

NATIONAL BEHAVIORAL CONSORTIUM INDUSTRY PROFILE OF EXTERNAL EAP VENDORS

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www.nbcgroup.org

Purpose of the Study

- The study provides empirically derived benchmarking data for external providers of EAP services.
- It addresses many of the key metrics and characteristics that define the external EAP field. It also explores business practices.
- This study is the first to provide publicly available benchmarking information based on a large and diverse sample of providers.

Study Sponsor - EARF

- This study was supported by a grant from the Employee Assistance Research Foundation (EARF).
- The Foundation exists to stimulate innovative, rigorous, and theory-based research activities in the field of EAP.
- In September 2010 the Foundation issued its first call for abstracts of original research study proposals to advance the “Understanding the Current State of the EAP Field.”
- Many organizations submitted abstracts and a smaller number of applicants were invited to submit full proposals.
- In March 2011 the Foundation announced that ISW Limits / University of Leuven (located in Belgium) and the National Behavioral Consortium (located in the United States) were each selected to each receive a \$40,000 grant.
- Website: www.eapfoundation.org

Study Methodology: Survey Development

New questionnaire created for the study

- Panel of Industry Experts
- Pilot Tested & Revised
- 44 Items selected from initial pool of 71

Survey Questions in 8 Categories

1. Corporate Structure
2. Staffing
3. Client Companies
4. Utilization Metrics
5. Survey Tools & Outcomes
6. Business Management
7. Business Development
8. Forecasting the Future of EAP

157 total unique data points if all 44 items fully answered

Study Methodology: Sampling Strategy

- STEP 1 = Targeted large carriers in the US and Canada:
Sampling frame based on number of covered lives
 - US vendors with > 2 million covered lives
 - Canadian vendors with > 1 million covered lives
- STEP 2 = Multi-stage snowball sampling method
 - email invitations to participate widely distributed
 - Promotion of study from EAPA, EASNA & others
 - Two waves in 2012:
 - 1 = May-July = 66 participants
 - 2 = October-November = 16 participants

Study Methodology: Summary of Sample

- 130 total respondents entered website tool
- 48 responses rejected as invalid
 - 40 incomplete questionnaires rejected
 - 8 other duplicate responses rejected
- 82 EAP companies provided valid questionnaires
- Final Sample of 82 External EAP Provider Companies

Study Methodology:

Large Market Target Sampling Results

- 16 external EAP providers with a large market share in US or Canada were targeted initially to participate. We were successful in obtaining majority of both sampling frames:
 - 8 of 11 (72%) targeted in US with > 2 Million covered lives
 - 5 of 5 (100%) targeted in Canadian with > 1 Million covered lives
- In total sample of 82 companies, the number of providers with a customer book of business at greater than 1 million covered lives:
 - USA 12
 - Canada 5
 - United Kingdom 3

Significance of Study Sample: N with client population data

Of the 82 companies, 64 provided data on the number of total customers and 65 provided data on the number of covered employees and total covered lives (employees + spouse + dependents) for their entire book of business. In aggregate, these companies have:

- Over 29,000 customer organizations
- Over 62 million employees
- Over 146 million covered lives

Significance of Study Sample: Estimated for full N = 82

Client Companies Calculations

Number of Client Companies in Year 2011	Cases with data		Cases with missing data	
	<i>n</i>	<i>Mean</i>	<i>n</i>	<i>Estimated Total</i>
Local	13	103	3	309
Regional	16	262	4	1,048
National	19	304	9	2,736
International/Global	16	1,106	2	2,212
Total	64		18	6,309
Estimated Grand Total for all 82 EAP vendors	29,008 actual + 6,309 estimated = 35,313 Client Companies			

Significance of Study Sample: Estimated for full N = 82

Covered Employee Calculations

Number of Covered Employees in Year 2011	Cases with data		Cases with missing data	
	<i>n</i>	<i>Mean</i>	<i>n</i>	<i>Estimated Total</i>
Local	11	44,723	5	223,615
Regional	13	131,397	7	919,779
National	24	893,536	4	3,574,144
International/Global	17	2,269,029	1	2,269,029
Total	65		17	6,986,567
Estimated Grand Total for all 82 EAP vendors	62,218,482 actual + 6,986,567 estimated = 69,205,049 Covered Employees			

Significance of Study Sample: Estimated for full N = 82

Covered Lives Calculations

Number of Covered Lives in Year 2011	Cases with data		Cases with missing data	
	<i>n</i>	<i>Mean</i>	<i>n</i>	<i>Estimated Total</i>
Local	11	102,687	5	513,435
Regional	13	340,122	7	2,380,854
National	24	2,371,934	4	9,487,736
International/Global	17	4,967,674	1	4,967,674
Total	65		17	17,349,699
Estimated Grand Total for all 82 EAP vendors	146,928,051 actual + 17,349,699 estimated = 164,277,750 Covered Lives			

Significance of Study Sample: Client population estimated for full N = 82

When estimating these same counts for the other companies with missing data (based on using medians for market size categories), the revised aggregate totals for all 82 companies are:

- Over 35,000 customer organizations
- Over 69 million employees
- Over 164 million covered lives

Major Findings

Results by Area

1. Company Profile
2. Company Size
3. Quality Indicators
4. Contract Features
5. Counseling Services
6. Profile of Users
7. Utilization Metrics
8. Survey Tools & Outcomes
9. Tests of Group Differences in Benchmarks – Market Size; Country, Pricing
10. Business Management
11. Business Development
12. The Future of External EAP
13. Comments

Results – Part I

Company Profile

RQ1. Company Profile – What are the most common descriptive characteristics of external EAP vendors as a company (e.g., location, corporate structure, tax status, and so on)?

Sample: Major Groups by Location

United States = 70%	58 companies	28 states
Canada = 15%	12 companies	4 provinces
Non US/CAN = 15%	12 companies	10 countries

Survey Item: Please identify the location of your company headquarters using the drop down list below

Sample: Countries Represented by Location of EAP Company HQ

Argentina

Canada (12)

India

Ireland

Netherlands

New Zealand

Philippines

Russian Federation

Singapore

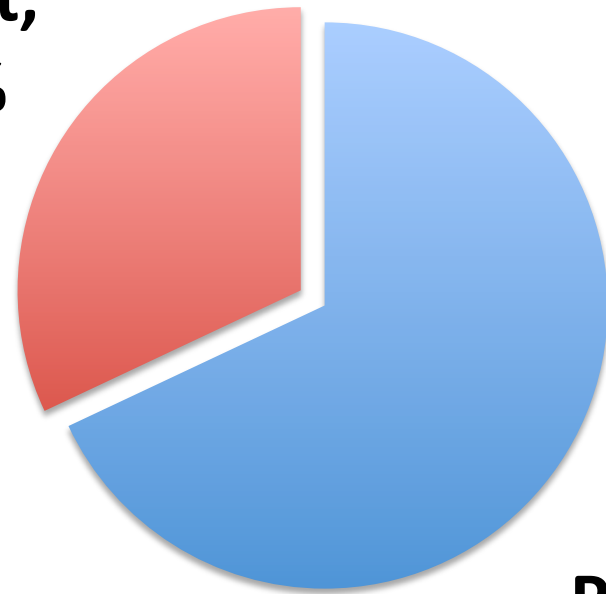
Turkey

United Kingdom (3)

United States (58)

Tax Model

**Not for
Profit,
32%**



**For
Profit,
68%**

Survey item: Is your company “for profit” or “not for profit”?

(n = 82)

Type of Business

- Free Standing EAP = 60% (49)
- Hospital or Health Care System = 15% (12)
- Insurance Company or Health Plan = 9% (7)
- Managed Behavioral Health Organization (MBHO) = 7% (6)
- Community Behavioral Health or Social Service Agency = 7% (6)
- Third Party Administrator (TPA) = 1% (1)
- Other = 1% (1 case of non-profit family service agency)
- Disability Insurance Plan = 0%

Survey Item: Please check the following item, which best describes your company: (Select ONE)

(n = 82)

Ownership Type

- Corporation – Other = 26% (21)
- Corporation – Private Closely Held = 22% (18)
- Corporation – Publicly Traded = 17% (14)
- Limited Liability Corporation (LLC) = 16% (13)
- Corporation – Subchapter S (S-corp) = 11% (9)
- Sole Proprietorship = 6% (5)
- Partnership = 2% (2)

Survey Item: Which of the following best describes the ownership type of your EAP company: (select one)

(n = 82)

Years in Business

Total Sample:

- Mean = 24 years
- Median = 25 years
- Range = 1 to 40

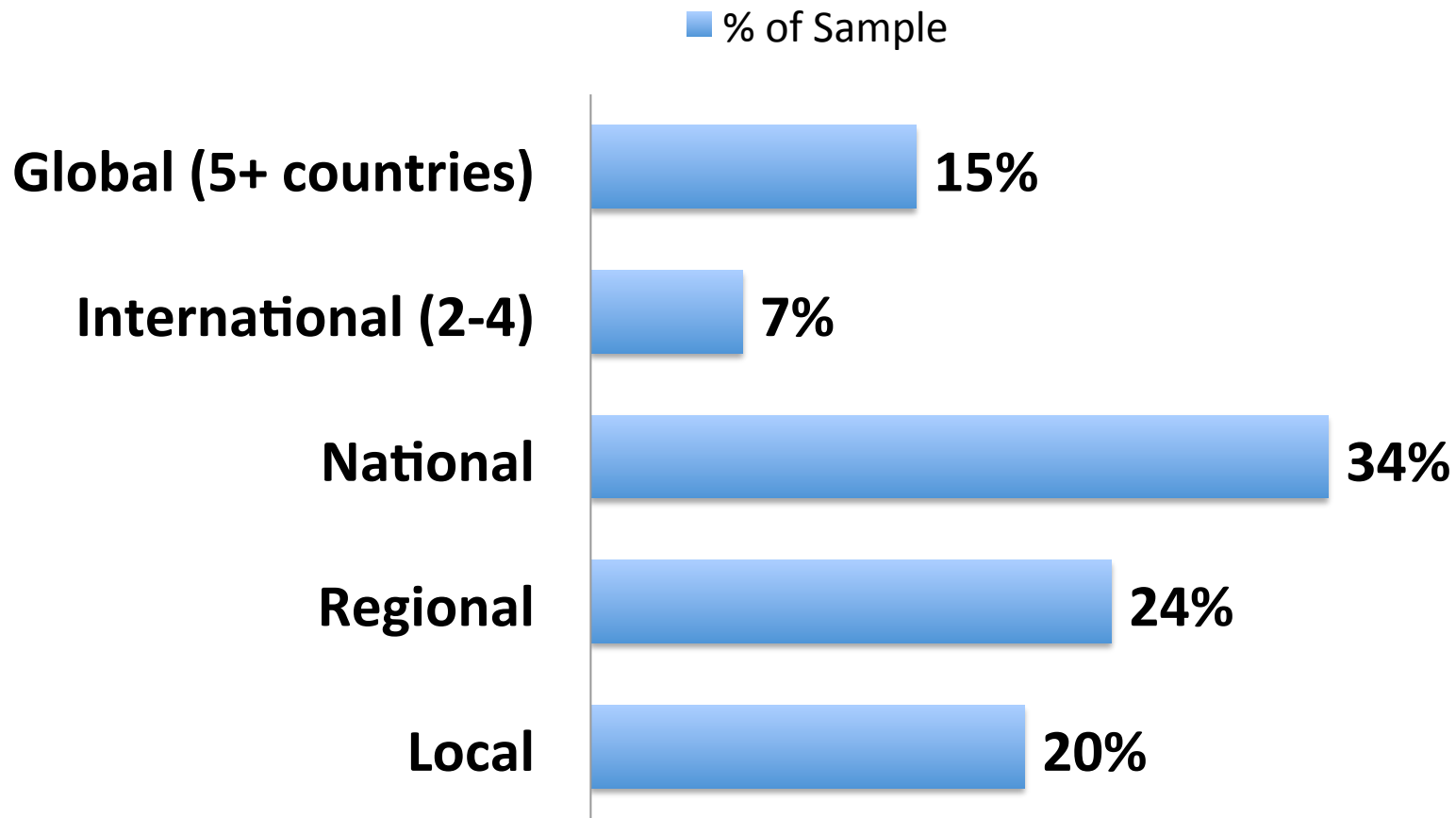
Categories:

- 1-4 years = 4%
- 5-10 years = 9%
- 11-19 years = 13%
- 20-29 years = 40%
- 30-40 years = 34%

Survey Item: What is the total number of years your company has provided EAP Services?

(n = 82)

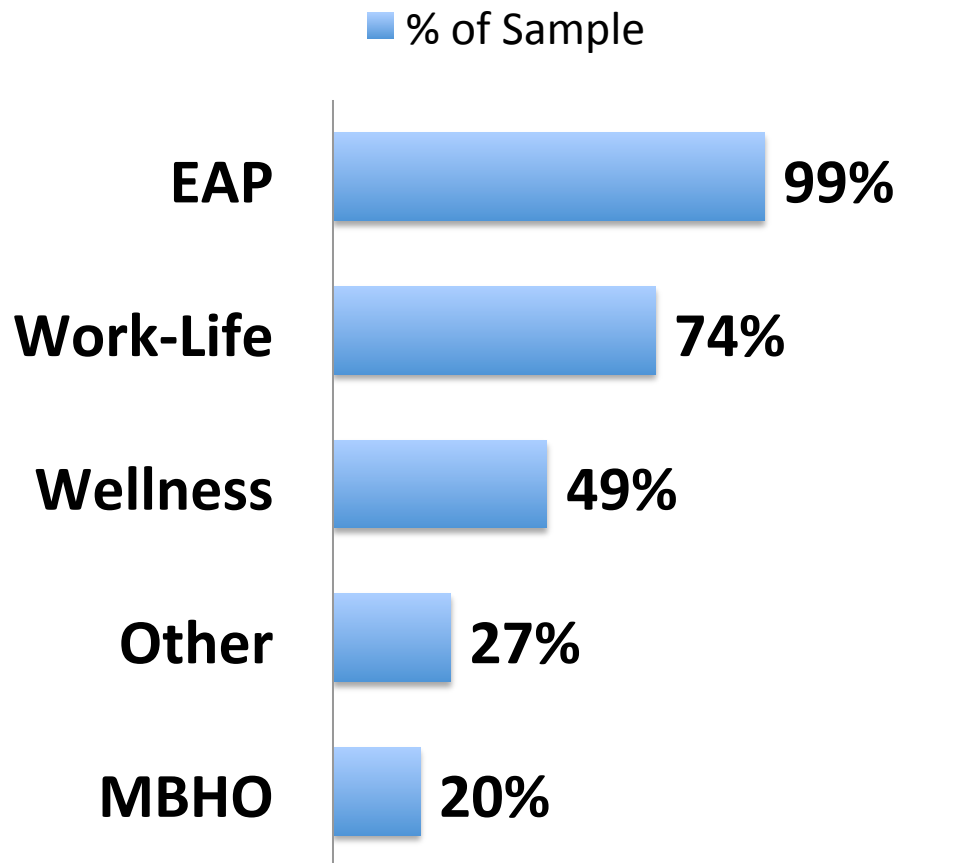
Market Size



Survey Item: Which item below best describes where you sell / market EAP services?

(n = 82)

Primary Services Offered



Other = training, addiction, disability, coaching, and other specialty services

(n = 82)

Survey Item: What are the primary services offered by your company?
Please check three or less.

Primary Services Offered - Detail

Offer only 1 = 7% (all offered EAP)
 Offer two services = 27%
 Offer 3 services = 66%

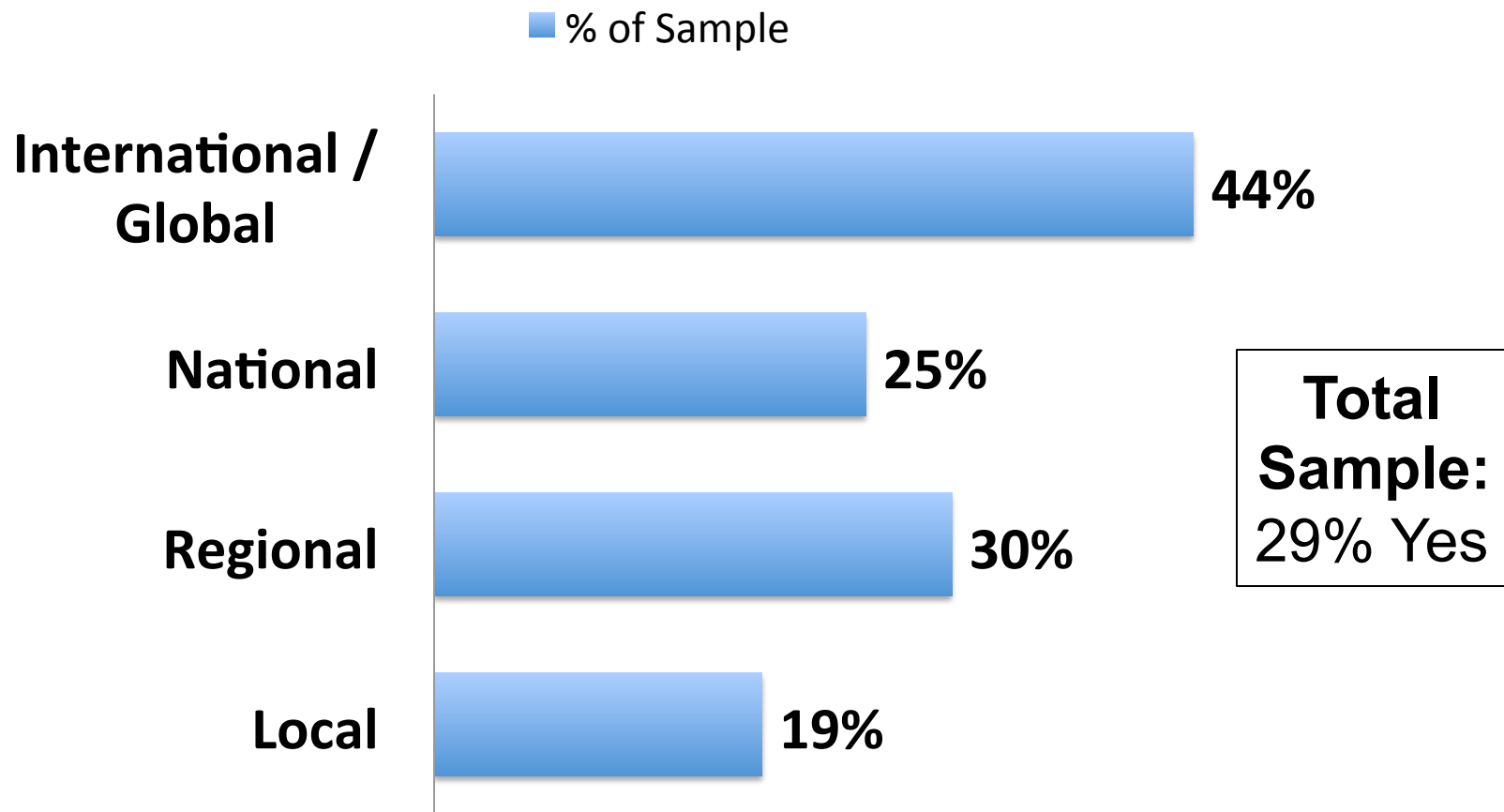
Note: two-thirds of “EAP” companies now offer two other kinds of services in addition to the core EAP services

