

## ANALYTICS IN ACTION

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# Is poor mental health affecting your bottom line?

**1 in 5**



**adults in the US are living with  
a mental health condition<sup>1</sup>**

<sup>1</sup>Centers for Disease Control and Prevention <https://www.cdc.gov/mentalhealth/learn/index.htm#:~:text=More%20than%201%20in%205,a%20seriously%20debilitating%20mental%20illness.&text=About%201%20in%2025%20U.S.,bipolar%20disorder%2C%20or%20major%20depression>

# Recognizing the mental health crisis in the U.S.

We all know that the COVID-19 pandemic exacerbated what was already a growing mental health crisis in the United States. During the first year of the pandemic, the prevalence of depression and anxiety increased by 25%<sup>2</sup>. Today, it is estimated that more than 1 in 5 adults in the United States are living with a mental health condition<sup>2</sup>. As employers scrambled to support their employees during the stressful and uncertain times of the pandemic, many recognized the role that employers can and should play to improve the mental health of their employees.

**The employers who are leading the way by offering robust mental health benefits and reducing stigma are finding that investing in employee well-being isn't just the “right” thing to do, it is also one of the best business decisions an employer can make. Let's find out why.**

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<sup>2</sup>World Health Organization <https://www.who.int/news/item/02-03-2022-covid-19-pandemic-triggers-25-increase-in-prevalence-of-anxiety-and-depression-worldwide>

# The business case for addressing poor mental health in your workforce

The financial hit employers take for poor mental health within their workforce is greater than they think. For years, employers have grossly underestimated the cost of mental health conditions by looking solely at medical and pharmacy costs. Until recently, these costs were minimal. For one, **employers only began offering mental health benefits as a standard practice in 2019<sup>3</sup>.**

The cost of common mental health treatments, like psychotherapy visits and drugs to treat depression and anxiety, are relatively inexpensive compared to other medical costs. But, by looking at broader health and productivity data, we recognize that these claims represent only a fraction of the total cost an employer bears. To understand the true cost, employers must also include the impact poor mental health has on productivity.

Year after year, mental health conditions are a leading cause of disability claims in the United States<sup>4</sup>. On average, the length of disability leaves for mental health conditions are twice that for other conditions (67 days vs. 34 days)<sup>5</sup>. Due to the high volume and long duration of these leaves, the impact to productivity is significant for employers. **Mental health conditions account for about 62% of total lost workdays<sup>5</sup>.** Further, employers are bearing the cost even when employees show up to work.

Research suggests that presenteeism (when an employee is working but not able to contribute fully due to a health condition) costs employers 4.6 times as many hours lost as absenteeism among workers with depression<sup>6</sup>. In addition, underlying mental health conditions can lead to employee turnover and increase costs associated with hiring and training new talent.



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<sup>3</sup>HR 101: The evolution of mental healthcare at work. (n.d.). HR Brew. <https://www.hr-brew.com/stories/2023/10/12/hr-101-the-evolution-of-mental-health-care-at-work>

<sup>4</sup><https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9969895/#B5>

<sup>5</sup>THE NATIONAL ALLIANCE ON MENTAL ILLNESS OF MASSACHUSETTS. BAD FOR BUSINESS: The Business Case for Overcoming Mental Illness Stigma in the Workplace

<sup>6</sup>Mental Health Stigma and How to Overcome it. (n.d.). Lyra Health. <https://www.lyrahealth.com/resources/mental-health-stigma/#:~:text=Here%20are%20a%20few%20ways>

Helping an employer  
evaluate their mental  
health benefit program  
holistically reveals

## eye-opening insights.



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Recently, the HDMS analytics team worked closely with an innovative employer to evaluate their mental health benefit program holistically. Like other employers vying for top talent, this employer values using its benefits as a tool to attract and retain top talent, including financial assistance for fertility treatments and well-being dollars for employees to spend on anything that supports their health. More specifically, HDMS worked with the client to ensure that the employees who go on disability leave for a mental health condition are connected to the resources they need to receive high quality treatment and successfully transition back to work.

### Going into the analysis, the client asked some important questions:

**Are employees accessing mental  
health services before going out  
on leave? If not, why?**



**After returning to work, are  
employees getting the support  
and care they need?**



**How much are disability leaves  
for mental health costing the  
organization in lost time at work?**







Here is what we found:<sup>7</sup>

**The top three conditions** for these mental health disability leaves were **depression, anxiety and ADD**

## 1 **Mental health conditions were the top driver of disability costs.**

The top three conditions for these mental health disability leaves were depression, anxiety, and ADD. And, **on average, an employee missed 60 days of work during their leave of absence.** Given the size of the client and number of disability leaves, this loss in productivity is significant.

