

## THE EAP BUYER'S GUIDE

Your Employee Assistance Program is...

*"A worksite-based program designed to assist in the identification and resolution of productivity problems associated with employees whose performance/conduct is adversely affected by personal concerns."*  
- Employee Assistance Professionals Association

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- ✓ *Reducing accidents*
- ✓ *Resolving workplace conflicts, complaints and*
- ✓ *Demonstrating a significant return on investment (ROI)*

Comparing and selecting the right EAP can be challenging, and assessing the pros and cons of the various delivery methods (e.g. internal programs, external EAP firms, managed care or insurance-based units) can be confusing.

### ***The EAP Buyer's Guide can help.***

The EAP Buyer's Guide is a best bet for purchasers looking to make informed decisions about selecting or designing an effective Employee Assistance Program and getting the most for your money.

As the global voice of employee assistance, **EAPA** – *the international Employee Assistance Professionals Association* – is providing this publication to help organizations receive the highest quality EAP service.

The EAP Buyer's Guide identifies the essential questions to ask during purchasing process, describes the critical components necessary for a comprehensive EAP service, and offers practical guidelines to help organizations choose the EAP that will support a healthier workforce, maximize employee productivity, and provide the greatest return on investment.

### **Selecting Your Employee Assistance Program (EAP)**

Selecting the best EAP for your organization is a key decision for employers and organizational leaders.

Your choice of the right EAP can have a positive, measurable impact on:

- ✓ *Raising the productivity of your workforce*
- ✓ *Lowering absenteeism rates*

The EAP Buyer's Guide details important facts to review with EAP provider organizations, brokers and consultants, insurance companies, or any entity offering Employee Assistance Program services, and ensures the selection of the right EAP for the best value.

### **Comparing EAP Packages**

"You get what you pay for" is true for selecting an EAP.

When evaluating Employee Assistance Programs, make certain that you are comparing "apples to apples."

Compare the individual service packages and how they best meet your needs. Resist "cost shopping" and simply choosing your EAP based on lowest price alone.

Buyers can and have been misled by unscrupulous group practices, counseling or healthcare providers, insurance companies and brokers who sell a traditional mental health service plan and tack on a limited employee counseling or referral service. This is NOT AN EAP.

In reality, this approach best resembles the basic database included with your new computer software package. It's cheap, too, but of little use or value. Smart purchasers select the tool that is designed specifically to best meet their particular needs.

*A quality EAP will offer a fair price, a full-service package and responsive service.*

Understand the details of each EAP package. Know exactly what critical components you are getting and what is not provided. (See next section.)

Full-service EAP packages should include the same essential core components, but the extent of service, the method of delivery, and responsiveness under different circumstances may vary widely.

### **The "WHAT" and "HOW" of EAP**

**WHAT** the EAP delivers determines whether it is a sound, comprehensive Employee Assistance Program – a real EAP.

The range of EAP services - crisis response, consultation, assessment, referral, communication, and management support – these are the critical components and the keys to determining the right fit and the right choice of EAP.

**HOW** these services are delivered may vary. EAPs come in several forms.\*

The most common:

- Internal EAPs (organization staffs and funds the EAP)
- External EAPs (owned and operated by external vendors)
- Internal/External collaboration
- Labor Union EAPs
- Managed care EAPs (linked or combined with mental health benefits)

*\*Depending on the size and location of the client population some EAP services are sub contracted by the EAP to local vendors, including counselors, trainers, and other local/regional EAPs.*

The format from which these services are delivered – the "HOW" – varies, but the *critical components* of the EAP and the quality and level of service should meet all the requirements for a comprehensive and effective EAP.

**EMPLOYEE ASSISTANCE PROGRAMS:  
CRITICAL COMPONENTS**

A full-service Employee Assistance Program should provide the Buyer with a set of comprehensive, integrated EAP services that meet the needs of the organization, the employees and their dependents.

***Here are the Critical Components you want for your EAP -***

***EAP Services for the Individual:  
(Clinical Services)***

**24-Hour Crisis Telephone Response**

Professional EAP counselors provide live, immediate telephone crisis counseling 24 hours/day, seven days a week. A toll-free number should be provided.

**Confidential Assessment and Counseling Services**

Licensed, professional counselors – experienced in providing EAP services – should deliver assessment and brief, solution-focused counseling in safe, private, confidential offices. Experienced EAP counselors should have earned the CEAP designation – Certified Employee Assistance Provider.

**Referral Support, Tracking and Follow-up**

The EAP should assist with referrals for long-term or specialized care based on assessed client need, recommended treatment, client preferences, financial and other resources. Follow-up and ongoing support is provided.

