



WEBINAR

Measuring ROI of Mental Health in the Workplace



Dr. Jenna Carl, PhD

**VP of Clinical Development and
Medical Affairs**

**Our mission is to help
millions back to good
mental health**

Today's Agenda

- 1 The shadow pandemic
- 2 Employers are taking action
- 3 Measuring what matters
- 4 Steps employers can take today
- 5 Open Q&A



The shadow pandemic: COVID-19 heightened the mental health crisis

There was a
mental health
crisis even before
the pandemic.

60% of people who met
diagnostic criteria for a
mental health condition
did **not** receive care.

Sudden shifts in the way we live and work heightened that crisis.

More than one-third of Americans (36%) say coronavirus is having a serious impact on their mental health.

Sudden shifts in the way we live and work heightened that crisis.

Women with children are more likely to report symptoms of anxiety and/or depressive disorder than men with children (49% vs. 40%).

Sudden shifts in the way we live and work heightened that crisis.

48% of Non-Hispanic Black adults reported symptoms of anxiety and/or depressive disorder.

46% of Hispanic or Latino adults report symptoms of anxiety and/or depressive disorder.

41% of Non-Hispanic white adults reported symptoms of anxiety and/or depressive disorder.

More people are experiencing mental health difficulties and research shows poor mental health will last **well after** the pandemic is over.

But there is good news.

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Companies are taking action.

75%

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According to survey data collected from over 35+ employers (all with 10k+ employees), employee mental health is a board-level goal for 57% of companies.

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According to survey data collected from over 35+ employers (all with 10k+ employees), employee mental health is a board-level goal for 57% of companies.

100%

Data from 17 of our enterprise clients shows that all companies **expanded** mental health benefits during the pandemic.

BIG HEALTH

Sources: Mercer, 2020; Big Health MHMI data 2021; Big Health Client Advisory Board data, 2021.

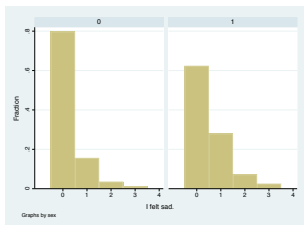
**Companies are investing in mental health care,
but the question remains:**

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but the question remains:
What's the impact?**



Dr. Michael Darden, PhD

**Associate Professor at the Carey
School of Business at Johns
Hopkins University**



Measuring ROI of Mental Health in the Workplace

Michael Darden, Ph.D.

June 3rd, 2021



Currently:

- ▶ Associate Professor at the Carey Business School, Johns Hopkins University.
- ▶ Faculty Research Fellow at the National Bureau of Economic Research.
- ▶ Co-Editor of the *Journal of Human Resources*.

Sleep
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Original Article

ORIGINAL ARTICLE

Cost-effectiveness of digital cognitive behavioral therapy (Sleepio) for insomnia: a Markov simulation model in the United StatesMichael Darden¹, Colin A. Espie^{2,3,4}, Jenna R. Carl^{3,4}, Alasdair L. Henry^{2,3,4},
Jennifer C. Kanady^{3,4}, Andrew D. Krystal^{5,6} and Christopher B. Miller^{2,3,4,*}

¹Carey Business School, Johns Hopkins University, Baltimore, MD, ²Sleep and Circadian Neuroscience Institute, Nuffield Department of Clinical Neurosciences, University of Oxford, Oxford, UK, ³Big Health Inc., London, UK, ⁴Big Health Inc., San Francisco, CA, ⁵Department of Psychiatry, School of Medicine, University of California San Francisco, San Francisco, CA, and ⁶Department of Neurology, School of Medicine, University of California San Francisco, San Francisco, CA

*Corresponding author. Christopher B. Miller, Big Health Inc., 461 Bush St Suite 200, San Francisco, CA 94108. Email: chris.miller@bighealth.com.

Challenge

Millennial Employees Are Getting Companies to Radically Rethink Workers' Mental Health

By Mandy Oaklander



Is Human Resources Your Next Profit Center?



Neil Bedwell Forbes Councils Member

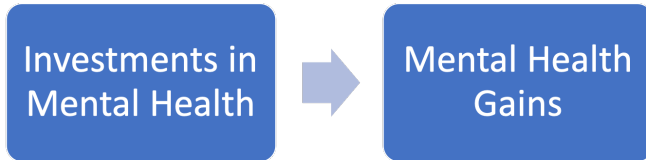
Forbes Agency Council COUNCIL POST | Membership (fee-based)

Leadership

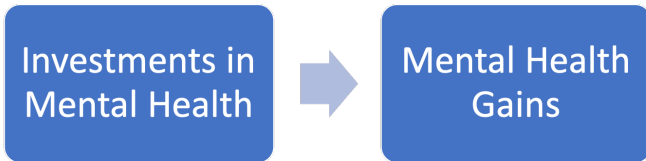
Meaningful Measurement



Meaningful Measurement



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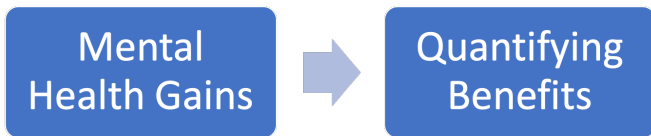


Offer a breadth of solutions:

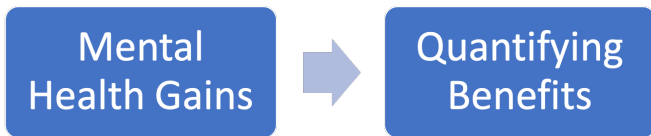
1. Traditional in-person, talk therapy.
2. Telehealth options.
3. Digital solutions.