Pairings of Services Offered:

N = 82	Work-Life	Wellness	MBHO	Other
EAP	60 (73%)	40 (49%)	15 (18%)	22 (27%)
Work-Life		34 (42%)	10 (12%)	15 (18%)
Wellness			5 (6%)	6 (7%)
MBHO				3 (4%)

(n = 82)

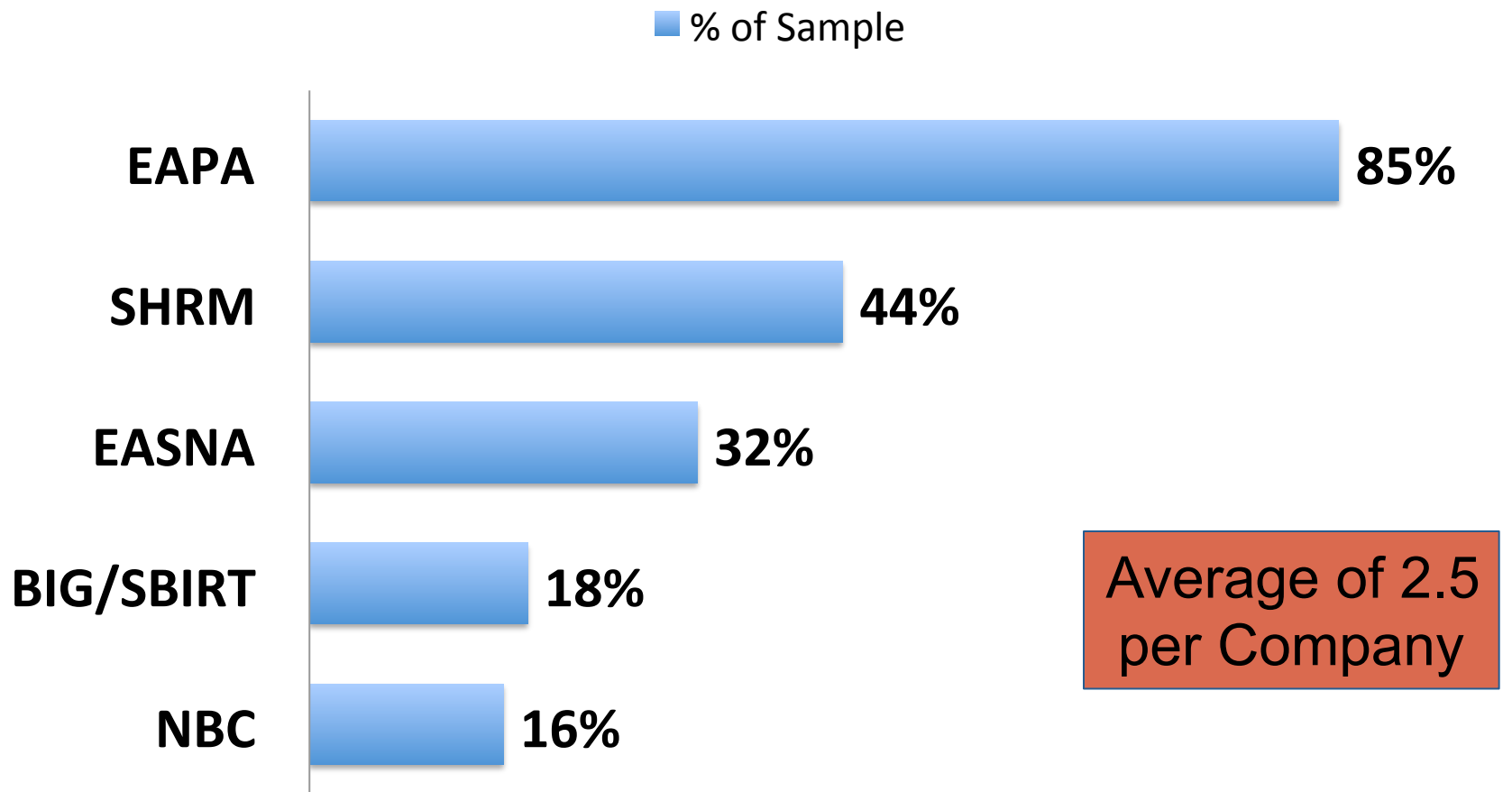
Mergers & Acquisitions by Market



Survey Item: Has your company been part of a merger or acquired another company during the past three years (2009, 2010 or 2011)?

(n = 82)

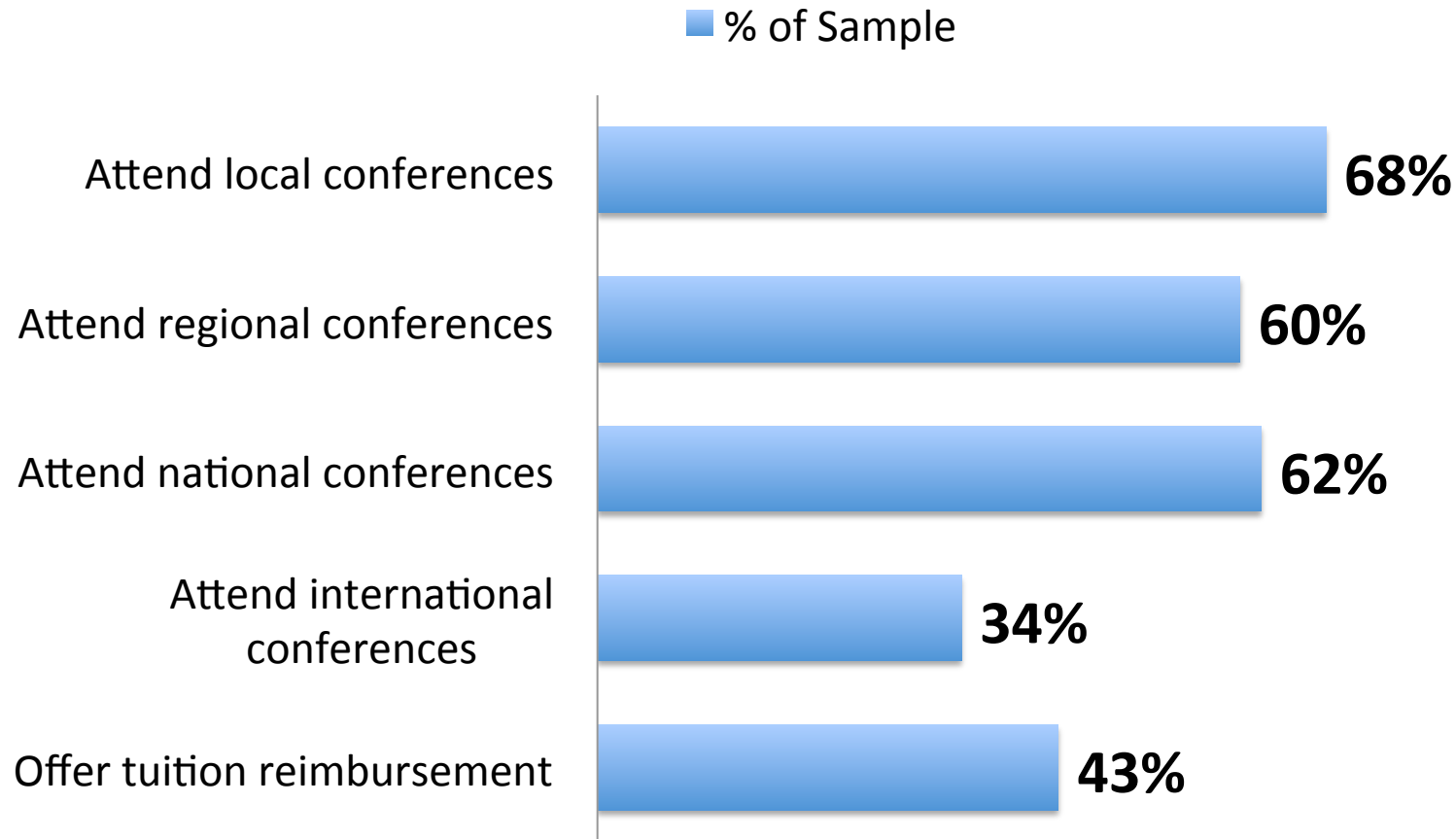
Membership in Industry Associations



(n = 82)

Survey Item: Please check each of the following associations that your company was a Member of during the 2011 calendar/fiscal year?

Company Financial Support for Staff Development



Survey item: Please check each item listed below that your company supported with funding for employee professional development in the 2011 calendar/fiscal year.

(n = 82)

Results – Part 2

Company Size

RQ2. Company Size – What is the size of external EAP vendors in terms of the number of customer contracts, covered populations and staff?

Number of Total Client Contracts in Book of Business

Total Sample:

- Mean = 453
- Median = 165
- Range = 1 – 6,500

(n = 64)

Number of Covered Employees in Book of Business

Total Sample:

- Mean = 957,207
- Median = 128,978
- Range = 4,752 – 10,476,190

(n = 65)

Number of Covered Lives (Employees + Dependents) in Book of Business

Total Sample:

- Mean = 2,260,432 (2.3 Million)
- Median = 333,003
- Range = 8,098 – 24,500,000

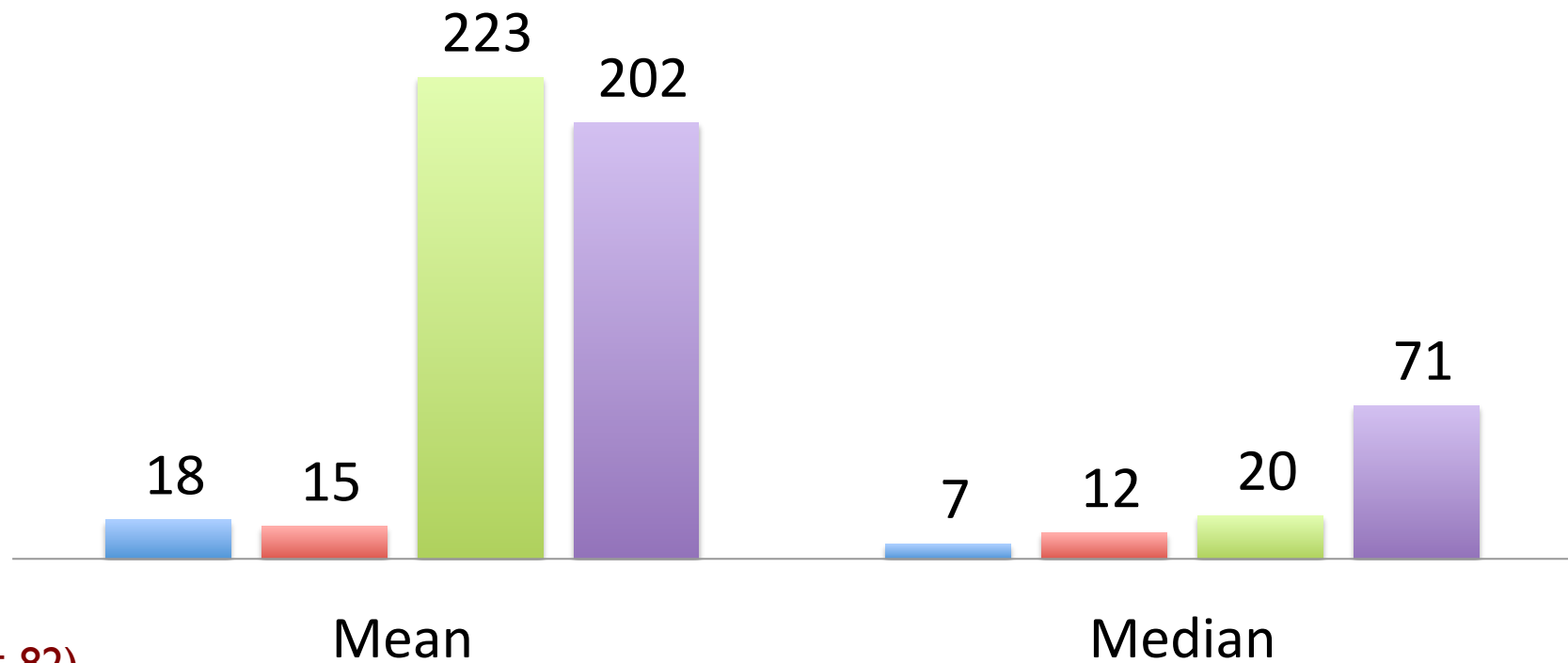
Ratio of Covered Lives
To Covered Employees:

2.43:1:00

No. of FTE Staff Dedicated to EAP by Market

Total Sample: 128 mean / 16 median / 1 - 4,800 range

Local Regional National International / Global



(n = 82)

Ratio of Staff per Covered Employees

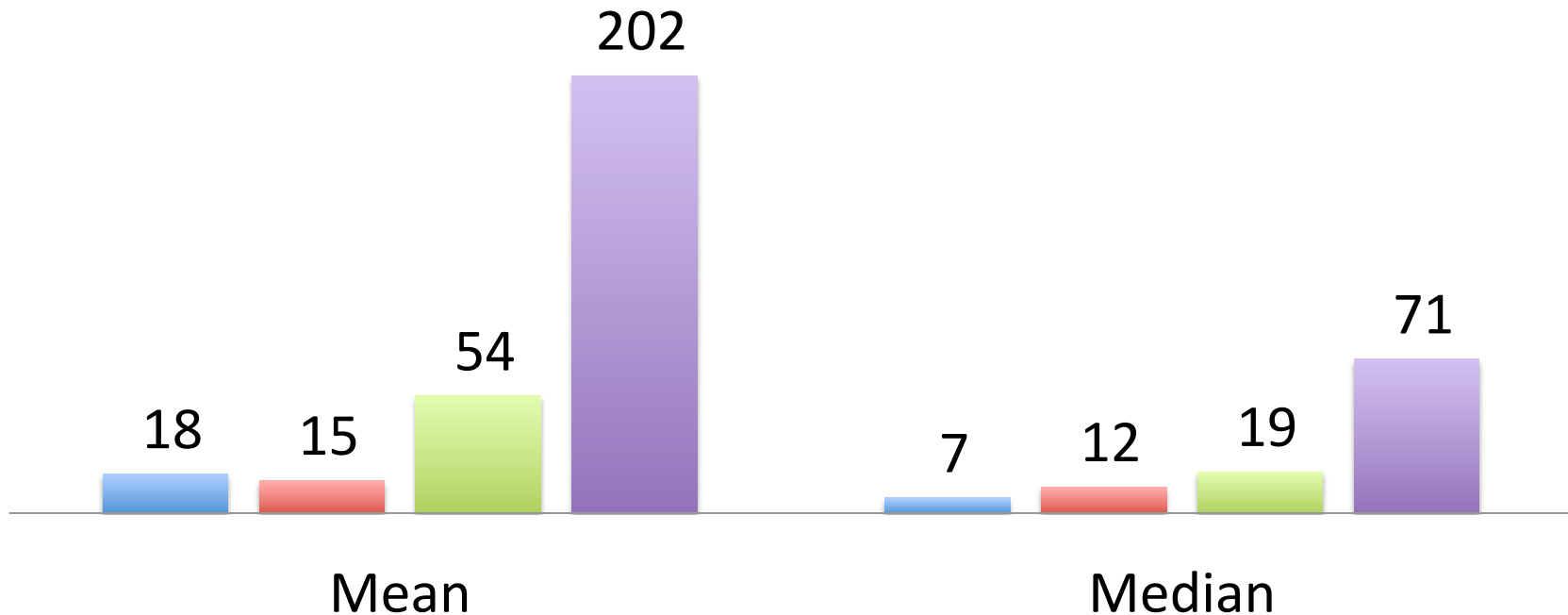
Total Sample:

- Mean = 1 EAP Staff person per every 13,362 covered employees
- Median = 1 EAP Staff person per every 6,222 covered employees

No. of FTE Staff Dedicated to EAP by Market (revised)*

Total Sample: 70 mean / 15 median / 1 – 1,000 range

■ Local ■ Regional ■ National ■ International / Global



(n = 81; note: *excludes one national vendor with 4,800 staff)

Ratio of Staff per Covered Employees (revised)*

Total Sample:

- Mean = 1 EAP Staff person per every 13,552 covered employees
- Median = 1 EAP Staff person per every 6,236 covered employees
- Range = 60 to 127,272

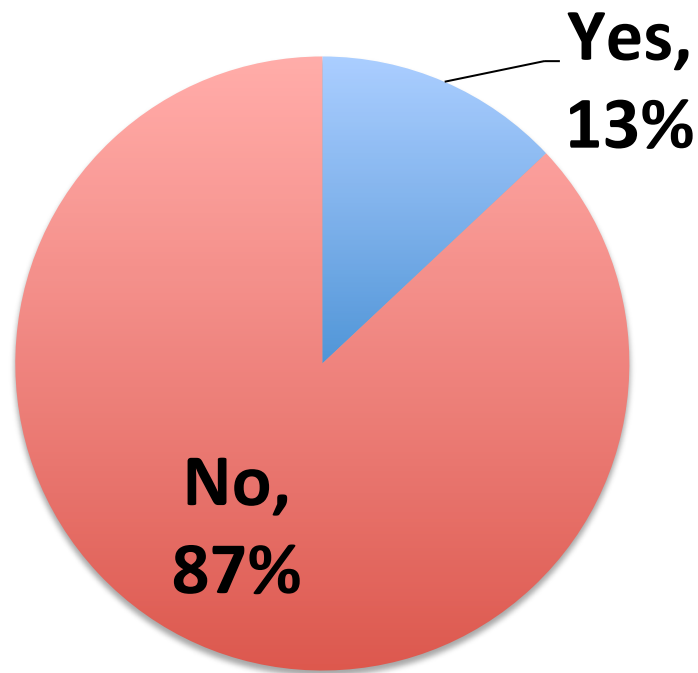
(n = 64; note: *excludes one national vendor with 4,800 staff)

Results – Part 3

Quality Indicators

RQ3. Quality Profile – How often are industry-defined indicators of quality of service (program accreditation and individual certification) present at external EAP vendors?