**Emergency Intervention / Critical Incident Stress Management**

Onsite assistance is provided in a timely fashion for emergencies, including critical incident stress management (CISM) defusing and debriefing, and other crisis response needs for management and employees

**Substance Abuse Expertise**

Given its disproportionately significant impact on the workplace, EAP providers should have specific knowledge, training and experience in the assessment and treatment of chemical dependency and other addictions.

**Access to Qualified EA Clinical Providers**

CEAPs and other licensed, professional EAP counselors should be available in sufficient numbers and in appropriate locations to deliver services within specified time frames for urgent and non-urgent services.

***What is a CEAP?***

*The Certified Employee Assistance Professional (CEAP) credential was created in 1986 to identify to the public and the profession those individuals who have met established standards for competent, client-centered practice and who adhere to a professional code of conduct designed to ensure the highest standards in the delivery of employee assistance services. The credential is now recognized by employers, human resources professionals, accrediting agencies, and employees as the standard in employee assistance.*

### **Dependent and Domestic Partner Coverage**

Comprehensive EAP services are typically provided for all eligible employees. Many EAPs serve dependents as well.

### **Guaranteed Confidential Recordkeeping**

EAP client records should be guaranteed complete privacy and protection. Employers, insurance companies or healthcare entities should have NO access to EAP records.

EAP records and all related private health information should be maintained in accordance with all state and federal laws and EAPA guidelines. The EAP should provide ongoing training for its provider network on confidentiality practices.

### ***EAP Services for the Organization: (Consultation, Training & Evaluation)***

#### **EAP Orientation for all Employees**

Onsite EAP orientations should be offered for all managers and employees.

(Many EAP vendors also provide internet websites or DVD programs for delivery of ongoing orientation programs.)

#### **Supervisory-Leadership Training**

Comprehensive EAP Leadership Training for managers and supervisors regarding use of effective management skills in the workplace.

Training may be delivered in a variety of formats, and cover topics such as effective supervisory skills, performance-based identification of troubled employees, the EAP management referral process, and consultation with the EAP.

### **EAP Communication/Awareness Materials**

The EAP should provide a variety of printed materials (e.g. posters, wallet cards), online services and other supports to maximize awareness in the workplace and promote easy access to EAP services and support.

### **EAP Policy Development and Coordination**

The EAP should consult with management and key liaisons at the onset of the program and periodically regarding the development of EAP policy statements, coordination with related policies and services, coordination with risk management activities, addition of onsite training programs and other support activities.

### **Labor Coordination**

The EAP should communicate effectively with labor unions and its worksite representatives, and coordinate services with existing labor support programs.

### **Management Communication and Consultation**

The EAP should provide on and off-site assistance with management referrals, "difficult" employees, workplace conflicts, return-to-work conferences and other identified needs of the workplace.

### **Annual and Periodic Utilization Reports**

The EAP Services should provide comprehensive, user-friendly EAP utilization and activity reports customized specifically for the organization's benefit.

### **EA Program Evaluation**

Comprehensive, customized EAP service outcomes reports should be provided that track key success indicators, including return on investment.

### **Client/Company Satisfaction Evaluation**

Customized client and organization satisfaction reports should be provided.

## **SUPPLEMENTAL EAP SERVICE COMPONENTS:**

EAP providers may add value by delivering additional services that are separate from – but often linked with – EAP services. These are considered supplemental services, not replacements for critical EAP components.

### **DOT-required Substance Abuse Evaluations**

Comprehensive mandated evaluation, referral and monitoring services conducted by DOT-qualified Substance Abuse Professionals (SAP's).

### **Work/Life Service Supplement**

A comprehensive array of employee and family support services, education programs and referrals for a wide range of personal and family needs.

A number of other services may be offered in conjunction with the EAP service package. Adding other supplemental components may provide additional value for your organization, but don't allow such services to be substituted for – or conflict with - your core EAP service package.

## ***MAKING THE RIGHT CHOICE: WHAT SEPARATES A QUALITY EAP FROM THE REST?***

Once you begin to evaluate EAP providers and packages, there are several key questions you will want to address in the selection process. Asking these additional questions will help you select a quality, professional EAP:

### ***Is There A Guarantee of Privacy?***

*All EAP client records should remain completely confidential and protected. EAP records should be kept separate from other personal health or insurance records.*

### ***Does the EAP Provide On-site Service Delivery?***

### ***Do You Receive Direct Management Communication and Support from the EAP?***

### ***Will You Receive Timely, Knowledgeable Crisis Response?***

*The EAP should be visible and responsive in a crisis, and provide timely, customized on-site Critical Incident Stress Management services and crisis response at ALL workplace locations where needed.*

**Does the EAP Offer Proven Results?**

The EAP should track and provide annual research-based, utilization, satisfaction and client-specific return-on-investment (ROI) reports.

