

PURDUE UNIVERSITY SHOWS

the Impact of Improving

BEHAVIORAL HEALTH

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QUICK LOOK

- ➔ Behavioral health problems cause 217 million missed work days each year in the United States.
- ➔ Purdue's current "Healthy Purdue" initiative, launched in 2006, specifically targets the lowering of personal health-risk factors, thus ultimately lowering health-care costs, reducing absence and improving productivity.
- ➔ The early results of the Healthy Purdue health-risk assessment found the top four risk factors for the university—weight, stress, well-being/depression and exercise—accounted for 75 percent of the avoidable costs due to behaviors.

In the years when most jobs involved manual labor, employers' efforts to prevent or manage worker disability focused, logically enough, on physical health and injuries. In today's service industry-dominated economy, employers are well aware of the workplace impact of, say, a broken arm or diabetes. They are, however, just now becoming more sophisticated in their understanding of—and solutions for—the direct link between employees' behavioral health and their productivity on the job.

Given the overwhelming financial stakes, not to mention the human dimension, employers, including Purdue University, whose story is told below, have no choice but to raise the bar in this area.



Purdue engages faculty and staff through a variety of targeted communications. Focus groups are used to gather input and test the program.

For example, according to the National Business Group on Health (NBGH), behavioral health problems (including impacts of stress, mental health and addictive disorders) cause 217 million missed work days each year in the United States and account for 7.6 percent of health expenditures, with an indirect cost of an estimated \$105 billion.

NBGH also reports that behavioral health disorders are the fifth-leading cause of short-term disability, and the third-ranked cause of long-term disability.

Despite the powerful testimony of those statistics, traditional disease-management programs often ignore behavioral health issues or severely limit spending on behavioral health services, resulting not in a hoped-for reduction in overall health-care costs, but ultimately, an increase.

It doesn't need to be that way. That recognition underlies the concept of a comprehensive "healthy organization" campaign, whose goal is to keep healthy people healthy and help unhealthy people change their behavior. The desired outcomes, over and above better employee health, include reducing health costs, improving financial performance, reducing turnover and absence rates and boosting employee engagement.

The Purdue Story

Purdue University in West Lafayette, Ind., with a combined faculty and staff of 12,000, has embraced that concept through a "healthy campus" initiative to achieve some very ambitious goals. Like many employers, Purdue has evolved its approach to these issues over several years. Purdue's original 1995-2002 employee wellness campaign was "fun-oriented," voluntary and had no strings attached.

Next came Purdue's WorkLife-Wellness-EAP model, which sought to change employee behavior, focused primarily on

health, and included some health-risk reduction elements, but had little in the way of personalization, evaluation and incentives.

Purdue's current "Healthy Purdue" initiative, launched in 2006, specifically targets the lowering of personal health-risk factors, thus ultimately lowering health-care costs, reducing absence and improving productivity. To the previous campaign, it added an integrated workforce health and productivity database, a health-risk assessment and clinical data, along with a strategy to improve behaviors and incentives to participate.

Given the ambitious scope of the effort, Purdue will carefully evaluate key metrics of the Healthy Purdue initiative at regular intervals to keep it on track and—when necessary—make adjustments to the program.

Purdue's program also recognizes the essential role of communications to support the program. At each step of the program design and rollout, Purdue engages faculty and staff through a variety of targeted communications. Focus groups of faculty, staff and special-interest groups are used to gather input and test the program. Unfortunately, some employers roll out first-class programs, only to hear complaints from employees because they were kept in the dark as the strategy and program were being developed.

A review of the early results of the Healthy Purdue health-risk assessment found the top four risk factors for the university—weight, stress, well-being/depression and exercise—accounted for 75 percent of the avoidable costs due to behaviors. As a result, a key focus for Purdue was stress and depression.

Impact of Depression

In 2004, Purdue spent \$1.3 million on antidepressant medication for employees. Yet only 21 percent of employees

Low Morale, Depression Trigger Multiple Impacts

Just as a lack of attention to workplace safety can cause physical injuries, lack of focus on the emotional demands and climate of an office can trigger costly behavioral health problems, which can lead to increased risk of other ailments and workplace hazards.

A 2005 study of employee unscheduled absences by CCH, a Chicago-based technical publisher, compared results from organizations with high and low employee morale. While the results weren't surprising, the numbers were stark. For example, the unscheduled absence rate at the low-morale organizations was more than double (3.2 percent versus

1.5 percent) that of the high-morale employers. Similarly, the survey found that absence related to stress and entitlement was about 30 percent higher at low-morale companies than high-morale ones.

In addition, stress and depression lead to longer durations for disability. An Aetna study found disability durations can be as much as 100 percent longer when depression is a comorbid condition.