Program Accredited for EAP Services by the Council on Accreditation (COA)



Yes = 11 Total
Companies of 82

By location of HQ:

6 Canada = 50%

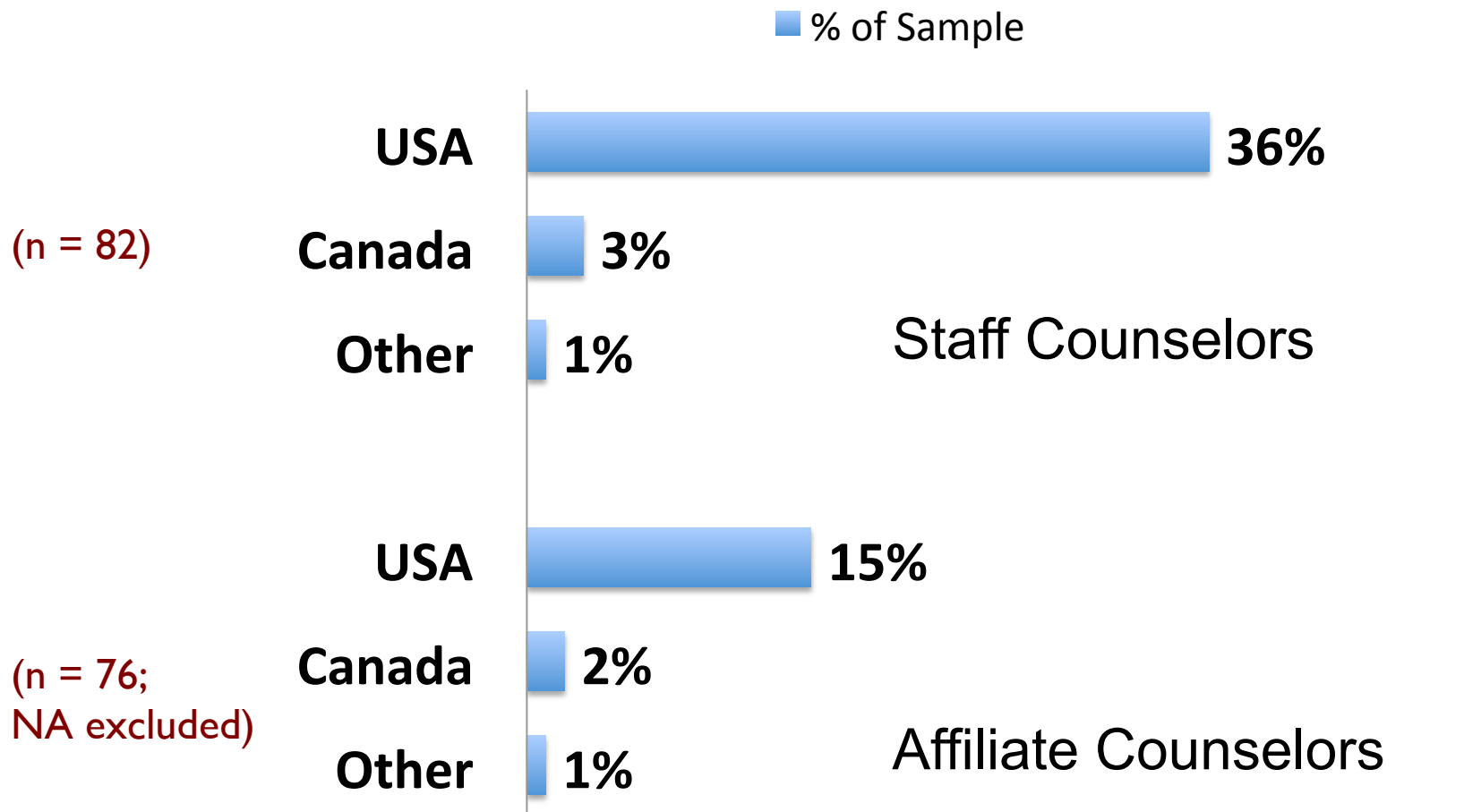
4 US = 7%

1 Internat. = 8%

In calendar/fiscal year 2011, was your EAP accredited by the Council on Accreditation (COA) to provide EAP services in North America?

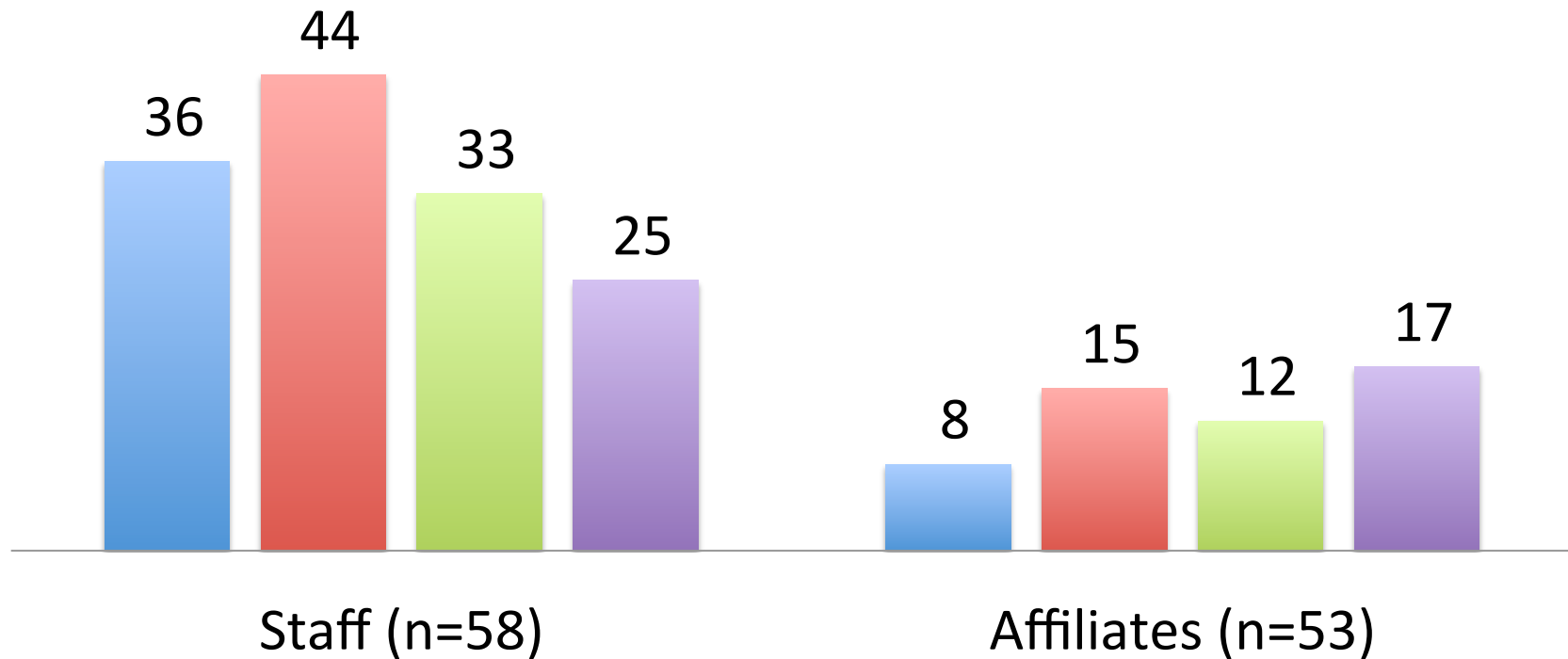
(n = 82)

EAP Counselors with CEAP Professional Certification by Country



EAP Counselors with CEAP by Market in United States

Local Regional National International / Global



Note: Group differences not statistically significant

Results – Part 4

Contract Features

RQ4. Contracts Profile – What are key features of the business contracts for EAP services with customers of external EAP vendors?

Product Pricing Options

Question on the Survey:

Capitated Fee A Cap Rate is typically defined as a fee applied to a particular population and time period. For example: \$1.25 per employee per month.

Fee for Service Fee for Service is typically defined as a specific total price for a set of EAP services for a given time period with a particular customer.

Bundled or Embedded Fees for the EAP service are not seen by the end-user customer organization, as they are included in with the total cost for a larger bundle of services or products purchased by the customer – such as insurance. In this case, the insurer purchases the EAP and includes it in their set of services that they sell to other companies and organizations.

Average Mix of Pricing Options Across All EAP Contracts

Pricing Model	% of all customer contracts	% of EAPs with this model as dominant (> 50% of contracts)
Capitated	71%	78%
Fee for Service	18%	13%
Bundled (“Free”)	11%	9%

Mix of models in sample:

Only 1 model = 13% (all capitated)

Any 2 models = 61%

All 3 models = 26%

(n = 78)

Continuation of Clinical Cases

Question on the Survey:

This question pertains to your book of business in the 2011 year. Were your EAP staff or affiliate counselors allowed to continue to provide services to the same clients after the maximum session limit had been reached? This includes when counselors make referrals to themselves beyond the EAP to continue services.

Continuation of Counseling Cases

Allow Continuation of Cases After EAP with the Same Counselor from the EAP?:

- Yes, allowed for all or most contracts = 58%
- Yes, allowed but only for a few contracts = 24%
- No, continuation not allowed = 18%

(n = 78)

Gatekeeper Role for EAP

Gatekeeper Role with Counselor Cases?:

- Average of yes in 9% of contracts in total sample
- Range 0 to 100% of clients

- 74% had zero clients with this role
- 26% had one or more clients with this role
 - Within those with Yes; it was about a third of contracts

Survey Item: For your book of business in the 2011 year, what percentage of your client company contracts required the EAP to act as a “gatekeeper” for individual users to grant access to sponsored behavioral/mental health treatment benefits?

(n = 80)

Client Departments with Authority for EAP Account Management

Question on the Survey:

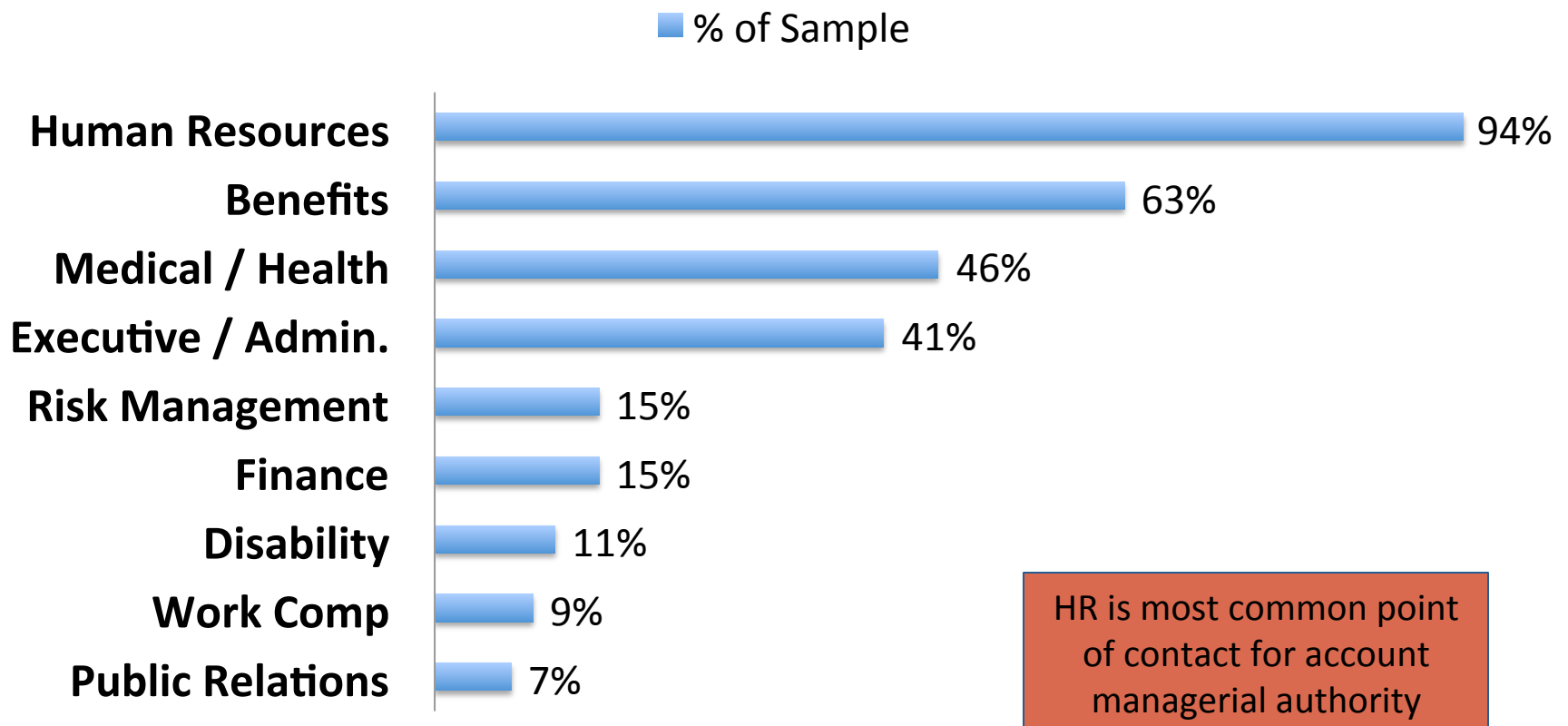
Client companies have a variety of options for which department can have managerial authority over the EAP. For example, at one client company the managerial authority for the EAP may be in Benefits and at another it may be the CFO in Finance. For your book of business in 2011 year, please rate the frequency that each of the following departments had primary managerial authority over the EAP.

9 Factors.

Rated on 5-point Scale.

Client Departments with Authority for EAP Account Management

Rating of Often (4) or Almost Always (5)



(n = 80-82)

Results – Part 5

Counseling Activity

RQ5. Counseling Profile – What is the clinical activity profile for counseling services provided by external EAP vendors?

Average Number of Counseling Sessions per Case

- Mean = 2.47
- Median = 2.36
- Range = 1.15 – 4.68

(n = 45)

Distribution of External EAP Vendors by Their Boob of Business Average Number of Counseling Sessions per I Case

<u>Average Sessions:</u>	<u>n</u>	<u>%</u>
• one session (1.2 – 1.4)	4	9%
• two sessions (1.5 – 2.4)	22	49%
• three session (2.5 – 3.4)	13	29%
• four sessions (3.5 – 4.4)	5	11%
• five sessions (4.5 – 5.4)	1	2%
• six sessions (5.5 +)	0	-
Total	45	100%

(n = 45)

Mix of Counseling Sessions Provided by EAP Staff Counselors vs. Network Affiliate Counselors

Calculated as the number of sessions provided by EAP Staff counselors divided by the combined total of sessions provided by staff counselors and network affiliate counselors.

- Mean = 50% by staff counselors (and thus 50% by network affiliate counselors)
- Range = 0% - 100% by staff counselors

(n = 35)

Counseling Cases Resolved Without Referral After EAP

- Mean = 82% resolved in EAP (18% referred on)
- Range = 54% - 100% resolved within EAP

Survey Item: This question focuses on the percentage of counseling EAP cases that were closed or completed within the EAP/Community resources and the percentage of cases that were not closed and were referred for additional care under the benefit plan. Common types of additional care include use of outpatient psychological counseling or addiction treatment services.

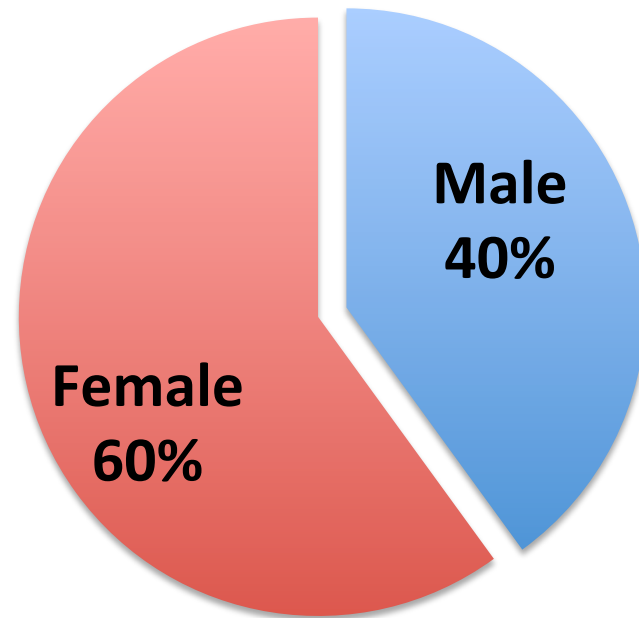
(n = 58)

Results – Part 6

Profile of Users

RQ6. User Profile – What is the user profile (demographic factors and referral sources) for services provided by external EAP vendors?

Gender Mix of Users

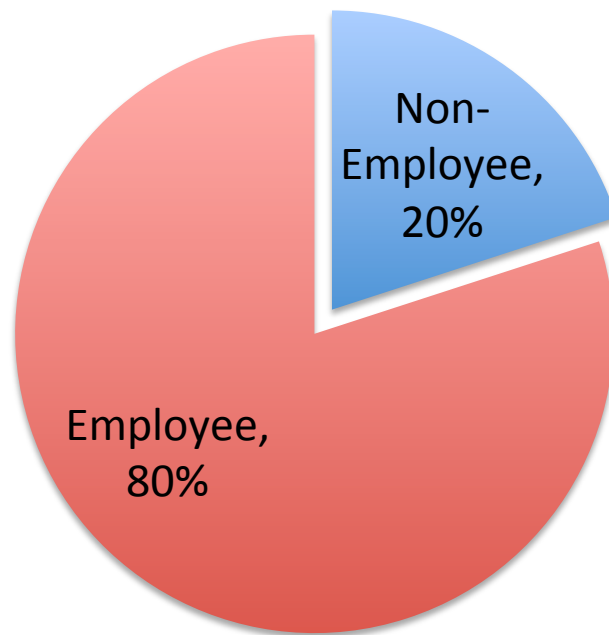


Female Gender:

Range: 10% - 86%

(n = 54)

Employee Status of Users



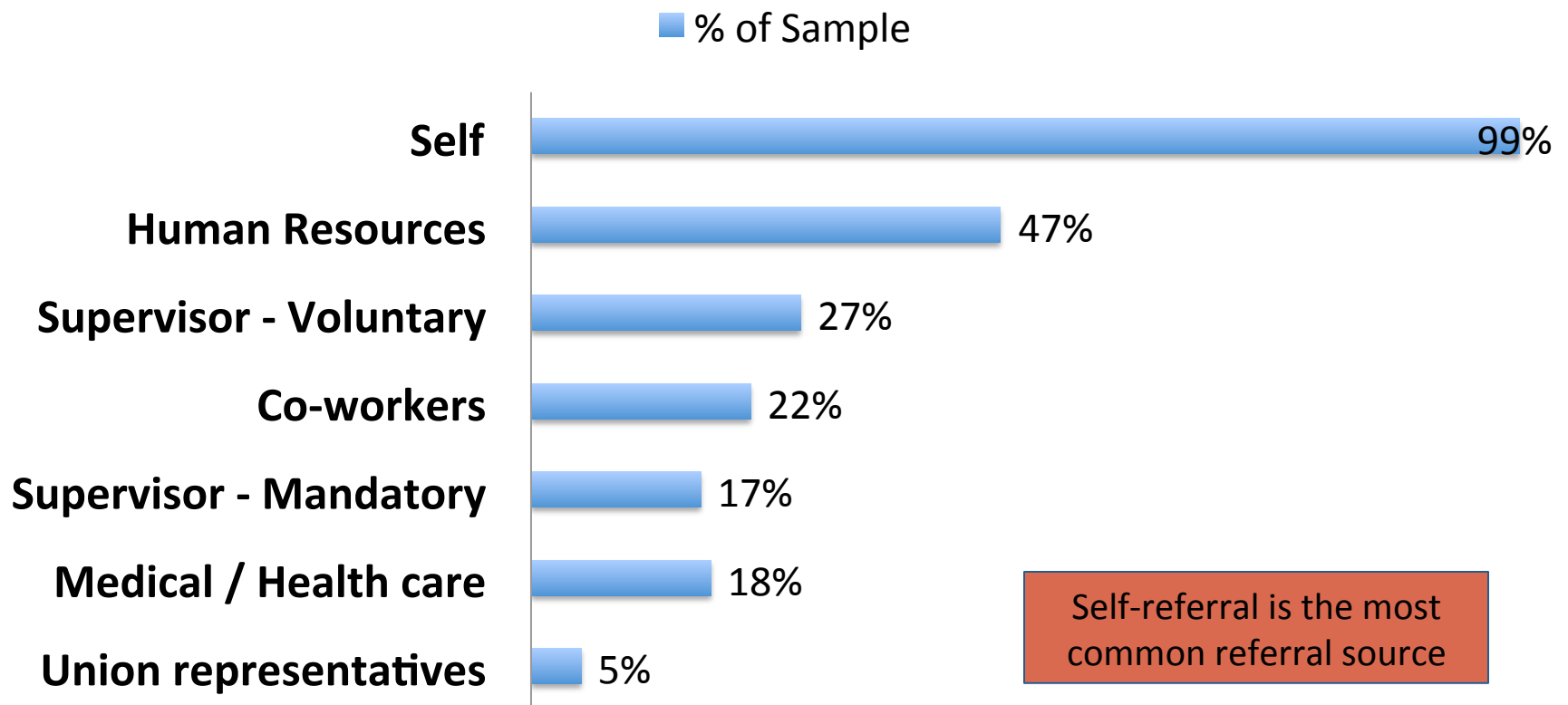
Employee Status:

Range: 33% - 98%

(n = 57)

Referral Sources for Users

Rating of High (4) or Very High (5) frequency



(n = 64-71)

Results – Part 7

Utilization Metrics

RQ7. Utilization Rates – What is the level of utilization for EAP counseling, EAP organizational and work/life services provided by external EAP vendors?

