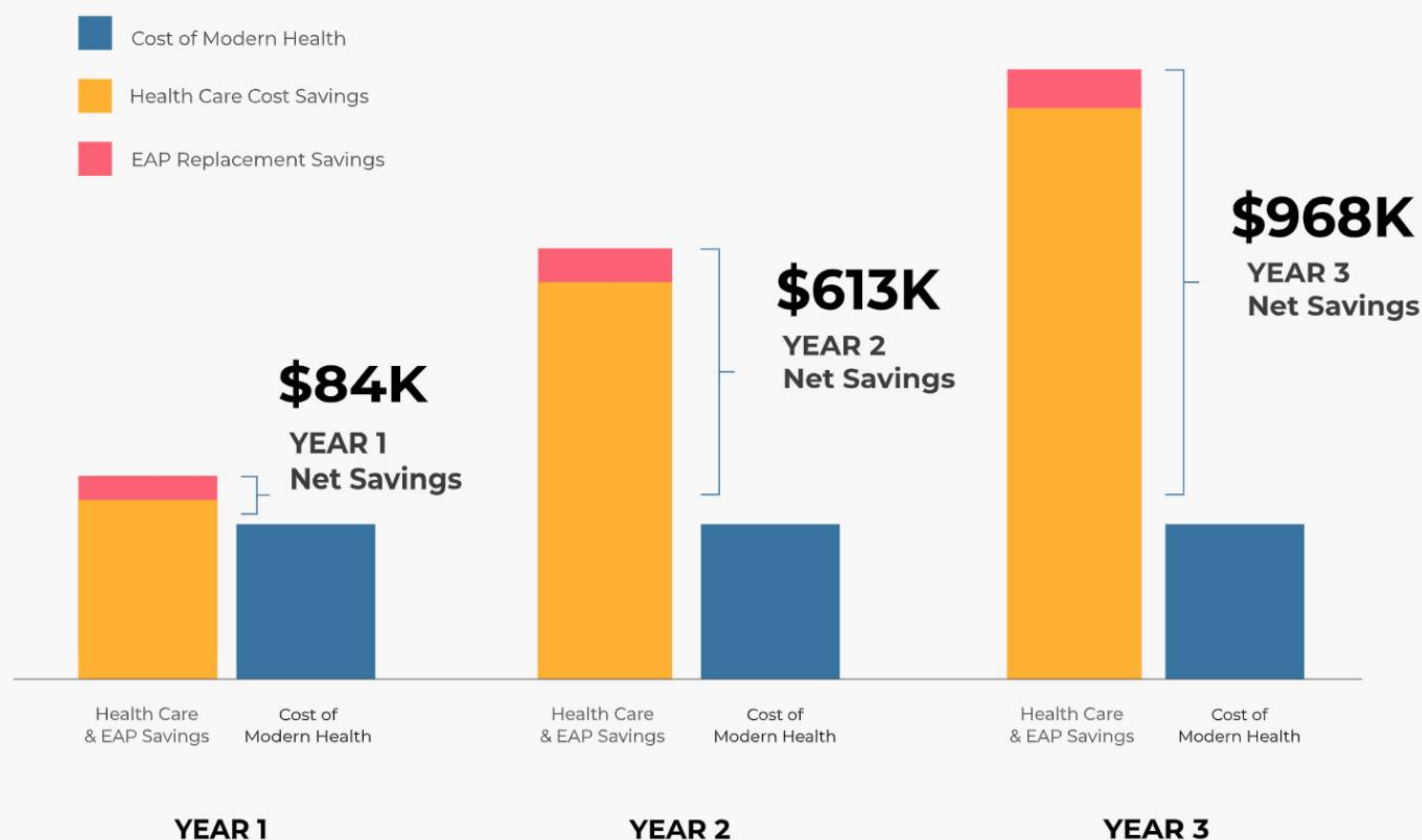
Every \$1 investment in prevention and support for mental health yields up to \$10 in savings in health costs, criminal and juvenile justice costs, and low productivity, according to the National Research Council².