Standardized mental health outcomes (e.g., PHQ-9, GAD-7, etc.) for the sake of comparability.

Meaningful Measurement



Meaningful Measurement



Evidence-Based Benefits:

- ▶ Productivity.
- ▶ Health Care Expenditures.
- ▶ Workplace Accidents.
- ▶ Retention Rates.
- ▶ Talent Attraction.
- ▶ Shareholder Priorities.

Outline

Introduction

Quantifying the Benefits for Manufacturers

Soft Metrics

Hard Metrics

Workplace Accidents

Best Practices

Absenteeism:

- ▶ Time taken off due to a mental health condition where the employer is paying for not having a person present to undertake the work.

Presenteeism:

- ▶ Time where a person is at work but is less productive in their role due to a mental health condition.

How to Measure Soft Metrics?

Subjective Measures:

- ▶ **Absenteeism:** How many hours did you miss from your work per week because of problems associated with your mental health?
- ▶ **Presenteeism:** How much did poor mental health affect your productivity while you were working?

How to Measure Soft Metrics?

Subjective Measures:

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Quick Facts:

- ▶ 28% of manufacturing workers report lost productivity due to poor sleep.
- ▶ 11% increase in self-reported productivity due to digital cognitive behavioral therapy.
 - ▶ What does this imply for the firm?

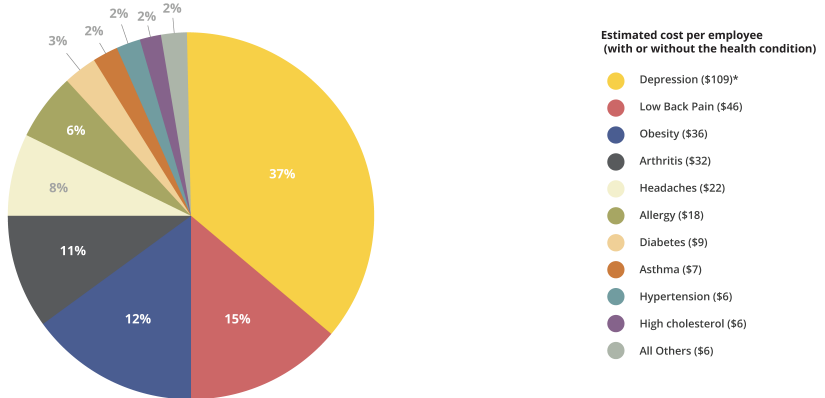
Implicit Monetization

Hypothetical Example:

- ▶ Suppose an employee earns \$50/hour,
- ▶ They claim that poor mental health limits their productivity 25% of the time.
- ▶ Firm “realized” 75% of \$50/hour = \$37.50/hour of productivity.

Evidence

Productivity loss due to presenteeism:



*Costs per employee and percentages are based on an assumed annual salary of \$50,000.

Data source: This data comes from seven different web-based health risk assessments conducted between 2003 and 2011.

Pros and Cons with Implicit Monetization

Pros:

1. Simple and Transparent.
2. Data are easily generated or already exist.

Cons:

1. Gains are implicit.
2. A given increase in productivity is more valuable for higher wage workers.
3. Subjective response.



Objective Measures

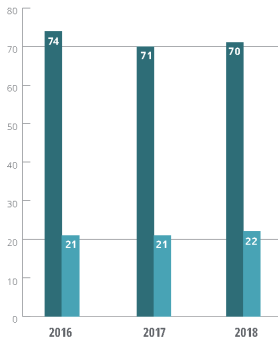
Disability Claims

FIGURE 9

A large proportion of short-term disability claims among study participants relate to mental health

■ Number of STD claims/1,000 FTEs

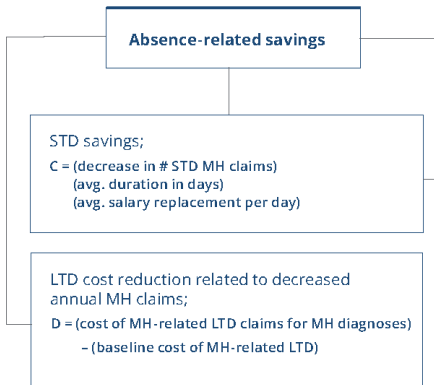
■ Number of STD claims for MH diagnoses/1,000 FTEs