Utilization Rates Defined

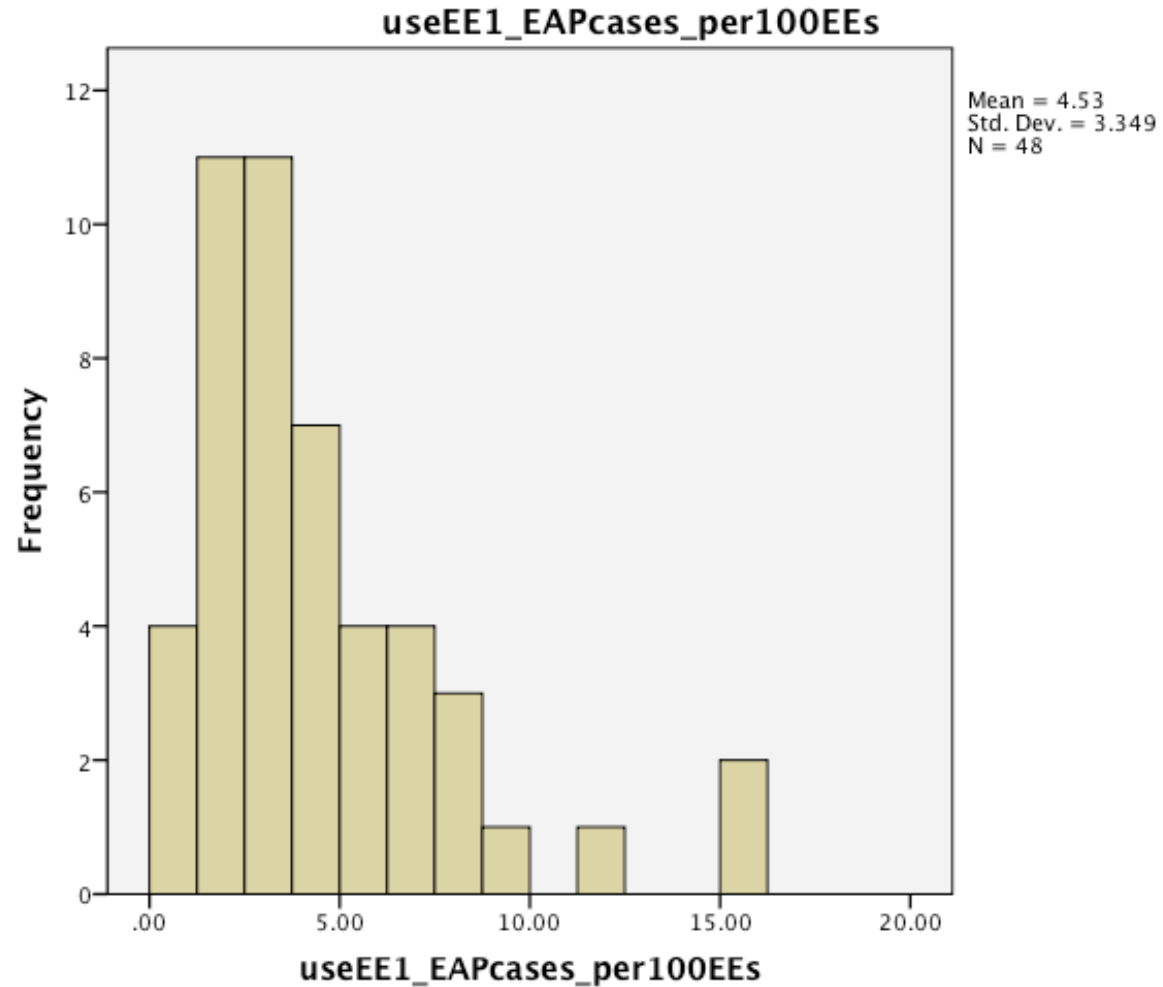
- The most conservative utilization rate is the number of individuals (cases) who used the EAP for personal counseling relative to the entire population of covered employees with access to the service.
- Other usage rates examine the level of counseling services provided (units of counseling sessions), the level of organizational services provided, the level of work/life services provided, and various combinations of these services compared to the entire covered employee population.

Utilization Rate I: EAP Counselor Cases

- The CCR is calculated by dividing the total number of counselor cases by the total number of covered employees and then multiplying this figure by 100.
- **Mean = 4.5**
- On average, there were 4.5 people who had used the EAP for counseling per year per every 100 covered employees.
- Median = 3.6
- Range = 0.1 - 15.6

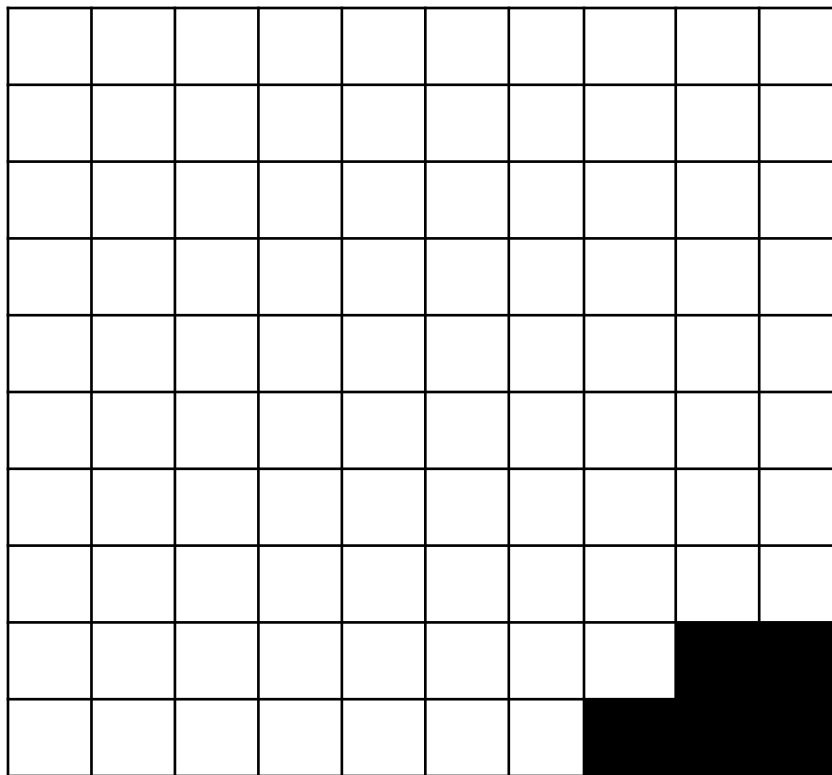
(n = 48)

Utilization Rate I: Variability in EAP Counselor Cases



Benchmark Utilization Rate for EAP Counselor Cases

Box is 100 Covered Employees



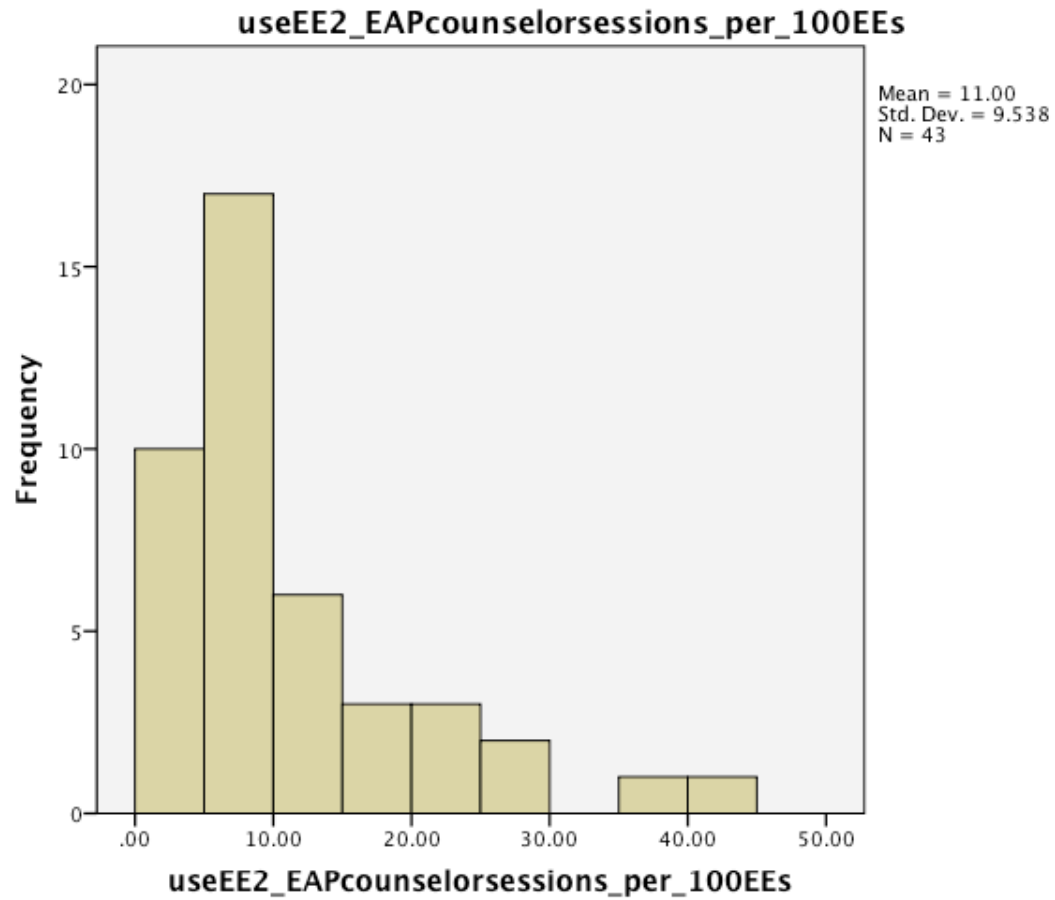
Use rate of 4.5%

Utilization Rate 2: EAP Counselor Sessions

- This rate is calculated by dividing the total number of counseling sessions provided by the total number of covered employees and then multiplying this figure by 100.
- **Mean = 11.0**
- On average, there were 11.0 EAP counseling sessions (units of service) delivered per year for every 100 covered employees.
- Median = 7.9
- Range = 0.1 – 44.9

(n = 43)

Utilization Rate 2: Variability in EAP Counselor Sessions



Utilization of Non-Counseling Services

EAP Organizational Services:

- Management consultations
- Crisis incident responses
- Topic-specific trainings
- Employee orientations
- Supervisor training

Work-Life Services:

- Youth and childcare
- Adult and eldercare
- Daily life concierge
- Other work/life

EAP Organizational Services Mix

- Management consultations (36%)
 - Topic-specific trainings (27%)
 - CISD/Crisis incident responses (16%)
 - Employee orientations on EAP (14%)
 - Supervisor training sessions (7%)
-
- (%) = Each type as percentage of total of all organizational services provided within each vendor and these % then averaged across all vendors.

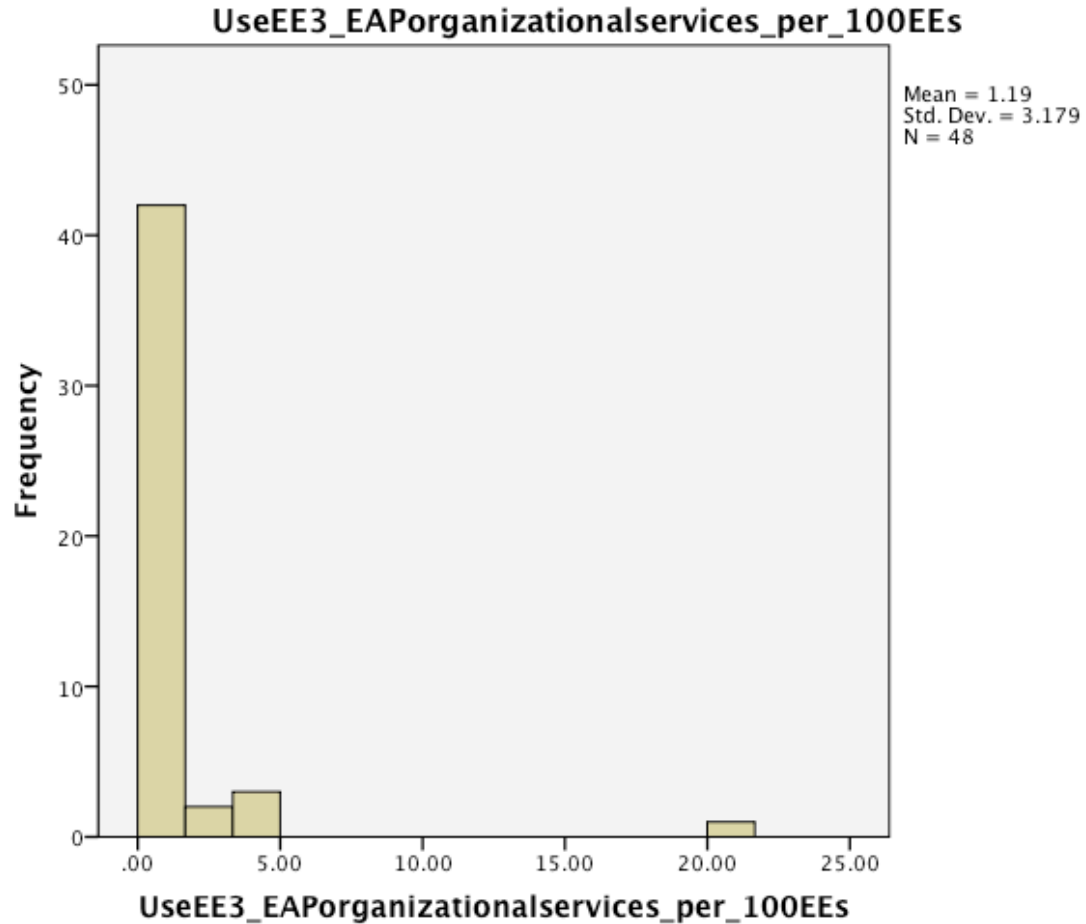
(n = 52)

Utilization Rate 3: EAP Organizational Services Rate

- This rate is calculated by dividing the total number of all five kinds of EAP organizational services combined by the total number of covered employees and then multiplying this figure by 100.
- **Mean = 1.2**
- On average, there were 1.2 EAP organizational services delivered per year for every 100 covered employees.
- Median = 0.3
- Range = 0.1 – 21.3

(n = 48)

Utilization Rate 3: Variability in EAP Organizational Services



Utilization Rate 4: All EAP Services Rate

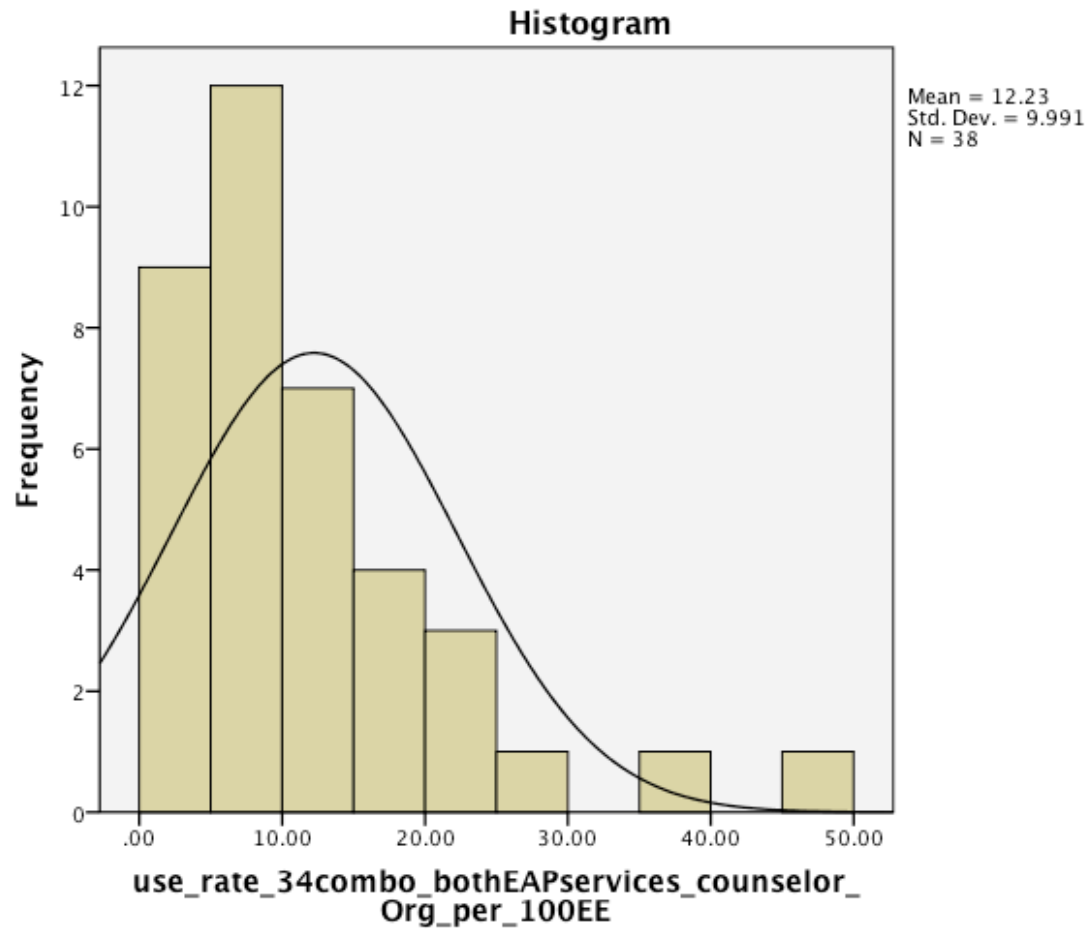
- This rate is calculated by adding together the EAP counseling services rate and the EAP organizational services rate.
- **Mean = 12.0**
- On average, there were 12.0 EAP total services delivered per year for every 100 covered employees.
- Median = 9.0
- Range = 0.3 – 47.7

EAP Services Use Mix:

- Counseling sessions = 91%
- Organizational = 9%

(n = 38)

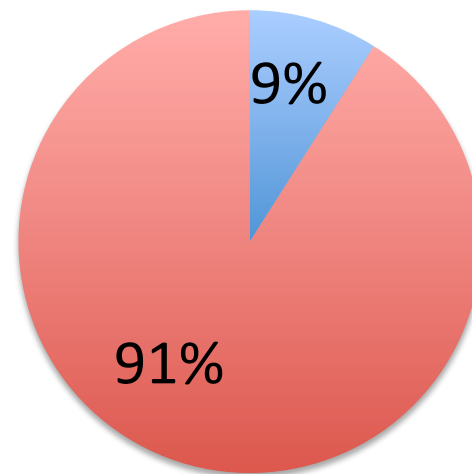
Utilization Rate 4: Variability in All EAP Services



Services Use Mix – EAP Counseling Sessions and EAP Organizational Services

Based on Mean Use Rates Per 100 Employees Per Year

- EAP Organizational Services
- EAP Counseling Services (Sessions)



(n = 38)

Work-Life Services Mix

- Youth and childcare (28%)
 - Adult and eldercare (20%)
 - Convenience/personal concierge (14%)
 - Other work-life (37%)
-
- (%) = Each type as percentage of total of all organizational services provided within each vendor and these % then averaged across all vendors.