**Are You Getting A Dedicated EAP Network?**

Are the providers EA professionals, or are they behavioral health counselors with no EAP credentials?

Does the EAP guarantee availability of non-urgent and urgent appointments in a timely and responsive fashion – from a qualified EA professional including Certified Employee Assistance Professionals?

*“You want your accountant to be a CPA, and you want your EAP counselor to be a CEAP.”*

**Will You Receive Quick and Useful Communication?**

Can you deal directly with the EAP Provider’s decision makers for quick response to all management and consultation needs?

**How Does the EAP Track Client and Service Utilization?**

The EAP should clearly define how it tracks utilization of EAP services. Do the utilization figures separate employees from dependents? Do the utilization figures separate phone calls? Trainings and consultations? How does utilization compare to national averages?

**How does the EAP Measure Client Satisfaction?**

The EAP should utilize a reliable data collection process that delivers valid, measurable client and organization satisfaction ratings.

*Beware of “Phantom Networks.” Companies bidding for your EAP business may boast of “100 providers” in your area. But frustrated EAP clients often find that many participants in the so-called provider network are not accepting new clients – or report long delays for appointments.*

**Special Note:**

**EAP for small businesses**

Small businesses that have difficulty finding coverage may want to contact EAPA to find small business EAP providers in their area. As an alternative, small businesses can join an association or consortium that offers group EAP services for their members.

**EAP PRICING**

Employers’ costs keep rising. According to the Kaiser Family Foundation/HERT Employer Health Benefits 2004 Annual Survey, the costs for providing health insurance increased by an average of 11.2% in 2004, the fourth straight year of double-digit premium increases.

The costs of EAP, however, have remained relatively stable over the past decade. Why?

The positive causes for the price stability include increased competition and advanced technologies. The negative influences include predatory pricing practices and use of the EAP as a “loss leader” for bundled insurance products.

***Pricing and its Ethical Issues with External Employee Assistance Programs:***

Most external or outsourced EAPs are priced on a per capita basis - a fixed sum paid by the work organization to the Employee Assistance Program. For this fixed or "capitated price," an external EAP is responsible for providing all services specified in a written contract.

Ethical concerns arise when an established "per-capita" rate is insufficient to fund all contracted services. Low capitated bids can result in a budgetary shortfall for the EAP, and this economic pressure may drive an EAP to deliver limited or substandard services. Additionally, unethical EAPs that underestimate utilization may seek to limit that utilization and choose to reduce or "slow" the delivery of critical services.

**Watch out for EAPs that offer a low price and then...**

- Inflate utilization rates by counting information-only telephone calls, brief telephone intakes, or mixing previously opened cases.
- Offer a short-term model (1-6 sessions) and referring out after one session.
- Fail to promote the program as a way to prevent utilization
- Offer fewer services than promised.
- Misrepresent capabilities and outcomes when describing program activities.
- Utilize unqualified or poorly trained, less costly staff to provide services.

- Sub-contract services to under-qualified affiliate providers at lower rates.
- Exaggerate the scope and availability of an EAP affiliate network and including providers not active in the network (phantom networks).
- Encourage clients to rely on Internet or telephone intervention as the primary clinical medium.
- Seek to renegotiate the contract within a short time period.

***Potential Safeguards***

- ✓ Carefully assess the adequacy of the compensation rate to ensure that client care, access, promotion, and workplace services are not threatened by rates too low to do the job. Avoid accepting a bid that is insufficient to fund the proposed EAP services.
- ✓ Ask how utilization rates are calculated and reported, how a case is defined, and what clinical medium was utilized (e.g. telephone, internet, and face-to-face).
- ✓ When services are "bundled" (e.g. the sale of two or more products in a package such as "EAP" and "Work-Life") or when EAPs are "embedded" and sold as an "add-on" in a health or disability plan package, require disclosure of any financial arrangements that could impact service delivery of all critical components.

**Types of EAPs to avoid:**

**1-800 EAPs:**

Are you being offered only a low cost toll-free line, telephone or internet counseling and no other support? This might provide a limited and relatively cheap component of service, BUT it is not an EAP. Don't be fooled.

