



THE SMALL BUSINESS CLIENT

How's Your Wellness?

An EAP is a business, not just health, issue

BY MIKE McCLENAHAN

During a job interview a few weeks ago, a friend of mine was asked how he dealt with stress on the job. He found that remarkable. Until recently, a potential employer would probably not have thought to ask. Clearly the workplace has evolved.

This is not to suggest that work-related stress, life/work balance issues, substance abuse, depression or other mental health issues have reached pandemic proportions, but there certainly are signs that the incidence is on the rise and that such problems affect performance.

Most of us realize intuitively we have two families — the home family and the “workplace family.” The fact is that the two intersect and interact and disturbances in one can affect the other. In late October 2006, Buffet & Co. Workplace Wellness Ltd. found in a survey of 512 employers that 78 per cent of them cited workplace stress as “their top health risk concern,” but only 32 per cent of employers offered stress management programs for their employees.

Employers need to be proactive when dealing with workplace health as there is no doubt that health issues can impact a business negatively from both a human resources and financial standpoint. According to the 2005 Watson Wyatt survey, mental health was the top productivity concern for businesses.

There are steps that an employer can take to deal with work-related stress. Employers should periodically survey employees on their job satisfaction levels, assess whether the annual job evaluation and review is attuned to this and establish fair, well-communicated and understood disciplinary actions. A good group benefits advisor can also introduce the plan sponsor to the value of a carefully designed “wellness” program and employee assistance plan (EAP). We like to think of such programs as the fulcrum that helps balance the work/life equation.

COSTS AND BENEFITS

Frequent absenteeism, undocumented sick leave, increases in employee access to short-

term disability, declines in workplace morale as other employees have to pick up the slack are all indications that there is something wrong and are becoming unplanned cost centres. Warren Shepell, a well-known EAP provider, has developed a standard formula that assumes that, at any point in time, 10 per cent of a workforce is experiencing wellness problems and that they are 37.5 per cent less productive.

That percentage, when multiplied by the salaries or wages of the affected employees, provides a startling measure of the cost of this lost productivity. For a small employer (100 staff) with an average employee salary of \$40,000, if half the troubled 10 per cent were treated through an effective EAP at a 90 per cent success rate, the projected savings would be \$180,000 less the cost of the EAP. If 20 per cent of that same workforce were smokers, recent data suggest that those employees would use on average 6.5 days more sick leave than non-smokers and would be eight per cent less productive. This could easily add \$1,000 each year to the cost of an employee's health coverage.

WELLNESS AND EAP PROGRAMS DEFINED

The typical wellness program focuses on preventative measures and generally includes components like fitness and exercise, nutrition counseling, health education programs, smoking cessation programs and repetitive strain injury management. An EAP program is more crises-oriented and deals with issues such as mental health problems, substance abuse, stress and anxiety, single parent or eldercare issues. Some EAPs extend to addressing issues like legal trauma, marital guidance and even financial management problems.

The success of the EAP program depends on several factors:

- privacy and confidentiality for the employee;
- plan design and coverage;
- the service model or administrative structure selected; and

- strong communications plan to ensure employee understanding.

A wellness plan's effectiveness and success measures depend on:

- its voluntary aspect and participation rates;
- an employee health audit;
- involving an employee group or tasks force on program design and strategy; and
- the possibility of return of premiums or premium reductions or other incentives.

Today, most EAPs and wellness plans are outsourced and a third-party administrator is often engaged to source the suppliers of such services. Group benefit advisors should familiarize themselves if their preferred insurers offer such programs. We have found that many wellness programs work well with health savings accounts where the employee can use a portion of his allotment towards a fitness club membership, for example. EAPs are generally more expensive because professionals are involved and typical plans put a fixed cap on utilization at so many hours per year.

We've come a long way since Bell Canada introduced the first EAP in Canada in 1947. We now need to work on getting the balance just right. **E**

MIKE McCLENAHAN can be reached at mike@benefitsbydesign.ca.