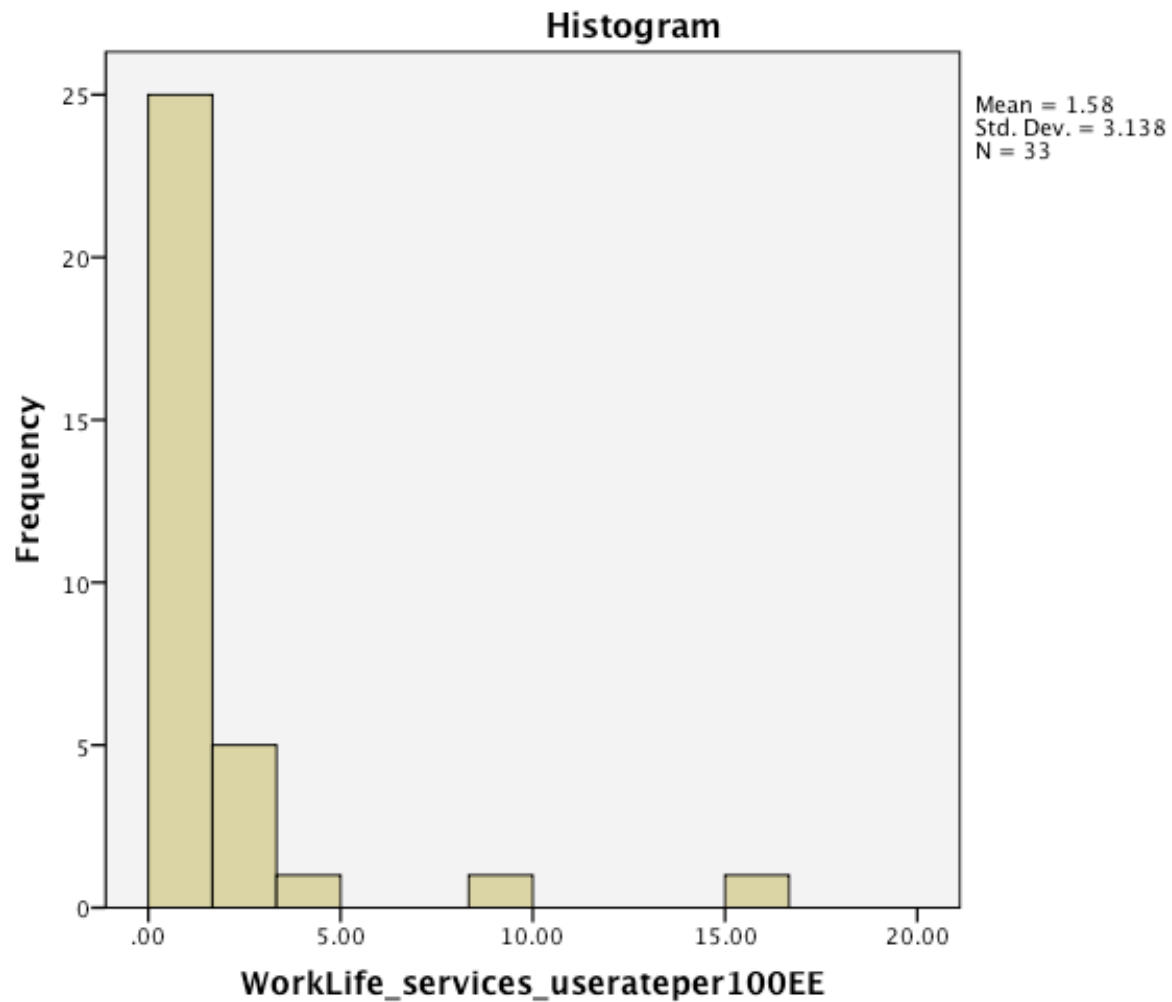
(n = 37)

Utilization Rate 5: Work-Life Services Rate

- This rate is calculated by dividing the total number of all four kinds of Work-Life services combined by the total number of covered employees and then multiplying this figure by 100.
- **Mean = 1.6**
- On average, there were 1.6 Work-Life services delivered per year for every 100 covered employees.
- Median = 0.5
- Range = 0.1 – 15.6

(n = 33)

Utilization Rate 5: Variability in Work-Life Services



Utilization Rate 6: All EAP & Work-Life Services Rate

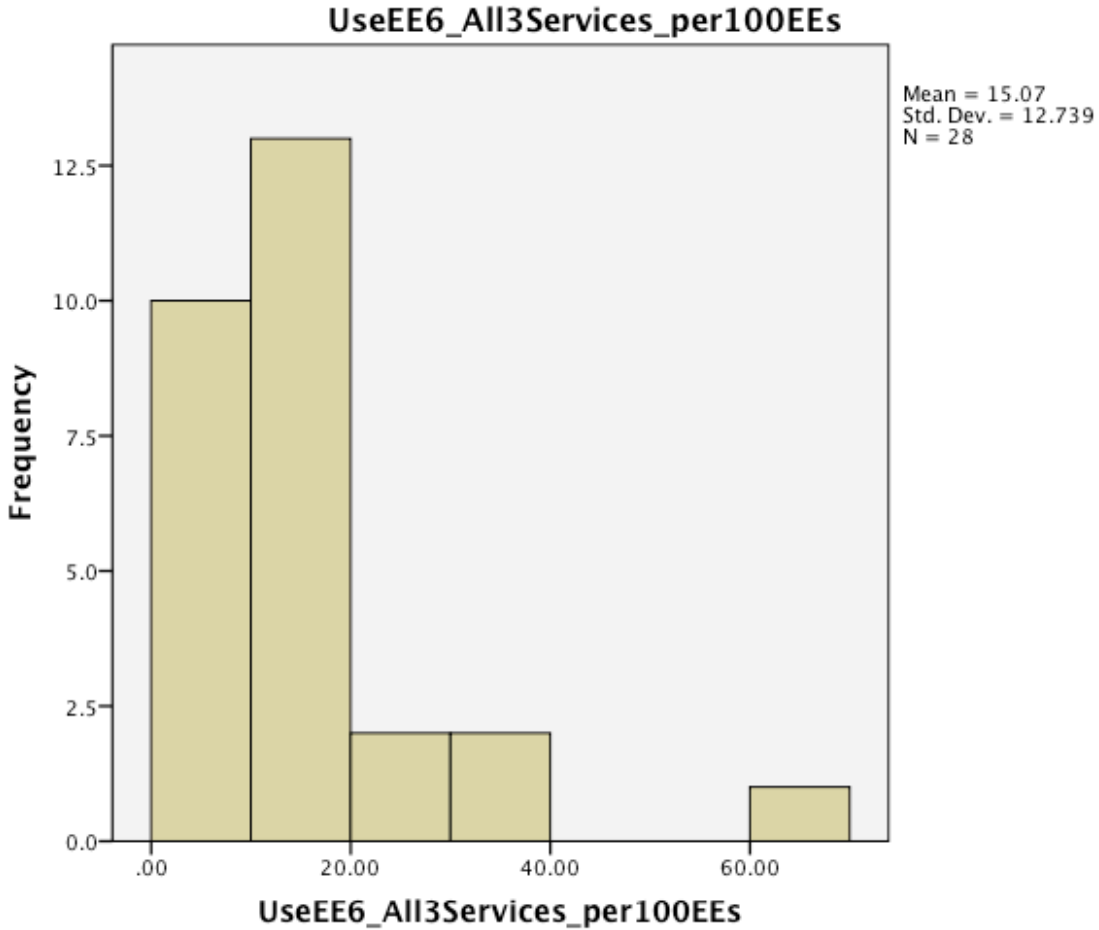
- This rate is calculated by adding together the All EAP services rate and the Work-Life services rate.
- **Mean = 15.1**
- On average, there were 15.1 total services for EAP and Work-Life delivered per year for every 100 covered employees.
- Median = 11.0
- Range = 0.3 – 63.6

All Services Use Mix:

- Counseling sessions = 79%
- Organizational = 9%
- Work-Life = 12%

(n = 28)

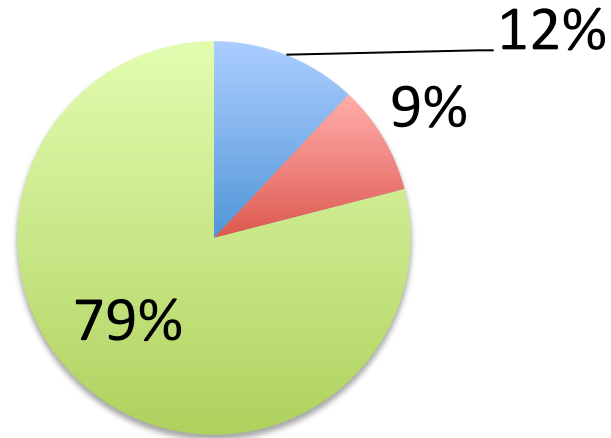
Utilization Rate 6: Variability in All EAP & Work/Life Services



Services Use Mix – All 3 Services

Based on Mean Use Rates Per 100 Employees
Per Year

- Work-Life Services
- EAP Organizational Services
- EAP Counseling Services (Sessions)



(n = 28)

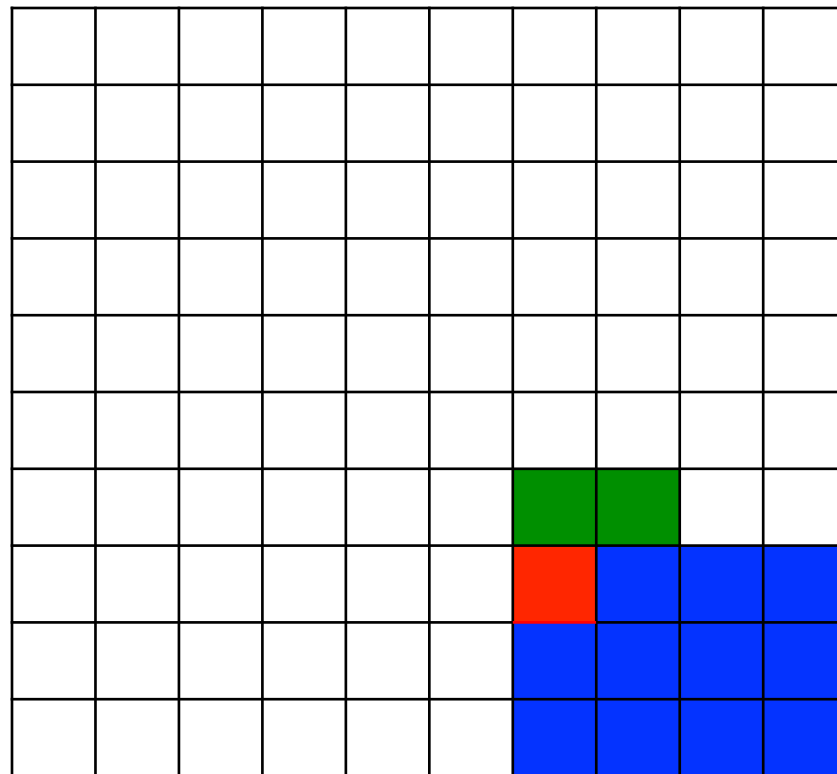
Benchmark Utilization Rate for All Services Combined

Box is 100 Covered Employees

EAP Counselor
Sessions = 11.4%

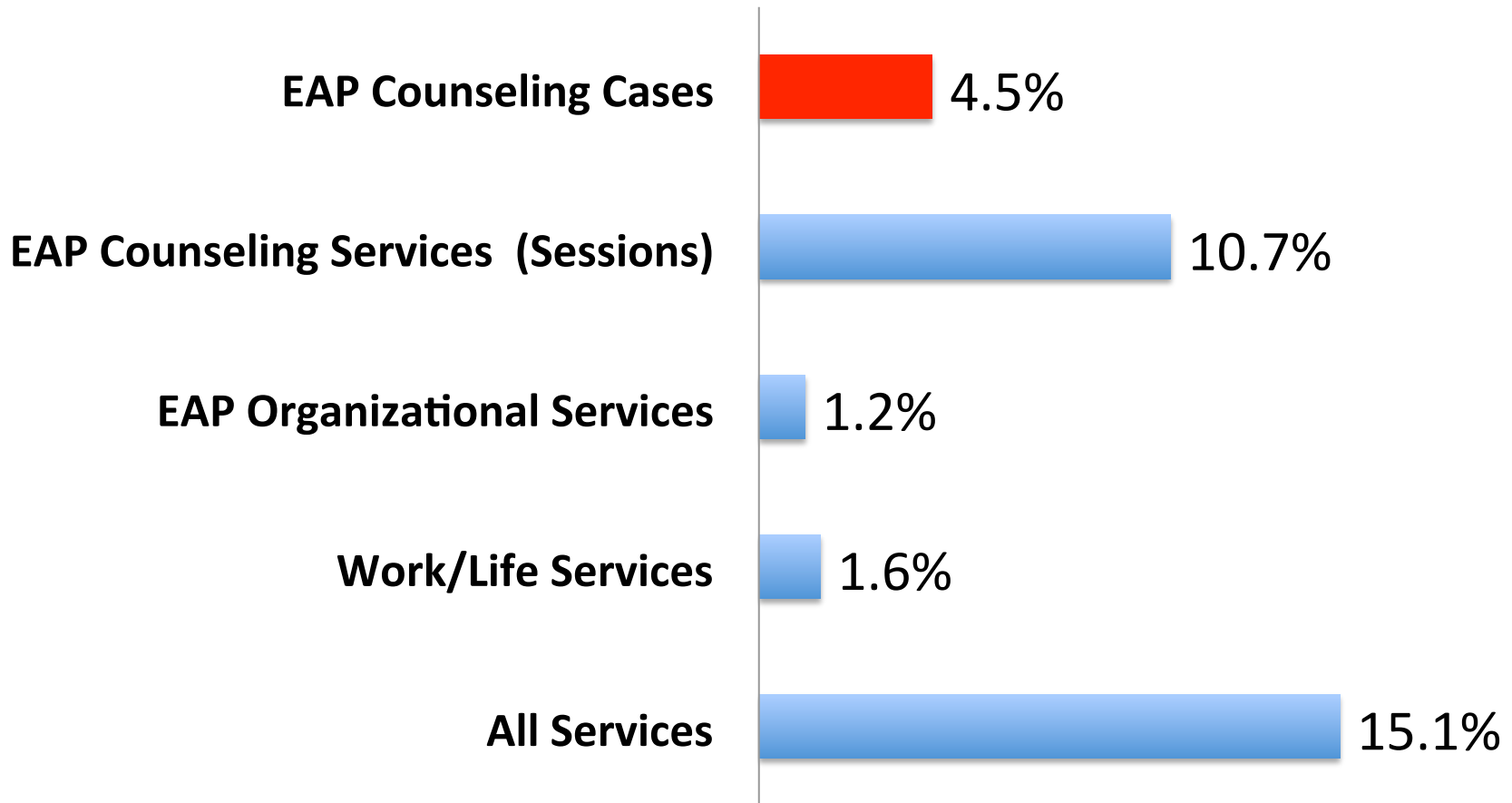
EAP
Organizational
Services
= 1.2%

Work-Life
Services
= 1.6%



Utilization Rate Summary

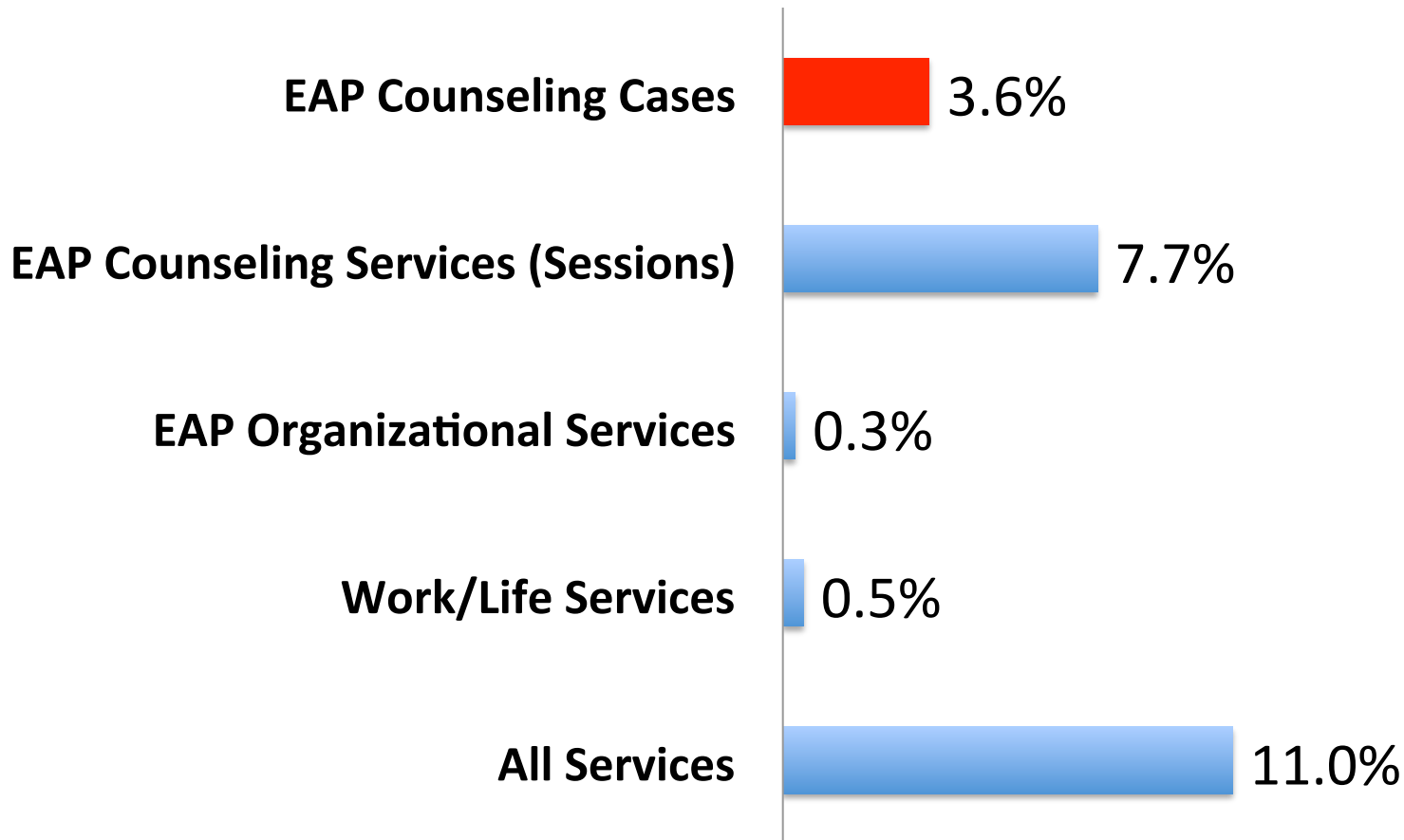
usage per 100 covered employees per year:
Mean (statistical) Averages