**Mental Health "Add-on" EAPs:**

Insurance firms or managed health plans may offer an "EAP" by providing the first 3 visits of the mental health plan "free" to the employee. The employee is then rolled over into the mental health benefit. Problems? Confidentiality, unqualified EAP providers, lack of contact with the workplace, unexpected fees, and other ethical questions abound.

**"Group Practice" EAPs:**

If a local group of psychologists or a mental health practice begins offering EAP, evaluate the service very carefully. They may be good at what they do, but unless the practice has experienced or CEAP-qualified EAP providers, a specific EAP service team and a commitment to delivery all core functions, they are more likely to be looking for a new and "easy" revenue source at your expense.

**Only trained, experienced EAP staff and EAP-knowledgeable subcontract providers should deliver EA Services to your organization.**

Unfortunately, it seems that many employers still select their EAP provider strictly on the basis of price. Although a price tag may be low, the actual cost of a poor decision can be high – especially in times of crisis or when the need for EAP assistance is the greatest.

**Note:** Costs for EAP services vary by region, by country and by level of service.

**Dealing with Brokers**

You may also be offered EAP contract service agreements that are "written" or sold by brokers who work for large agencies, or by self-employed agents. Often, such agencies will handle multiple benefits for a company: health, dental, and vision plans, life insurance, and more.

Such bundled agreements allow an organization to develop a relationship with a single broker or health care group that may offer efficiency through a single contact for services and easier bookkeeping for the company.

*Make good business sense, right? Not necessarily.*

EAP is a performance improvement and workplace support benefit. Companies that simply add an EAP as an extension of health care/mental health services **will fail** to gain the workplace value and economic benefits of EAP as a workplace productivity tool and management consultation service.

If your EAP is delivered from or within a mental healthcare package, it is critical to consider these questions:

**Are you receiving the benefits of a full service EAP, or is it treated like a 'loss-leader' by the provider?**

**Is the EAP strengthening supervisor performance and helping to reduce turnover?**



***Is the EAP qualified and available to help resolve workplace conflicts?***

***Are the EAP records kept confidential and separate from health records?***

***Tips if you are dealing with a broker:***

The broker you choose should be very knowledgeable about EAPs and experienced in dealing with firms of similar size and in the same industry as your own. Remember that the broker works for you: they should be able to help you get the best EAP and the best fit for your organization.

*Key question: Even during the evaluation process, how long did it take the broker to return your calls and answer your questions?*

**Watch out!**

While most brokers are honest and ethical, some may not present competing EAP proposals fairly.

An unscrupulous broker who receives a higher fee or other considerations from certain providers may offer a cursory search that purports to compare available programs, but will likely recommend the broker's pet provider "partners."

As with any business purchase, if you are quoted a price that seems too good to be true, be suspicious. If you have doubts about the legitimacy of a broker or insurer, call your state insurance commission or licensing agency for verification. Good interviewing and reference checks will also help avoid making the wrong choice.

**Note:** Health insurance agents and brokers are paid by the insurer, based on the value of the service package you purchase. If you use a broker to provide EAP services, you may have to pay additional fees as well.

### **HOW EAPA CAN HELP:**

Established in 1971, the Employee Assistance Professionals Association (EAPA) is the world's oldest and largest membership organization for employee assistance professionals, with approximately 5,000 members in the United States and more than 30 other countries. EAPA hosts an annual conference, publishes the *Journal of Employee Assistance*, and offers public service information, education, training and other resources to enhance the skills and success of its members and the stature of the employee assistance profession.

As the most influential and respected organization in the industry, EAPA serves as the global voice of the employee assistance field.

***For more information on EAP services and referrals to EAPA member providers and member organizations in your area...***

***contact EAPA at 1-703-387-1000 (USA) or via the EAPA website at: [www.eap-association.org](http://www.eap-association.org)***

**Here are a few recent examples of documented EAP outcomes:**

- Chevron has recognized savings of \$50,000 per case from reduced turnover due to EAP use. Chevron also reported *“employee performance improved 50% following a supervisor referral to the EAP.”*
- An Abbott Laboratories study reported a 6 to 1 return on dollars spent for the EAP, and noted that the average employee who utilized the EAP spends \$10,000 less for inpatient medical costs than non-EAP clients over a three-year period.
- Virginia Power reported a 23% reduction in medical costs for employees using the EAP.
- Campbell Soup Company saved 28% in mental health costs using its EAP
- In a landmark study, the Northwestern National Life Insurance Company noted, *“Providing an Employee Assistance Program is one of the top ten actions an organization can take to reduce the potential for workplace violence.”*

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