The Costs of Inaction: Why Your Organization Needs Mental Health Care

Choosing not to invest in mental health support comes with its own costs — those of inaction. These costs may be elusive to nail down, but that doesn't mean they won't impact your business goals. To ensure the greatest growth possible, you must understand the tradeoff of choosing a lower-cost but limited mental health benefit option like a classic EAP instead of making a real investment in a lasting, more powerful solution that meets the diverse needs of your entire workforce.

For example, switching to a solution like Modern Health can reduce costs in the first year, with exponential cost savings as more employees use it over time.



**Assumes self-funded health care plan with 5K employees with a 20% engagement rate. Outcomes are listed as examples only and can vary for different customers. (SBA, 2022)*



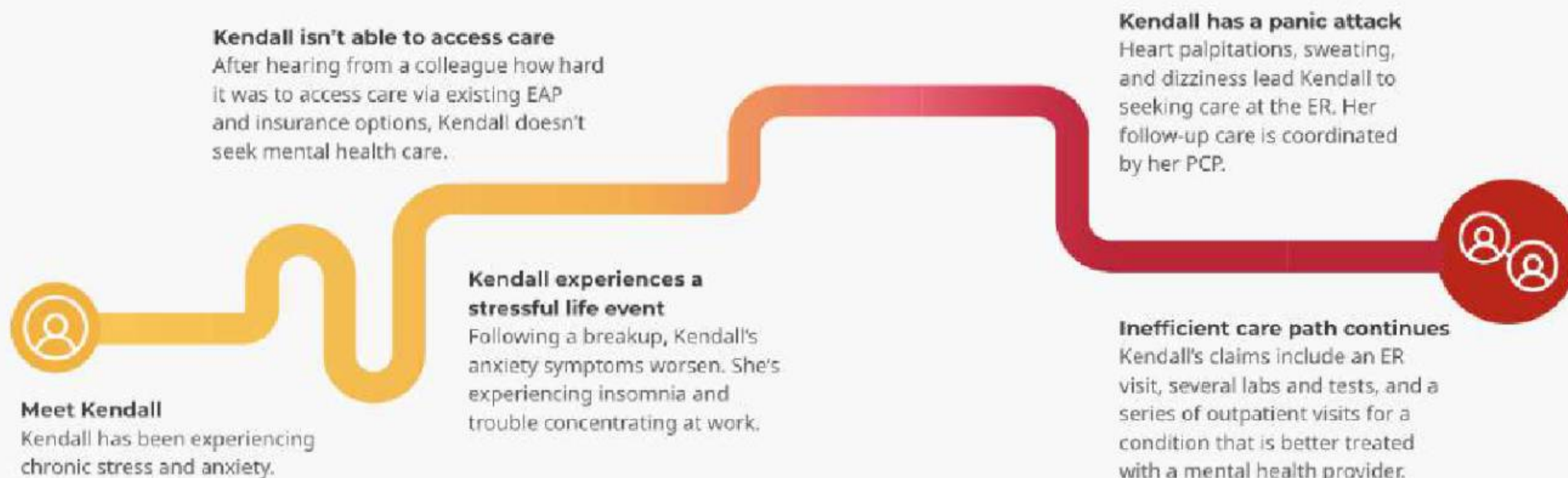
Health Care Cost Savings

U.S. employer spend on health care is projected to rise by 6.5% in 2023 — up to more than \$13,800 per employee³. While some of the increased health care costs can't be controlled (due to the impact of inflation and rebound related to COVID-19), a robust mental health offering can offset some of the spend by reducing instances of employees seeking care in medical settings that could best be served in mental health environments.

For example, if an employee has untreated anxiety and encounters a stressful life event, that may trigger the onset of panic attacks — an intense physical response to emotional overwhelm that share many symptoms of a heart attack. That employee, who doesn't have the mental health support to identify they're having a panic attack, goes to the emergency room. This visit sets off a series of health care, costs such as follow-up visits, imaging, and blood tests, that could have all been avoided with more direct and timely access to mental health support.

Example: untreated stress & anxiety lead to an ER visit

Without an approachable way to proactively treat her anxiety, Kendall's symptoms escalate to physical health complications.



While EAP services may eventually help this employee (after weeks of wait time), a lot of this interaction with the medical care facilities — and the expenses — could be avoided with a more comprehensive platform of services that engages the employee in care sooner and intervenes before it escalates to acute panic attacks.