(n = varies; rates not additive)

Utilization Rate Summary

usage per 100 covered employees per year:
Median (sample mid-point) Averages



(n = varies; rates not additive)

Covered LIVES Use Rates

Compared to utilization based on covered employees, findings are much lower when based on covered lives due to the number of total lives being roughly two and a half times greater than the number of total employees.

Therefore, when the above rates were calculated using the dominator of the population count of the number of total covered lives (employees and dependents) instead of the population count of covered employees and the multiplier figured used at the end of the equation was 1,000 instead of 100.

Covered Lives Utilization Rate I: EAP Counselor Cases

- The Covered Lives CCR is calculated by dividing the total number of counselor cases by the total number of covered total lives (employees and dependents combined) and then multiplying this figure by 1000.
- **Mean = 19.4**
- On average, there were 19.4 people who had used the EAP for counseling per year per every 1,000 covered lives.
- Median = 14.2
- Range = 0.3 – 91.4

(n = 48)

Covered Lives Utilization Rate 2: EAP Counselor Sessions

- This rate is calculated by dividing the total number of counseling sessions provided by the total number of covered total lives (employees and dependents combined) and then multiplying this figure by 1,000.
- **Mean = 47.7**
- On average, there were 47.7 EAP counseling sessions (units of service) delivered per year for every 1,000 covered lives.
- Median = 33.5
- Range = 0.3 – 263.7

(n = 43)

Covered Lives Utilization Rate 3: EAP Organizational Services Rate

- This rate is calculated by dividing the total number of all five kinds of EAP organizational services combined by the covered total lives (employees and dependents combined) and then multiplying this figure by 1,000.
- **Mean = 5.0**
- On average, there were 5.0 EAP organizational services delivered per year for every 1,000 covered lives.
- Median = 1.5
- Range = 0.1 – 88.0

(n = 48)

Covered Lives Utilization Rate 4: All EAP Services Rate

- This rate is calculated by adding together the Covered Lives EAP counseling services rate and the Covered Lives EAP organizational services rate.
- **Mean = 51.7**
- On average, there were 51.7 EAP total services delivered per year for every 1,000 covered lives.
- Median = 36.9
- Range = 0.4 – 91.5

(n = 38)

Covered Lives Utilization Rate 5: Work-Life Services Rate

- This rate is calculated by dividing the total number of all four kinds of Work/Life services combined by the covered total lives (employees and dependents combined) and then multiplying this figure by 1,000.
- **Mean = 6.9**
- On average, there were 6.9 Work-Life services delivered per year for every 100 covered lives.
- Median = 2.0
- Range = 0.1 – 91.5

(n = 33)

Covered Lives Utilization Rate 6: All EAP & Work-Life Services Rate

- This rate is calculated by adding together the Covered Lives All EAP services rate and the Covered Lives Work-Life services rate.
- **Mean = 65.4**
- On average, there were 65.4 total services for EAP and Work-Life delivered per year for every 100 covered lives.
- Median = 43.2
- Range = 0.1 – 372.3

(n = 28)

Results – Part 8

Survey Tools and Outcomes

RQ8. Surveys – How are follow-up surveys conducted at external EAP vendors and what are the average levels of user satisfaction and key outcomes?

Survey Activity: Sample Size

For your book of business during the 2011 year, how many users of your EAP participated in a survey that assessed their satisfaction with the service and other outcomes? For example, 2,000 surveys were completed either online, by phone or a hard copy.

2,255 mean

647 median

Range 4 – 26,580

(n = 59)

Survey Activity: Sample Size as Percentage of Counselor Cases

- When divided into the mean number of EAP counselor cases, the mean number of surveys conducted represented **8%** of the EAP users.

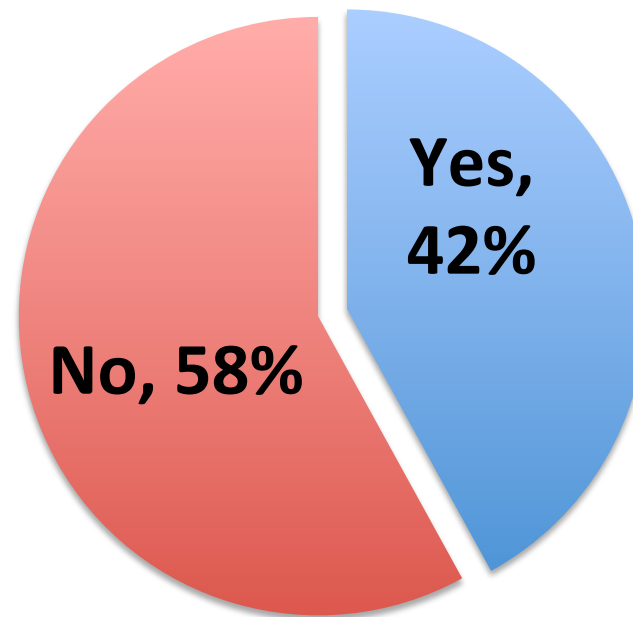
(m = 2,488 surveys divided by m = 30,139 EAP cases)

- Thus, about 1 in every 12 users was surveyed.

Use of Research-Validated Outcome Measurement Tools

On your follow-up surveys, did you incorporate items from a standardized and research-validated tool to measure outcomes after use of the EAP?

Less than half of EAPs used validated survey tools



(n = 62)

Validated Survey Measurement Tools

Of the 25 companies that used Validated Tools:

- 36% Other: mostly internally developed tools
- 28% *Workplace Outcome Suite (WOS)*
- 20% *Stanford Presenteeism Scale*
- 20% *Health and Productivity Questionnaire (HPQ)*
- 16% *Work Limitations Questionnaire*
- 4% *Employer Measures of Productivity, Absence and Quality (EMPAQ)*

Variability in the number of different survey tools in use.

Survey Satisfaction & Outcome Items

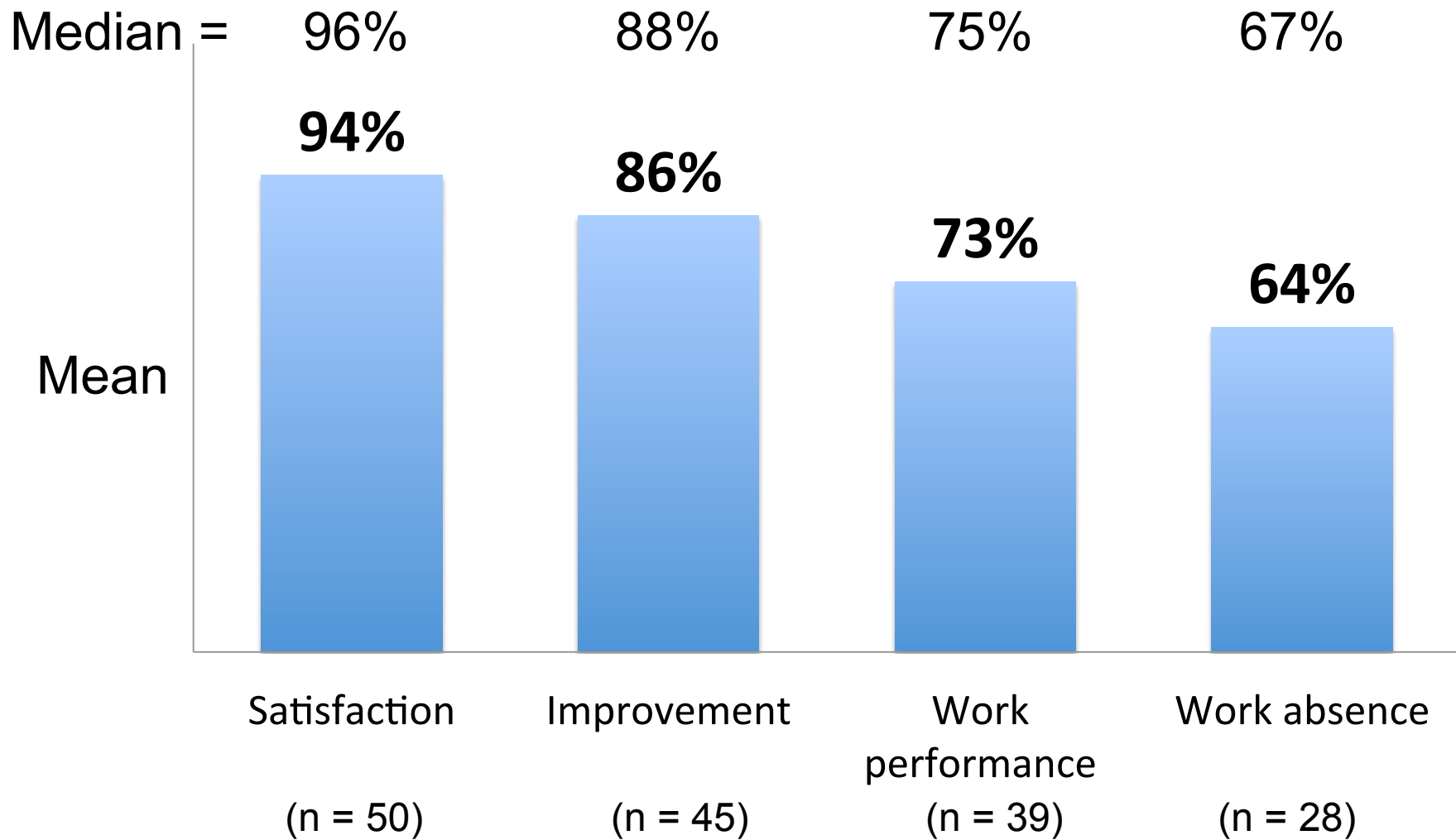
Average percentage of EAP users surveyed who were **satisfied** with the EAP service overall.

Average percentage of EAP users surveyed who reported **improvement due to counseling**.

Average percentage of EAP users surveyed who reported **improvement in work performance or productivity**.

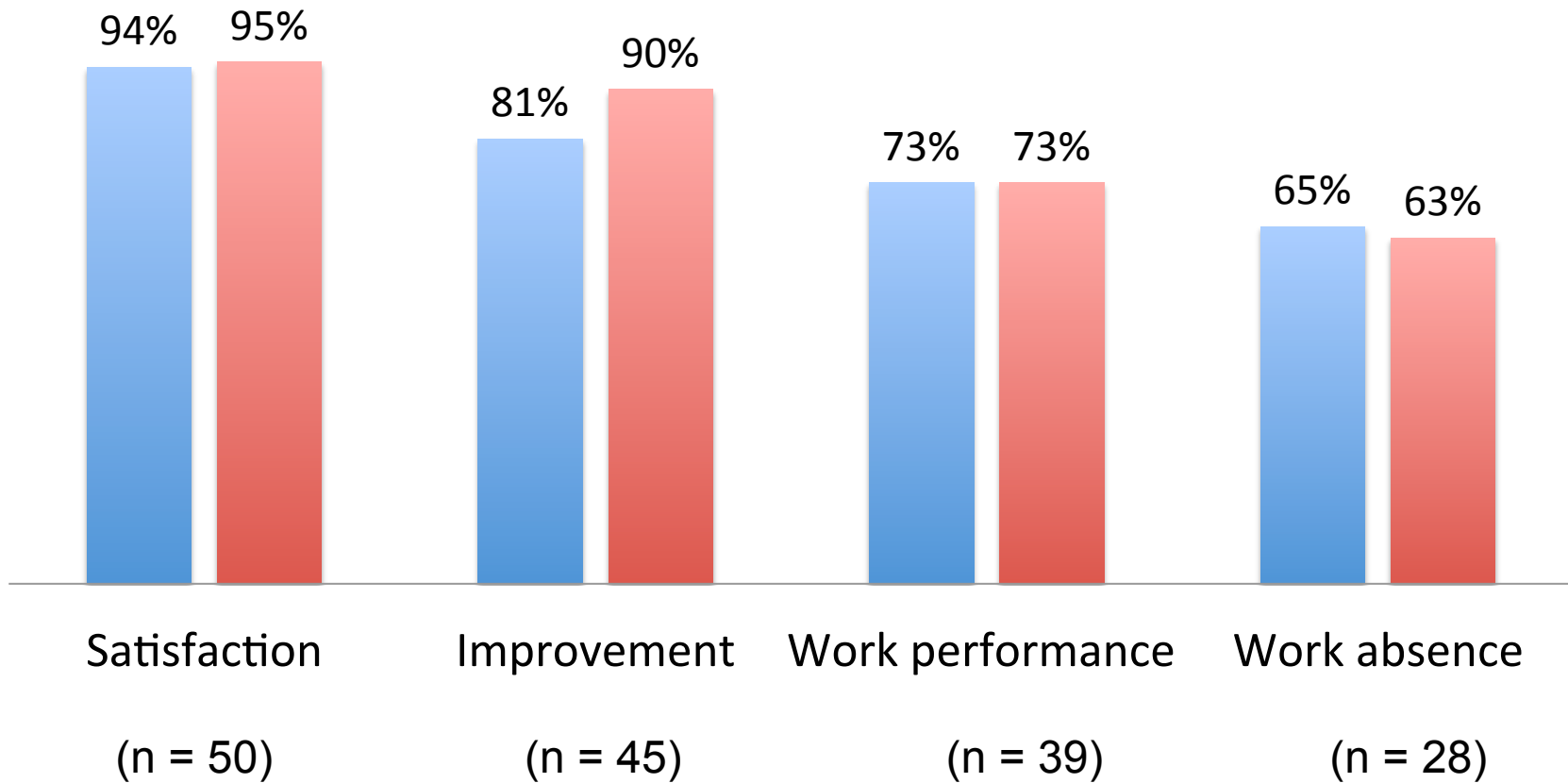
Average percentage of EAP users surveyed who reported **improvement in work absence**.

Levels of Satisfaction and Outcomes (% of Users Surveyed Book of Business)

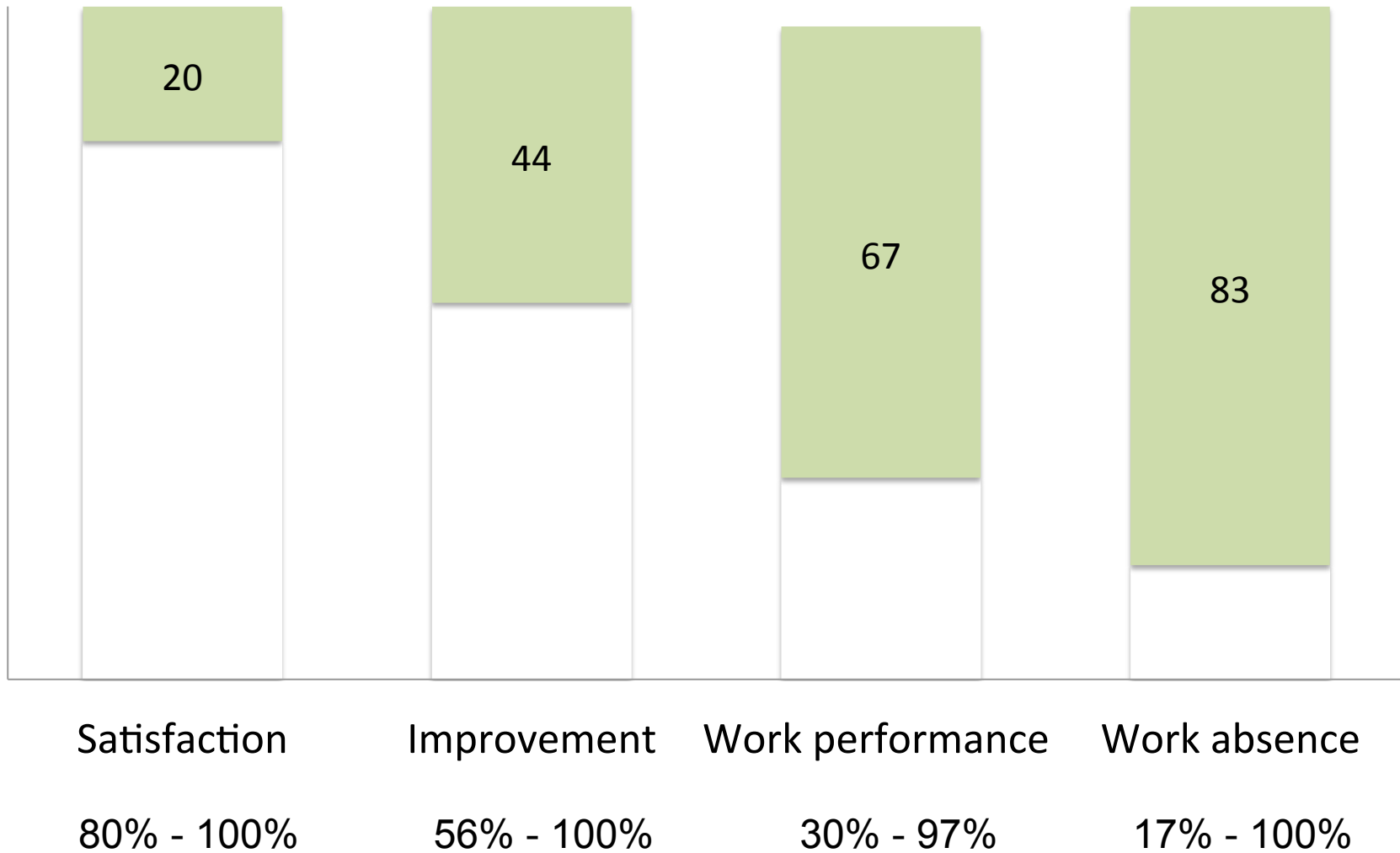


Mean Level of Satisfaction and Outcomes by Status of Use of Non-Use of Research-Validated Tools

■ Yes - Research-Validated ■ No



Range from Lowest to Highest in Mean Levels of Satisfaction and Outcomes (% of Users Surveyed)



Results – Part 9

Group Differences

RQ9. Group Differences – Do these benchmark measures differ appreciably between certain subgroups of external EAP vendors?