The good news: For most behavioral health problems, there are effective treatments, particularly when linked to a broader holistic employer strategy, as is being pursued at Purdue.

using those drugs were receiving services from a behavioral health specialist, suggesting many employees might not be obtaining appropriate or adequate care for their conditions. The average annual health-care cost per participant for those on an antidepressant (\$10,765) was 6.5 times higher as compared to those not using such medications (\$1,668).

The analysis showed that the 13.5 percent of Purdue's participants who had a prescription for an antidepressant were incurring 40 percent of the university's health-care expenses, or \$31 million out of a total \$78 million spent. Purdue projected, based on a careful analysis of the causes of behavioral health issues using a cost-causes-cures methodology, that a holistic, carefully executed behavioral health strategy could reduce the medical claims of that 13.5 percent employee population segment by 10 percent, for a \$3.1 million savings in health-care expenditures; in other words, a big enough number to warrant an aggressive effort. (See "Cost-Cause-Cure Framework Helps Address Vicious Cycle" on page 68.)

To understand the root causes of its expenditures, Purdue performed a careful assessment of the behavioral health offerings and support throughout the university and its benefits programs. Purdue also mapped out the process flow for programs (EAP, behavioral health, disability, return to work, etc.), uncovering a lack of coordination and gaps in service.

That process led to the identification of five underlying causes. The first was barriers—actual and perceived—that keep employees from seeking treatment. The second identified cause was the lack of a managed behavioral-health program. Purdue's self-examination found a third cause of high expenditures in the lack of coordination between Purdue's EAP and behavioral health coverage.

A fourth and related source of problems was the lack of coordination of other Purdue program offerings, such as

WorkLife, disability, worker's compensation and return to work, as well as the fact that they offered little support to those with behavioral health issues.

Finally, the review revealed that many employees perceived limited support and understanding from supervisors regarding their struggles with depression and other behavioral health issues.

Confronting the Issues

After estimating the cost and causes of inadequate treatment of employee depression, Purdue and its consultants devised a comprehensive program to turn the situation around and change behaviors. For example, Purdue fully paid for the first eight in-network behavioral health sessions with no deductible, eliminated the deductible for all medical consultations with prescribing behavioral health specialists after that and increased the number of covered outpatient sessions from 20 per year to 30. A related communications campaign raising awareness of service availability and all changes was provided through a number of available channels.

Another important change was to harmonize EAP and health benefits. For example, counseling for parent/child problems, bereavement and relationship difficulties, issues often not covered through a health plan, are now covered. The rationale? The cost of not treating these issues, when absence, productivity and engagement are included in the analysis, overwhelmingly outweighs the cost in dollars.

Beyond the basic benefits formula, Purdue enhanced its WorkLife programs in several ways. For example, continuity of care is now improved between the EAP, health and disability plans. Also, coordination has been emphasized between Purdue's EAP and employee-relations functions to better serve employees and managers.

Cost-Cause-Cure Framework Helps Address Vicious Cycle

At a typical organization, 5 percent of the workforce may be absent on any given day for an unscheduled event, 10 percent of positions may be vacant and 30 percent of the workforce that shows up for work may not be fully engaged. Total it up, and one finds that 45 percent of the workforce—nearly half—is “suboptimized.” Given that most organizations’ compensation and staffing models do not account for all of the missing or disengaged employees, the inevitable result is that the stressed-out employees who are trying to pick up the slack need to take more time off, or they seek other employment, creating a vicious cycle. But, the cycle can be broken with a three-stage “cost-cause-cure” analytical effort:

Step 1

Employers build a database of “withdrawal behaviors,” including the impact of health issues, absence, turnover, lost productivity and the dollars associated with these measurable indicators. A preliminary determination of potential savings that can be achieved by attacking the sources of the absence behavior is essential to build the business case for change.

Step 2


An analysis of causes develops insights on the root sources of withdrawal behavior, segmented by employee demographic group, with particular focus on areas that are determined to be high cost with the capacity for high impact.

Step 3

Creative solutions are developed using both traditional and nontraditional approaches to address the issues driving absence and turnover. The effort must include an estimate on the ROI for absence and turnover reduction to guide investment decisions.

The ambitious effort remains a work in progress. As Purdue moves ahead with its comprehensive program, it plans to investigate the use of a behavioral health company to enhance oversight and expand accessibility and services.

Also on tap for future consideration: Additional communications to primary care providers and employees regarding behavioral health services, a thorough assessment of all behavioral health-care services (health plan, disabilities programs, EAP and health promotion or wellness programs) to assure their capacity to work cooperatively, expanding EAP services to make them available 24/7 and, eventually, “vendor summits” to better coordinate service providers and their offerings.

Although some of the circumstances at Purdue may be unique—every organization has a few distinctive issues—the basic principles of addressing the challenge of maintaining and improving employee behavioral health are universal. For the sake of employees’ well-being—and employers’ ability to fulfill their missions—the behavioral health-based absence syndrome must be broken. Purdue’s ongoing effort will give encouragement to others to take the necessary steps. 

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