Retention

When considering the most impactful members of an organization — whether it's an entire department or a selected group of cross-team individuals — the one unifying feature of all involved is that they are the rockstars of their positions. They are in every meeting, at every happy hour, and somehow still have the energy to burn the midnight oil and deliver their next project or presentation. They're also the group most likely to experience burnout.

Untreated burnout can lead to turnover. You'll be stuck replacing the legacy knowledge and productivity of a high performer in addition to paying the costs of a new hire — which can be up to 50% of their salary. Robust mental health benefits can help your rockstars prevent burnout through self-guided resources they can explore on their own or group-based psychoeducation like [Modern Health Circles](#). Whatever the path to support, addressing burnout within your workplace can lead to retaining your top performers and the value they bring to your organization.

Leaves of Absence and Short and Long-Term Disability

Mental health concerns are a common reason for leaves of absence, which are often the final straw in a long, painful journey of workplace burnout or long-term stress. Employees may start taking more sick days, missing deadlines, and otherwise not producing the same output as before. Then they may choose to take a temporary leave of absence, which can impact your productivity. They may also go on to file for short or long-term disability, which costs a portion of their salary until they come back — if they come back. These absences may turn into a turnover cost if the employee doesn't return to the workplace.

Understanding the leave data at your organization will help you see whether a mental health solution makes sense for your organization. Look at your data — why are people taking leave? Are disability claims for behavioral health increasing? What kind of customizable support could a mental health solution offer to better support your employees' needs and improve workplace well-being?





How Comprehensive Mental Health Care Impacts Your ROI

A diverse and comprehensive mental health platform like Modern Health will provide various types of flexible care for all of your employees, whether they are seeking traditional one-on-one therapy, self-guided resources, or prefer to chat with a licensed coach regularly. With Modern Health, employees can care for their mental health in the way that feels right.

Your workplace may already have an underlying desire for mental health support. Employees may not know how to ask for it or what options are available to help them, and leaders may not know how to address the range of needs among employees.

Employee mental health benefits are most impactful when offered in a comprehensive care model with scalable and flexible levels of care and support. Comprehensive services should cover the full range of services, from acute care to preventive care, and offer employees different ways to engage in care to find the right modality. Some employees may feel comfortable with psychotherapy and are ready to meet with a therapist, while others may not want therapy but could benefit from professional coaching, small group support, or self-paced educational materials to understand their mental health better. Traditional EAPs tend to address only the highest risk/highest need employees (who make up a small percentage of your workforce) and offer little to no preventive care. This approach doesn't prevent the rise of future high-risk/high-need/high-cost cases.

To illustrate this point, Modern Health has created a calculator to show the savings per engaged employee with a robust mental health offering vs. a traditional EAP. You can see some examples below or explore the tool on your own time. Use our benefits calculator to calculate the cost of EAP vs Modern Health.

[Try the EAP vs. Modern Health Calculator now](#)



Example 1: 300 Employees

EAP vs. Modern Health Comparison

	EAP	Modern Health
# of employees engaged with a provider	2	39
Avg. time to session	30-60 days	<1 day
Cost per employee using provider	\$3,000	\$1682.37
Cost per session	\$1,026.57	\$318
# of employees registered	12	300

\$711

Savings per session with Modern Health

\$1,318

Savings per engaged employee with Modern Health



Example 2: 1,000 Employees

EAP vs. Modern Health Comparison

	EAP	Modern Health
# of employees Engaged with a Provider	8	111
Avg. time to session	30-60 days	<1 day
Cost per employee using provider	\$3,000	\$1,729.73
Cost per session	\$1,000	\$327
# of employees registered	40	312

\$673

Savings per session with Modern Health

\$1,270

Savings per engaged employee with Modern Health



Example 3: 5,000 Employees

EAP vs. Modern Health Comparison

	EAP	Modern Health
# of employees engaged with a provider	40	479
Avg. time to session	30-60 days	<1 day
Cost per employee using provider	\$3,000	\$1,377.44
Cost per session	\$1,000	\$260
# of employees registered	200	1495

\$740

Savings per session with Modern Health

\$1,623

Savings per engaged employee with Modern Health





Moving Away from an EAP

Although Employee Assistance Programs (EAPs) have been the predominant model for employee mental health benefits since the 1970s, their offerings have stagnated over time. A small fraction of individuals only receive 6-8 therapy sessions per mental health “issue,” and support is limited to a single type of treatment — typically psychotherapy — which may be intimidating for employees who don’t feel they need to see a therapist but still want support.