Group Differences in Benchmarks: Exploratory Tests

- By Market Size
- By Country of HQ
- By Dominant Pricing Model

Group Differences in Benchmarks: Smaller vs. Larger Size Markets

- Two Groups Created from Initial Five:
 - **Smaller Market Group** = Local + Regional markets
n = 36 vendors (89% from US)
 - **Larger Market Group** = National + International + Global markets
n = 46 vendors (56% from US)
 - Results for 34 variables tested: 20 *non-significant differences* & 14 significantly different (at $p < .10$ level)

Group Differences in Benchmarks (Based on Mean Averages): Smaller vs. Larger Size Markets

Larger Market Group GREATER THAN Smaller Market Group:

- Total No. of client companies (customers)
 - 671 > 191
- Total No. of covered employees (population)
 - 15 Million > 93k
- Avg. No. of employees per client (contract size)
 - 3,539 > 907
- Total No. of staff dedicated to EAP (staff size)
 - 215 > 16
- Tax status of “for profit”
 - 76% > 58%
- Number of different primary services offered (services)
 - 2.9 > 2.5

These four results were expected due to size

Group Differences in Benchmarks (Based on Mean Averages): Smaller vs. Larger Size Markets

Smaller Market Group GREATER THAN Larger Market Group:

- Staffing ratio of the average number of EAP staff per every 10,000 covered employee lives (2.20 > 1.54)
- % of all counseling sessions provided by EAP staff vs. by network affiliate counselors (54% staff > 34% staff)
- EAP counselor case use rate (5.6% > 3.5%)
- EAP counselor sessions use rate (14.6% > 8.5%)
- Survey outcomes for overall improvement (91% > 83%), work performance (79% > 70%) and work absence (77% > 58%)
- Based in US (89% > 56%)

Distribution of Vendors Market Size X Country

MARKET:	United States	Canada	International
Local	14	2	0
Regional	18	1	1
National	17	6	5
International	3	1	2
Global	6	2	4

Number of vendors listed in each cell in table.

Group Differences in Benchmarks (Based on Mean Averages): Country

- Three Groups Created from Location of HQ
 - **United States Group** n = 58 vendors
 - **Canadian Group** n = 12 vendors
 - **International Group** n = 12 vendors

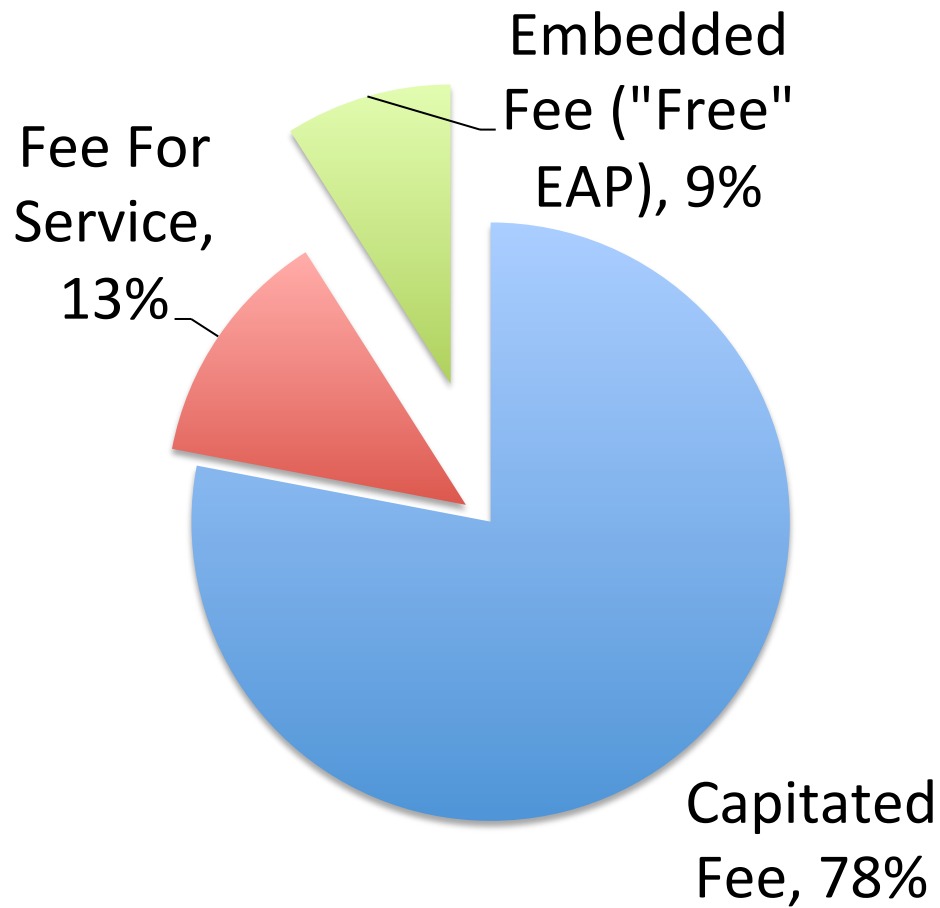
 - Results for 37 variables tested: 30 *non-significant differences* & 7 significantly different (at $p < .10$ level)

Group Differences in Benchmarks (Based on Mean Averages): Country

- COA accredited program status (Canada highest)
- CEAP status among EAP staff and affiliates (US highest)

- Years in business (International lowest)
 - US 25 – CAN 27 – INT 18 years
- Total No. of client companies (Canada highest)
 - US 376 – **CAN 1,052** – INT 260
- Avg. No. of counseling sessions per case (International lowest)
 - US 2.5 – CAN 3.1 – **INT 1.7**
- Avg. % of counseling cases resolved in EAP without a referral for other services after use (Canada highest)
 - US 79% – **CAN 90%** – INT 85%

Dominant Pricing Model Groups in Total Sample



(n = 78)

Mix of Different Pricing Models Among All Contracts in Book of Business Year 2011 For Each Dominant Pricing Model Group

- Capitated Pricing Model is Dominant (CAP)
- ($n = 61$ vendors)
 - % of all contracts: **Cap 85%** - FFS 10% - FreeEAP 5%
- Fee for Service Pricing Model is Dominant (FFS)
- ($n = 10$ vendors)
 - % of all contracts: Cap 24% - **FFS 75%** - FreeEAP 1%
- Embedded Fee Pricing Model is Dominant (FreeEAP)
- ($n = 7$ vendors)
 - % of all contracts: Cap 11% - FFS 11% - **FreeEAP 78%**

Tests of Group Differences in Benchmarks (Based on Mean Averages): Dominant Pricing Model

GROUPS DIFFERENT

- Avg. No. covered employees per contract
 - CAP 2,362 – FFS 927 – FreeEAP 6,918
- Avg. No. Covered employees per 1 EAP Staff
 - CAP 10.5k – FFS 12.1k – FreeEAP 39.8k
- EAP case use rate
 - CAP 4.7% – FFS 6.0% – FreeEAP 1.6%
- EAP organizational services use rate
 - CAP 1.4% – FFS 1.1% – FreeEAP 0.2%

Test of Group Differences in Benchmarks (Based on Mean Averages): Dominant Pricing Model

GROUPS SIMILAR

- Avg. No. counselor sessions per case
 - CAP 2.4 – FFS 2.7 – FreeEAP 3.1
- Avg. % counselor sessions by EAP staff
 - CAP 44% – FFS 34% – FreeEAP 42%

Results - Part 10

Business Management

RQ10. Business Management Practices – How often are key business practices used at external EAP vendors (e.g., promotional practices, managing internal operational objectives, client focused activities and operational objectives)?

Business Management: Promotional Practices

Question on the Survey:

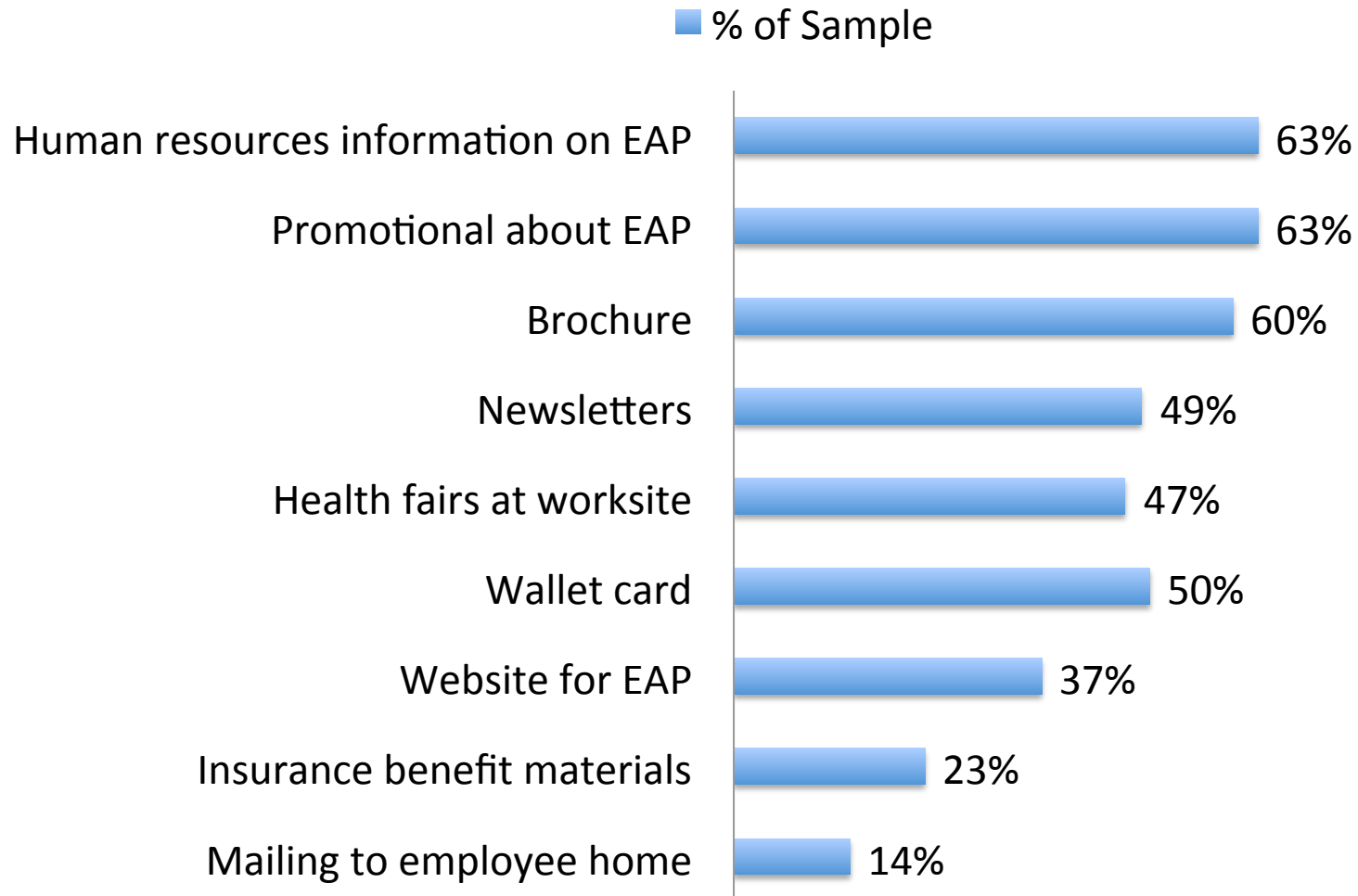
For the items below, please rate how frequently your clients noted each of the marketing sources below as a way that they had become aware of the EAP service:

9 Factors.

Rated on 5-point Scale – very low to very high frequency.

EAP Promotional Practices

Rating of High (4) or Very High (5) level of frequency



(n = 60-68)

Business Management: Difficulty with Objectives with Client Company Focus

Question on the Survey:

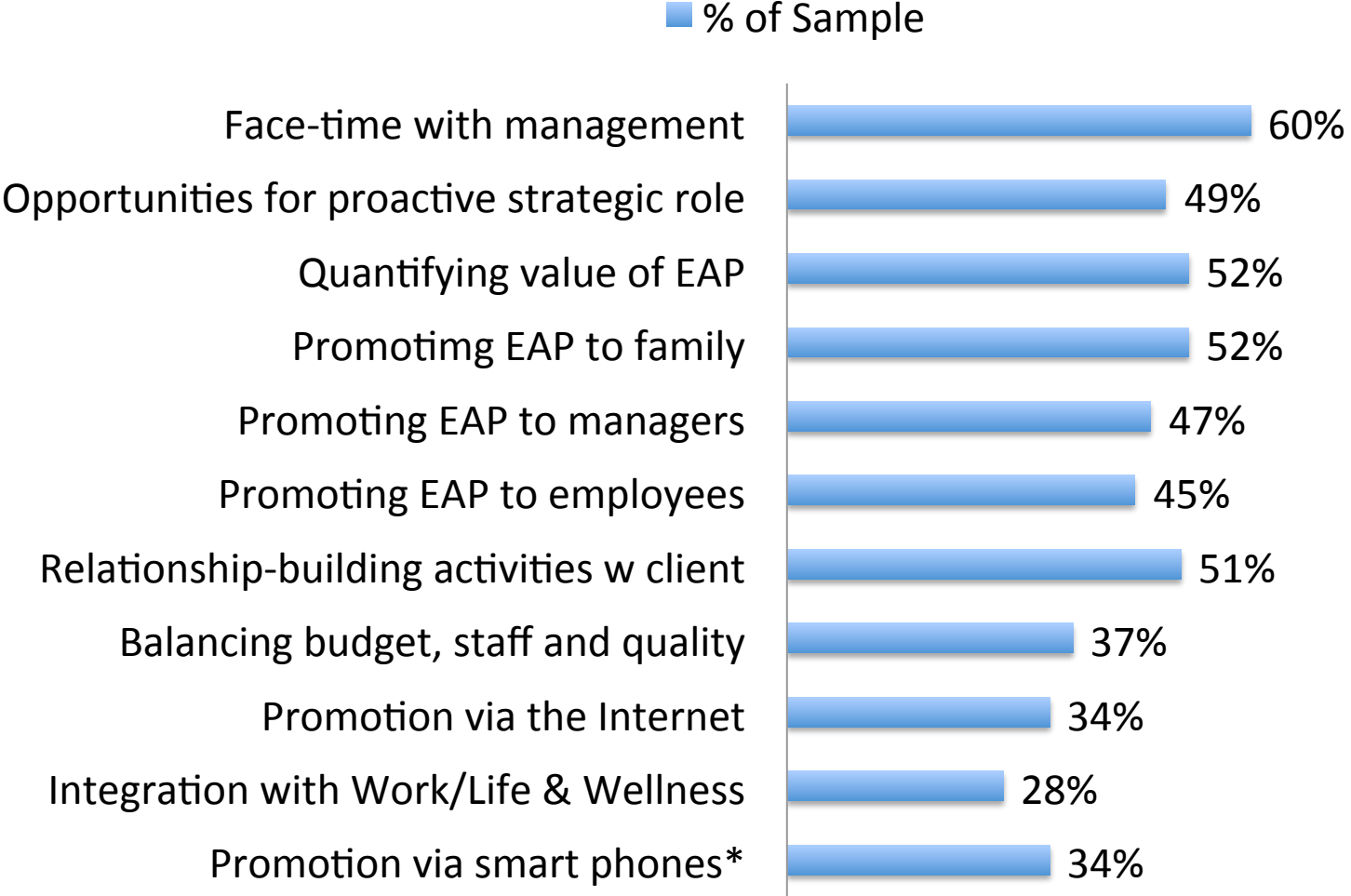
For the items below, please rate the level of “difficulty” for managing these objectives in the 2011 year. Difficulty is defined as high expense and or high time commitment by the EAP.

11 Factors.

Rated on 5-point Scale – very low difficulty to very high difficulty.

