



The Cost of Mental Illness in the Workplace—and an Innovative Solution to Provide Support

As healthcare costs continue to rise, employers are turning their focus to costs associated with physical illnesses, offering wellness initiatives, tobacco cessation programs, and more to help lower health plan costs. But this is only part of the problem. To address the full issue, **employers need to turn their attention to mental health in the workplace.**

The Prevalence of Mental Health

1 in 5 adults will experience a mental illness in any given year in the U.S.,¹ with nearly five percent of all Americans experiencing a “severe mental illness” that impacts their daily lives and abilities².

In fact, mental health issues are so commonplace, almost half of adults (46 percent)³ will meet the criteria for a diagnosable mental health condition sometime in their life, almost certainly creating an impact on the individual and their families.

But studies have shown the workplace is especially vulnerable to the **financial** impact of mental health conditions—the total economic burden of major depressive disorder is now estimated to be \$210.5 billion per year. For every dollar spent on major depressive disorder direct costs in 2010, an additional \$1.90 was spent on major depressive disorder-related indirect costs⁴.



Employers are looking for brokers to help alleviate the financial burden to both employees and employers.



Financial burden on the employee

Medical bills, which can include deductibles, copays, coinsurance, and out-of-pocket expenses can pile up after a diagnosis or hospitalization. That alone is enough to cause financial strain, given that six in 10 Americans don't have enough savings to cover a \$1,000 unplanned expense⁵.

High-deductible health plans are creating gaps in the affordability of care, driving an even bigger wedge between what healthcare consumers have

and what they can afford. Today, two-thirds of people who file for bankruptcy cite medical issues as a key contributor of their downfall⁶.

But longer term, mental illnesses can result in reduced educational attainment, lower earning potential, increased chance of teenage childbearing, higher unemployment, and increased work disability⁷, creating a burden for both the employee and the employer.



Financial burden on the employer

Mental health conditions, particularly those severe disorders, can lead to costly challenges including absenteeism, reduced productivity, and increased health care and disability costs.

Employers are likely to notice absenteeism in the workplace, and depression alone is thought to count for up to 400 million lost work days annually⁸. But the largest indirect cost of mental illness appears to come in the form of

decreased performance and presenteeism, or working while sick.

Presenteeism is a new term being studied that refers to productivity loss and decreased engagement because employees are bringing their health issues to work—issues that affect both the quantity and the quality of work being completed. The cost of presenteeism to businesses was 10 times higher than absenteeism—costing nearly \$1.5 trillion globally per year⁹.

Supporting those who need help

Respecting and treating mental illness on par with other physical illnesses is the first step to improving employee quality of life and maintaining an effective workplace.

When issues turn severe, there can be an even bigger impact. A severe mental illness has the same personal impacts as a physical illness; the slew of hospitalizations, treatments, medications, etc., and the profound effects on quality of life and well-being.

Employer healthcare and wellness programs that only focus on physical fitness may be missing the mark—**healthcare must address mental health along with physical health.**

Voluntary benefits that provide needed coverage

By all accounts, a severe mental health episode is the very definition of critical. Yet voluntary Critical Illness policies have largely overlooked the prevalence and impact of severe mental health conditions, excluding them from coverage. Until now.

Launched in April 2019, EssentialCare Group Critical Illness is a first-of-its-kind Critical Illness product that includes coverage for four severe mental health crises: severe major depressive disorder, severe bipolar I disorder, obsessive compulsive disorder, and schizophrenia.

Healthcare must address mental health along with physical health

1st

EssentialCare Group Critical Illness is a first-of-its-kind Critical Illness product that includes coverage for four severe mental health crises

35

Coverage for up to 35 physical critical illnesses

8

Coverage for up to eight childhood conditions

In addition to these groundbreaking coverages, EssentialCare Group Critical Illness also provides coverage for up to 35 physical critical illnesses, up to eight childhood conditions, and a robust set of benefits that provide financial assistance for caregiver and support services that fit today's consumer lifestyle:

- Benefits that provide payment to assist with a dependent in the insureds' care, whether an adult, child or pet
- Benefit that pays out in the event of a parent diagnosis
- Benefits that can assist with the added out-of-pocket expenses that result from a critical illness diagnosis, such as mortgage and rent reimbursement, transportation to/from the place of care, lodging for family, and more

While workplaces often need to make a case for increased investment for programs, EssentialCare Group Critical Illness is a voluntary benefit that can be offered alongside major medical plans, with no employer contribution.

Summary

Addressing mental health along with physical health in the workplace is good business. Talk to your clients today about how EssentialCare Group Critical Illness can help address the financial burdens of a severe mental health condition.

¹ Substance Abuse and Mental Health Services Administration Center for Behavioral Health Statistics and Quality, 2017 National Survey on Drug Use and Health <https://www.samhsa.gov/data/sites/default/files/cbhsq-reports/NSDUHDetailedTabs2017/NSDUHDetailedTabs2017.pdf>

² Mental Health America Mental Health First Aid, "Five Surprising Mental Health Statistics", from <https://www.mentalhealthfirstaid.org>

³ NCBI Lifetime prevalence and age-of-onset distributions of DSM-IV disorders in the National Comorbidity Survey Replication, <https://www.ncbi.nlm.nih.gov/pubmed/15939837>

⁴ Center for Workplace Mental Health, Quantifying the Cost of Depression

⁵ Bankrate's Financial Security Index, Jan. 2–6, 2019

⁶ CNBC article on study published in the Feb. 6 edition of American Journal of Public Health

⁷ Center for Workplace Mental Health, Quantifying the Cost of Depression

⁸ Forbes "The Cost of Ignoring Mental Health in the Workplace", April 17, 2019

⁹ GCC Insights report by Global Corporate Challenge (GCC)

ESSENTIALCARE GROUP CRITICAL ILLNESS IS A LIMITED BENEFIT POLICY—READ YOUR POLICY CAREFULLY. THIS POLICY IS NOT MAJOR MEDICAL INSURANCE AND IS NOT INTENDED TO BE A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE.

Certain states may require the insured to have medical coverage to enroll. The policy or its provisions may vary or be unavailable in some states. Certain exclusions, limitations, and terms may apply. For complete details of availability, coverage, and benefits, please refer to the policy certificate or contact BCS. EssentialCare Group Critical Illness Insurance is pending regulatory approval in some states. Benefits are underwritten by BCS Insurance Company, OH (Administrative Offices: Oakbrook Terrace, IL).