Employees who do wish to see a therapist often face excruciating wait times – up to several weeks – before matching with a therapist. Little to no consideration is given to the employee’s lived experience, race, religion, or cultural background in matching with a provider. If the match isn’t helpful, the employee is less inclined to engage in care or wait longer to find a therapist that is a better fit.

These long wait times and limited choices in care mean most organizations see low engagement and registration rates for mental health benefits and low satisfaction from employees.

But there are updated, modern answers to the employee request for mental health support at work — solutions that go above and beyond. While they may cost more than an EAP, they deliver much more return for the investment. Investing in a robust employee mental health offering contributes to improved employee loyalty and overall workplace well-being while saving your organization money over time.

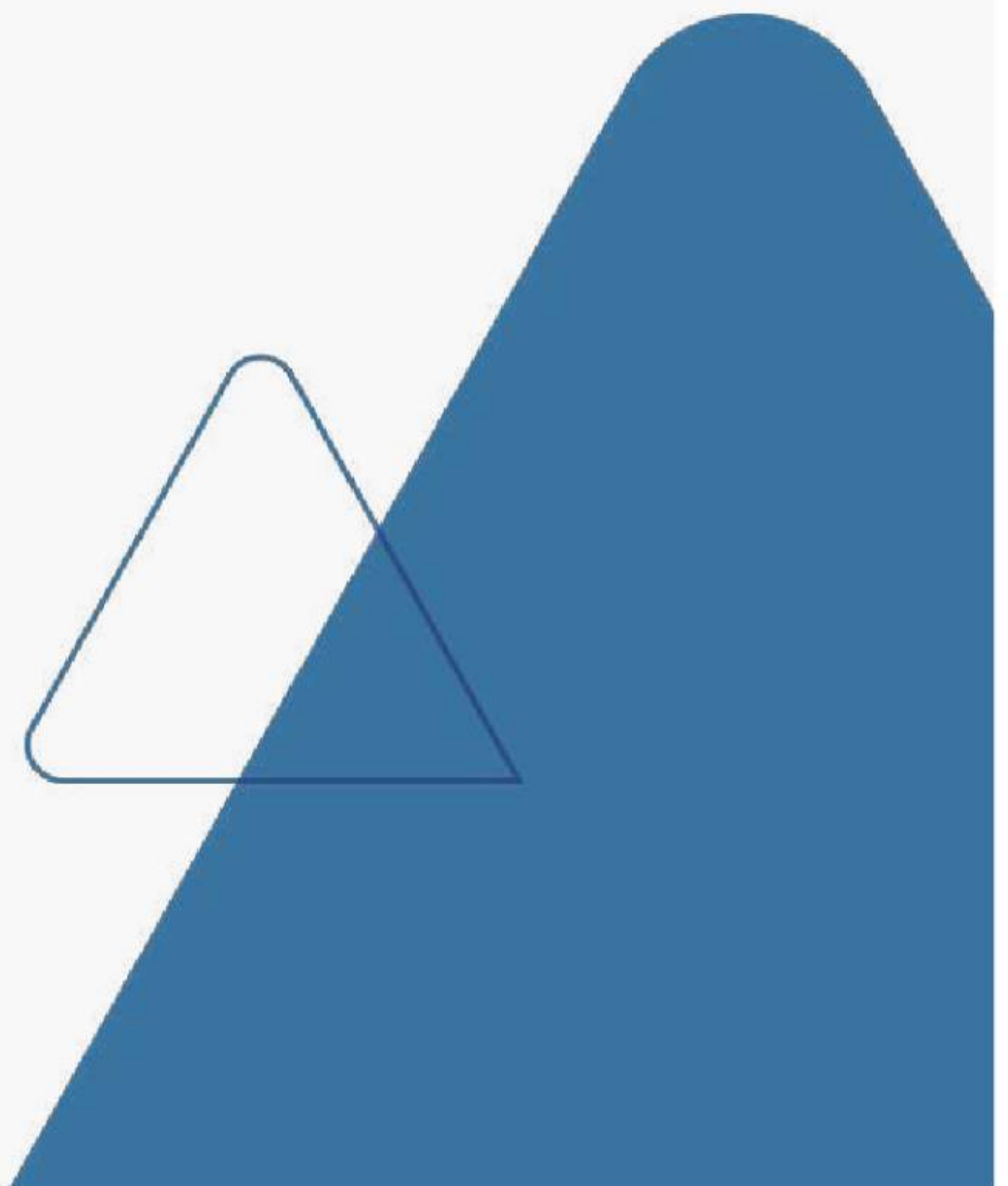
When beginning your search for new benefits, here are a few steps to take and a few things to consider.