Average percentage of STD claims for MH diagnoses
in 2018

Disability Claims

Deloitte study focused on hard data - short run and long-run disability claims



Other Measures

Mental Health Gains May Also Appear in Improved:

1. Output targets (e.g., sales).
2. Employee goals/growth metrics.
3. Overall firm growth.

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Hard Metrics

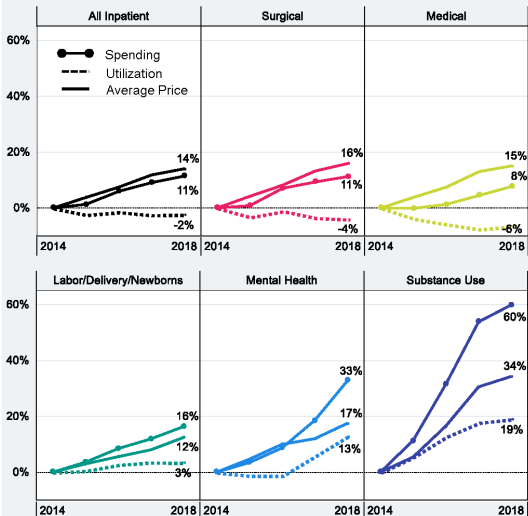
Workplace Accidents

Best Practices



Health Care Expenditures

Figure 20: Cumulative Change in Inpatient Spending per Person, Utilization, and Average Price since 2014



Health Care Expenditures



Original Investigation | Health Policy

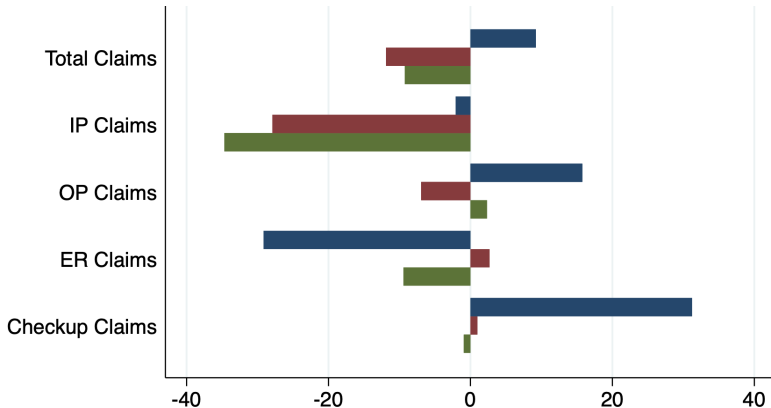
Association of Mental Health Disorders With Health Care Spending in the Medicare Population

Jose F. Figueroa, MD, MPH; Jessica Phelan, MSc; E. John Orav, PhD; Vikram Patel, PhD, MBBS; Ashish K. Jha, MD, MPH

CONCLUSIONS AND RELEVANCE:

“In this study, having a mental health disorder was associated with spending substantially more on other medical conditions.”

Recent Evidence



Outline

Introduction

Quantifying the Benefits for Manufacturers

- Soft Metrics

- Hard Metrics

- Workplace Accidents

Best Practices

Investments in Mental Health

Alternate Framing: Investment in employee mental health is an investment in risk reduction.

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- ▶ “Accidental injury due to a mental disorder accounts for a small portion of claims, relatively speaking, and claims are paid by the insurer. Nevertheless, as a few dramatic highly publicized events have demonstrated (e.g., the Germanwings Airline and Exxon Valdez accidents), a single on-the-job injury or accident can be extremely costly on many levels.” - Tufts Medical Center Program on Health, Work and Productivity

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- ▶ “Accidental injury due to a mental disorder accounts for a small portion of claims, relatively speaking, and claims are paid by the insurer. Nevertheless, as a few dramatic highly publicized events have demonstrated (e.g., the Germanwings Airline and Exxon Valdez accidents), a single on-the-job injury or accident can be extremely costly on many levels.” - Tufts Medical Center Program on Health, Work and Productivity
- ▶ “Shahly and colleagues found the average costs of insomnia-related accidents or errors to be \$10,534 higher than other accidents and errors (\$32,062 vs \$21,914)” - Wickwire et al. (2016)

Best Practices

1. Data Integration

- ▶ Standardized mental health outcomes (e.g., PHQ-9, GAD-7, etc.) not just engagement.
- ▶ Establish systems to collect data.
- ▶ Data Classification.
- ▶ Consistency.

2. Patience: Positive ROI takes at least 1 to 2 years. Why?

- ▶ Inpatient visits and workplace accidents are relatively uncommon.

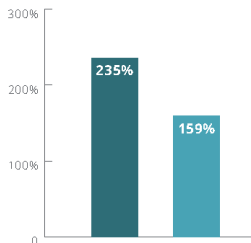
Conclusion

FIGURE 4

The ROI of investment in mental health programs

Stock appreciation based on S&P 500 Index of companies over six-year period

- Companies with high health and wellness scores
- Overall S&P 500 appreciation



Note: Both US and Canadian companies were included in this analysis.

Source: Deloitte analysis.