

Mental Illness and the Workplace

Mental illness has a significant impact on the workplace that often goes unrecognized. It is a critical dimension for any discussion of mental health care.

Depression is the most common mental health disorder in the workplace¹ and affects about one in 10 employees.² Despite its prevalence, depression frequently goes undetected or undertreated. It has been estimated that 75 percent of persons with depression do not receive a diagnosis; of these, 72 percent are in the workforce.³ Despite the prevalence of mental illness, less than one-third receives any level of mental health treatment.⁵

Mental illness, when untreated or under-treated, often manifests as a performance issue, such as absenteeism or compromised productivity. This comes at a high cost to employers: in the U.S., the annual economic, indirect cost of mental illnesses is estimated to be at least \$79 billion. Most of that amount--approximately \$63 billion--reflects the cost of lost productivity.⁴ Mental illness causes more days of work loss and work impairment than chronic health conditions such as diabetes, asthma, arthritis, back pain, hypertension, and heart disease.⁵

Depression is also a common co-occurring condition among individuals with chronic medical conditions. This is important because left untreated, people with co-occurring depression have higher health care

expenditures. For example, about 27 percent of people with diabetes also have depression, and their health care expenditures are four times higher than those with diabetes alone.⁶

Fortunately, mental illness is highly treatable. Between 70 and 90 percent of individuals with mental illness have significant reduction of symptoms and improved quality of life with a combination of medication, talk therapy and other supports. For major depression, studies have indicated that a combination of medication and psychotherapy may be the most effective approach to reducing the likelihood for recurrence.⁷

People who experience mental illness are a significant portion of the workforce—and failure to invest in their mental health care is costly to a company's bottom line. Effective mental health treatment provides real dividends; businesses can see significant returns on investment with decreased medical and disability costs and increased workplace performance.

By the Numbers

Each year, 217 million workdays are completely or partially lost due to mental disorders.⁸

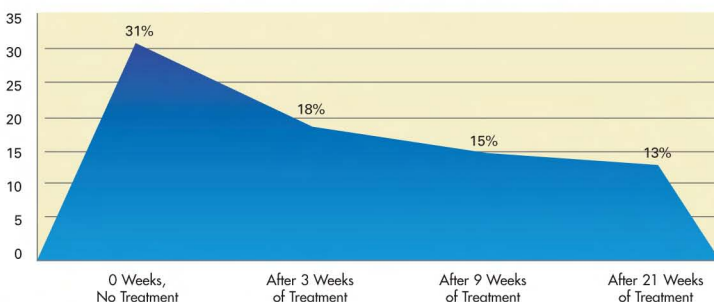
Workers with depression lose an average of 5.6 productive hours per week, compared to an average loss of 1.5 hours per week for workers without depression.⁹

Workers who have depression cost employers \$44 billion per year in lost productive time.¹⁰

Employees with co-occurring medical and mental health conditions use more health care resources and have longer durations of disability.¹¹

Absence, disability and lost productivity related to mental illness cost employers more than four times the cost of employee medical treatment.¹²

Percentage of Employees Work-Impaired Before and After Treatment



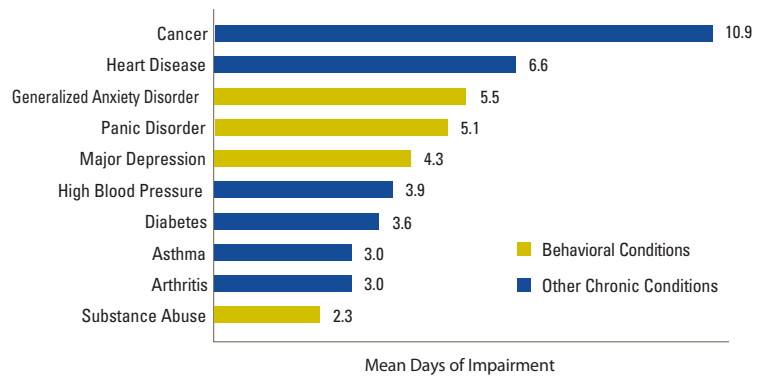
Source: Behavioral Health Care: A Worthwhile Investment®, by ER Jones, GS Brown. *Employee Benefit Plan Review*, August 2003, pp 13-14.

Saving Money, Saving Lives

Treatment for mental illness works and is cost-efficient. Providing effective treatment reduces the impact of mental disorders and saves employers and employees significant costs in medical care, productivity and disability.

- Mental health outpatient treatment programs can produce cost savings for employers by reducing worker impairment. After just three weeks of treatment, work impairment of employees living with mental illness was cut nearly in half, from 31 percent to 18 percent.¹³
- Depression treatment has been shown to pay for itself in terms of savings in lost earnings, not even taking into account other indirect costs such as increased productivity at work or reduction in other medical costs. Depression treatment provided by mental health specialists provided a net annual profit of \$877 per patient in regained earnings alone.¹⁴
- Employee Assistance Programs (EAPs) produce direct cost savings for employers with reduced medical, disability, and workers' compensation claims and even more indirect cost savings through improved work performance.¹⁵ EAPs increase worker productivity and decrease absenteeism.¹⁶ The return on investment (ROI) of EAP services is about a \$2 to \$4 savings for every dollar invested.¹⁷

Estimated Mean Number of Days of Impairment in Past 30 Days Among Individuals with Chronic Conditions



Source: Kessler, R.C., et al. (2001). The Effects of Chronic Medical Conditions on Work Loss and Work Cutback. *Journal of Occupational and Environmental Medicine*, 43(3), 218-225. As cited in National Business Group on Health. (2005). *An Employer's Guide to Behavioral Health Services: A Roadmap and Recommendations for Evaluating, Designing and Implementing Behavioral Health Services*. Washington, DC: National Business Group on Health.

Endnotes

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- ¹⁷ Hargrave, G.E., & Hiatt, D., "The EAP Treatment of Depressed Employees: Implications for Return on Investment," *Managed Health Network*, (2007).