Checklist for Prioritizing Your New Benefits Search

If you think your organization needs more than an EAP, you must decide what kind of support is best. Use this checklist to prioritize employee needs, work environment, and cultural differences.

- ☐ Pull engagement and utilization reports from your current EAP to understand how your organization is or is not using it.
- ☐ Use our [Benefits Benchmarking Guide](#) to understand industry standards and what your region's employees prioritize in their benefits.
- ☐ Survey employees anonymously to determine what benefits they prioritize. Where do mental health benefits fall on the scale?
- ☐ Consider the lived experience of those within your organization, including caregivers, the LGBTQIA+ community, racial and ethnic minoritized individuals, those with disabilities, and those with religious or cultural considerations.
- ☐ Consider the global and localized needs of your organization. If you operate internationally, you will need a benefit with global offerings.
- ☐ While it is important for any solution to include rapid and easy access to traditional psychotherapy, explore mental health benefits that go beyond that. Not all employees will want — or be ready for — psychotherapy if it's their only option. Explore benefits that also provide certified coaching, group-based support, or self-guided resources.



Evaluating the Mental Health Benefits Landscape

Mental health has emerged as an innovative and growing industry in the past 20 years. Where there were once only EAPs, now there are robust, digital-first mental health solutions that are fully customizable to meet your organization's needs.

Choosing a mental health benefit that employees are interested in and excited about will help you reduce spend on hidden costs in other areas. **Individuals with untreated mental health concerns have a 3.5x higher medical spend than those with mental health support.** They are more likely to encounter and utilize the medical care system to get help, which can drive up health care utilization and subsequent spending.

By switching to a mental health offering with flexible options, more employees are more likely to engage with mental health support in a way that feels right, helping to steer them away from navigating the medical system to find care. Redirecting employees away from medical care for mental health needs also helps reduce health care costs within the first year.





Tips for Comparing Mental Health Benefits Platforms and Offerings

Once you're ready to explore each mental health solution individually, consider these questions when you request more information on the offerings:

- ☐ Can the solution effectively support your entire workforce wherever they are located?
- ☐ How does the company source and support its providers?
- ☐ Is the approach backed by research?
- ☐ Does the solution help deepen your company's commitment to diversity and inclusion?
- ☐ Will they be an active partner as the needs of your employees change?
- ☐ How can they help you build awareness and engagement with your workforce?
- ☐ What kind of client success support will you get after you launch the offering?

Modern Health's CEO Alyson Watson has written extensively about choosing a mental health solution and you can get her full thoughts in this [article](#).

Get 8 key ways to evaluate mental health benefits with Modern Health's Buyer's Guide.



Resources for Understanding the ROI of Mental Health Benefits

[Alyson Watson article](#)

[Benchmarking Guide](#)

[ROI Guide pt.1](#)

[Assessing the Care Modality Preferences and Predictors for Digital Mental Health Treatment Seekers in a Technology-Enabled Stepped Care Delivery System: Cross-sectional Study](#)

Sources:

1. <https://healthcanal.com/cost-of-untreated-workplace-mental-health-us/>
2. <https://nap.nationalacademies.org/catalog/12480/preventing-mental-emotional-and-behavioral-disorders-among-young-people-progress>
3. <https://aon.mediaroom.com/2022-08-18-Aon-U-S-Employer-Health-Care-Costs-Projected-to-Increase-6-5-Percent-Next-Year>

We're Here to Help

Connect with one of our mental health experts to learn how we can support the well-being needs of your diverse workforce.

TALK WITH US