## 2 **Over one in every three employees who went out on disability leave for a mental health condition did NOT receive any mental health care before their absence.**

For an employer who invests heavily in cutting edge mental health benefits, including offering free virtual therapy to all employees and their families, this was concerning. Even more concerning was that **25% of the employees with a leave associated with mental health also did not receive care upon returning from their absence.** Essentially, this analysis revealed that while the mental health programs the client has in place are successful when employees use them, there is still a subset of employees who are not accessing them.

<sup>7</sup>The data and statistics included in these stories are from an internal HDMS analyses. Results may vary by population.

# The HDMS analytic process

Despite the rich and innovative nature of the work, the actual project was simple.

**Using HDMS Enlight, the project team had all the health and productivity data they needed, already integrated in a single analytic environment.** The team worked with HDMS clinical experts to confirm study definitions as they assembled new dashboards using the flexible design environment. The team drilled into the data to better understand the population not accessing mental health resources — their age, tenure, job type, and role, among other characteristics.

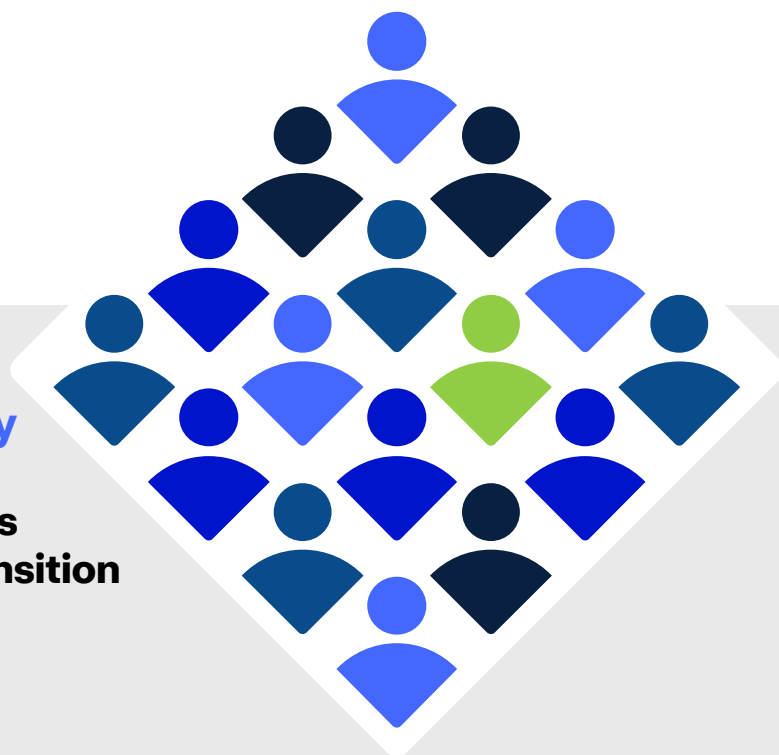
Opportunities were identified to leverage this information to target their communications and team up with their health concierge partner to bridge the gap.

Armed with these eye-opening findings, this client was positioned to develop a multi-faceted strategy to connect members out on disability leave with the resources they need to make a successful transition back to work.

And to encourage all employees to seek preventive mental health care through their point solution vendor and other resources.

The client also developed plans to further improve encouragement of employees to seek preventive mental health care through available point solutions vendors and other resources.

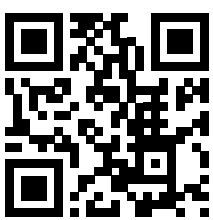
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# Create your own success story with HDMS

As you evaluate your mental health program, don't underestimate the impact mental health conditions can have on productivity. The HDMS Analytics Practice is here to help and share past client experiences to fast-track your analyses. Evaluate your mental health program holistically to better understand the needs of your population and the success of your programs:

- Quantify the true cost of mental health conditions for your population by including disability costs in addition to direct healthcare costs.
- Incorporate impact to productivity when calculating the ROI of your point solution vendors.
- Recognize that poor mental health can affect employee performance and productivity even when employees are present at work.



These analytic techniques can then be re-used for other health considerations and point solutions.

**Don't stop with just mental health. Ask us and we'll show you how.**

## **Analytic results vary for each population**

Health Data & Management Solutions (HDMS) provides health data and analytics solutions to payors. Based on the unique needs, health care consumption, and costs for each organization, analytic results will vary. The insights reflected in this paper are real results but specific to the populations studied. These results will vary for each unique population.