Areas of Client Company Focus Difficulty

Rating of High (4) or Very High (5) Level of Difficulty



(n = 67-69; *47)

Business Management: Difficulty with Objectives for Internal Operations

Question on the Survey:

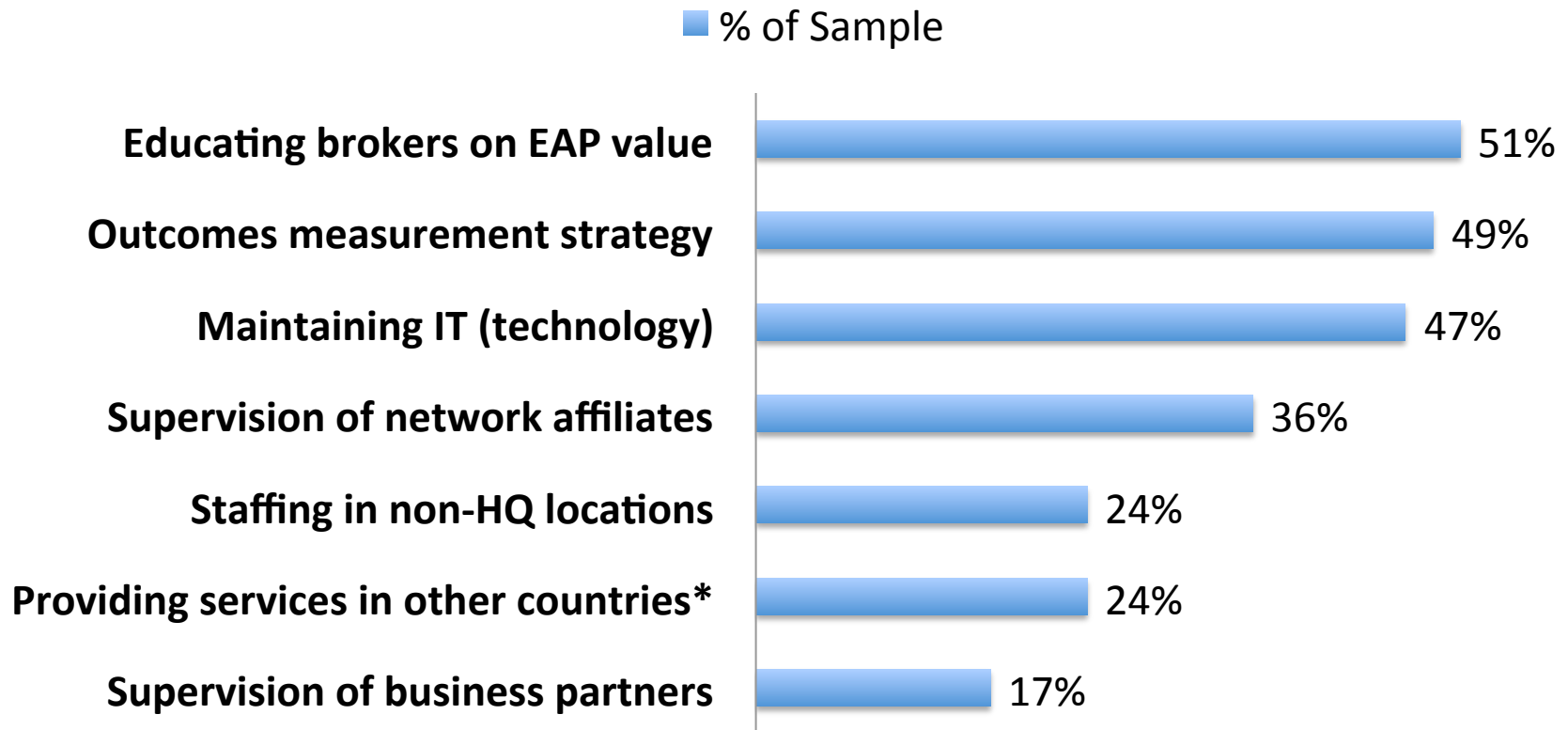
For the items below, please rate the level of “difficulty” for managing these objectives in the 2011 year. Difficulty is defined as high expense and or high time commitment by the EAP.

7 Factors.

Rated on 5-point Scale – very low difficulty to very high difficulty.

Areas of Internal Operations Difficulty

Rating of High(4) or Very High (5) Level of Difficulty



(n = 77-79; * = 53)

Results – Part I I

Business Development

RQ11. Business Development – Which factors are perceived to have had the most impact on retaining current customers and new sales and also on lost business at external EAP vendors?

Business Development: Client Renewal & New Contracts

Question on the Survey:

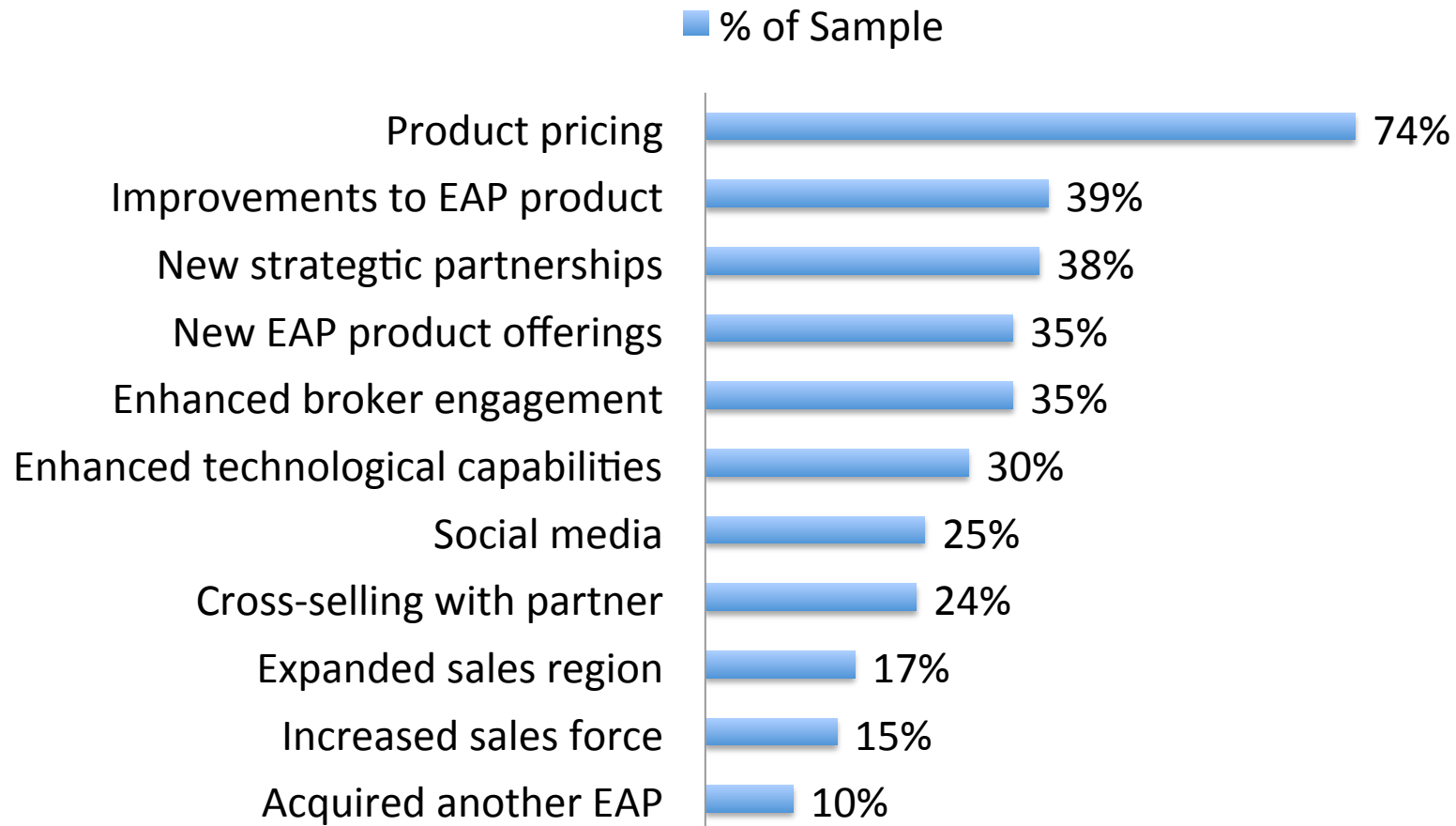
This item requests your opinion. Please rate each factor listed below according to its' impact on contract renewals and new contracts for EAP services at your company in the 2011 year.

11 Factors.

Rated on 5-point Scale – very low importance to very high importance.

Factors Impacting Client Renewal and New Sales

Rating of High (4) or Very High (5) Level of Importance



(n = 69)

Business Erosion: Clients Lost

Question on the Survey:

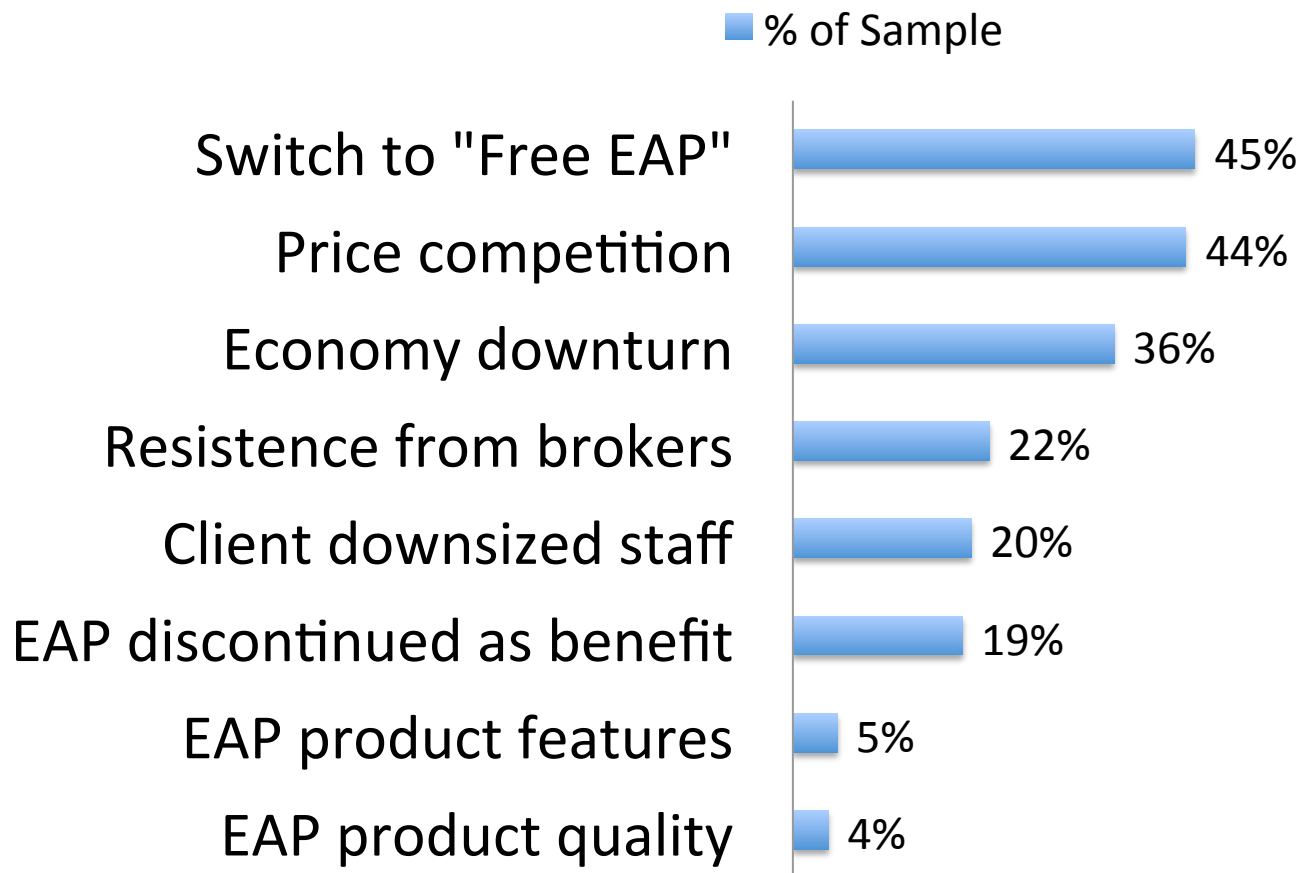
This item requests your opinion. Please rate each factor below for how important it was as a primary, not a secondary, source of why customers did not renew their contracts for EAP services in the 2011 year.

8 Factors.

Rated on 5-point Scale – very low importance to very high importance.

Factors Impacting Client Erosion

Rating of High (4) or Very High (5) Level of Importance



(n = 69)

Results – Part 12

The Future

RQ12. Future of the Field – How optimistic (or pessimistic) are external EAP vendors about the future of the field and why?

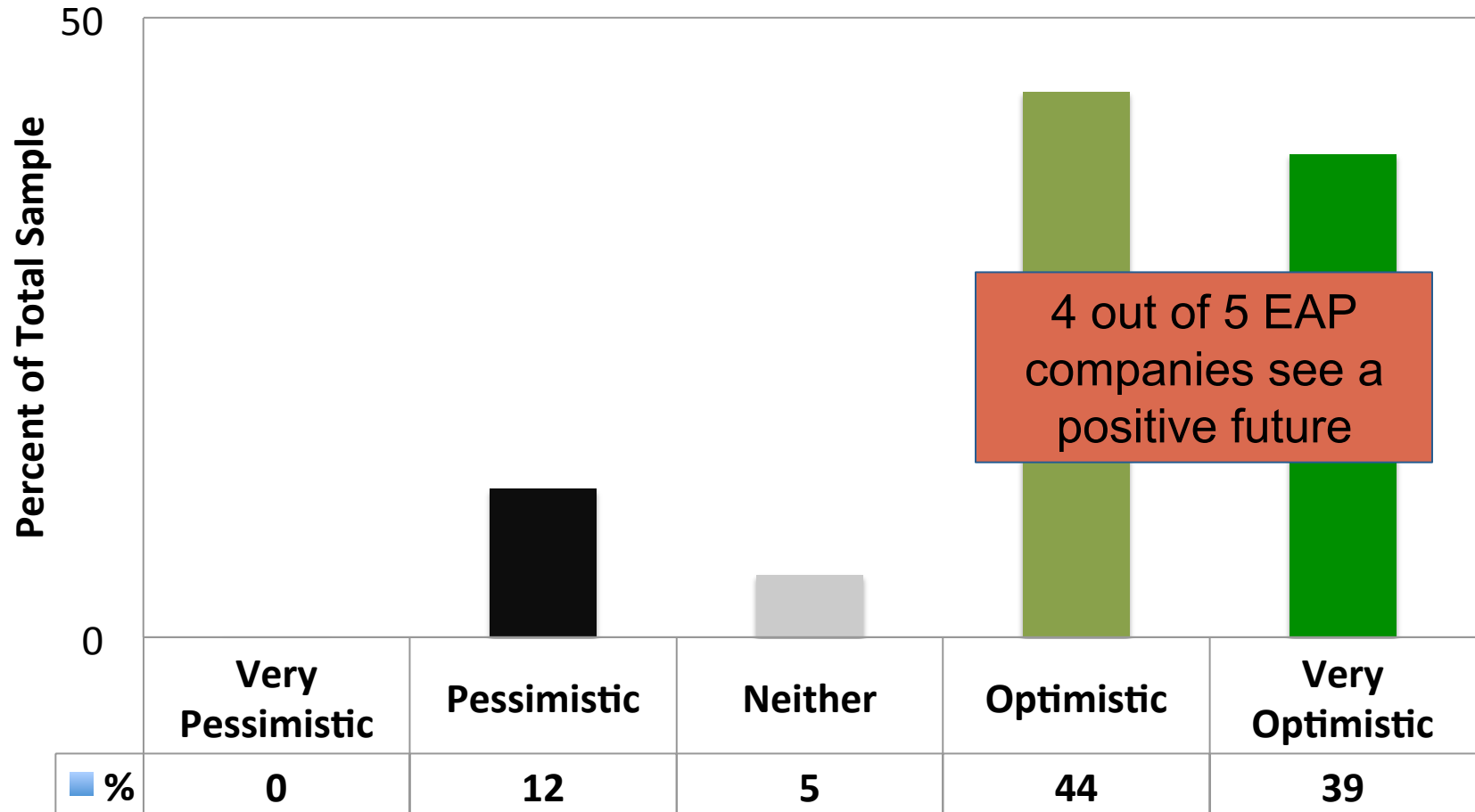
Seeing the Future

Survey Question:

What is your level of optimism about the future of the external EAP industry?



Forecasting the Future of EAP Field



(n = 69)

Future: Qualitative Comments

Theme I - Low Prices

- *The main concern is [too low] pricing schemes. {Global}*
- *As a local / regional EAP provider, we are loosing too many accounts to "Free" EAP's. {Local}*
- *EAP is getting more and more embedded in the Insurance Plans for most national companies. {Local}*
- *Brokers/consultants are pushing rates to levels that are unrealistic based on customer demands and quality. Product continues to be compromised due to steady rate [product price] decreases. At some point we as an industry need to join forces to challenge this downward spiral. {National}*
- *Our fees are diminished to the extent that brokers won't talk to EAP's because there is nothing in it for them financially. {Local}*
- *External EAP's in Canada are an accepted and expected part of an organization's benefit plan. The challenge is around the commoditization of EAP. {National}*

Future: Qualitative Comments

Theme 2 – Integration and Workplace

- *EAP core services are in a mature market. Thus, peripheral services – CIR [crisis intervention response], SAP [substance abuse program], Work/Life, and Wellness – provide room for growth. {National}*
- *If EAP's can expand their role into the psychosocial aspect of behavior change relative to physical health related behavior change. {National}*
- *EAP is well known and well embedded in the workplace. EAPs have also expanded their offerings to include Work/Life, mediation, ID theft, etc. in order to maintain high visibility. {Global}*
- *Productivity will always be important to American businesses and is becoming increasingly important to global competition. As US health care reform is worked out and the US emerges from the current economic downturn, employer benefit and HR professionals will focus more of their attention on these issues. {National}*
- *I am optimistic about the EAP field, if EAPs focus on behavioral risk management and productivity. {Local}*

Future: Qualitative Comments

Theme 3 – Adaptation to Trends

- *We need to adapt our skills to the changing needs of the workforce and employers. {Regional}*
- *EAPs simply need to redefine/reenergize their value propositions and speak genuinely and truthfully to the value of EAP programming. {Regional}*
- *Fewer regional competitors combined with the growth of the wellness industry has created further opportunities for differentiation and increased interest in hands-on behavioral health services. {Regional}*
- *Technology will facilitate more conversations and can support therapists in reaching clients wherever they are and whenever they want. As service modalities expand and the reach into digital lengthens, EAPs have great potential to grow their role as trusted experts and to increase the mental health support they offer to their clients. {National}*

Part 3

Themes in Findings

Themes in Study Findings

- Largest study done to date of External EAPs representing 82 providers and 164M covered lives.
- Diversity in types of corporate structure of these businesses (size/market, ownership, tax status).
- Most EAPs also now offer Work/Life and Wellness.
- 1 in 3 involved in recent company merger or acquisition.
- Few vendors have COA accredited programs (13%)
- CEAP almost entirely for US and twice as likely for staff counselors than for affiliate counselors.
- 1 in 4 contracts have EAPs as “gatekeeper” role for gaining access to mental health benefits.
- Continuation after EAP counseling allowed in about half of contracts.

Themes in Study Findings

- Capitation pricing is most common, but most also offer Fee for Service pricing option.
- HR is most common point of client contact.
- 9 of 10 EAPs conduct follow-up surveys on large samples of users (about 1 in every 12 EAP cases gets surveyed), but less than half of vendors use research-validated tools in their surveys.
- Survey data shows that end user satisfaction is very high and large majority of users report positive outcomes personally and improvements at work.

Themes in Study Findings

- Utilization of EAP services varies considerably across vendors and types of services
- In general, wide variability almost all benchmarks
- Some differences by market size, with smaller market EAPs higher in counseling staff ratio, use rates for EAP counseling cases and organizational services and better survey outcomes
- Few differences by country
- Exploratory difference by pricing models

Themes in Study Findings

- EAPs have difficulty in several areas of internal operations and client focus engagement efforts.
- Price (low price) is major driver of both new sales and loss of business – more so than product features and quality.

And Yet...

- 8 in 10 are optimistic about the future of EAP field.