



Media Contact:
Cindy Kazan
Communi-K, Inc.
414.352.3535; ckazan@communik-pr.com

Employee Assistance Programs Take Direct Aim at Costs Stemming from Mental Health Parity Legislation

MH/SA Gatekeeper Leads to Direct Savings that Offset Cost of EAP

July 31, 2009 (CHICAGO, IL) The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, which goes into effect on October 3, 2009, is a source of concern for employers that are worried about the impending increase in their health care costs. The legislation prohibits group health or self-insured plans covering more than 50 employees from imposing caps or limitations on mental health treatment or substance use benefits that are not also applied to medical and surgical benefits. Because of this, many employers will have to increase the mental health and substance abuse (MH/SA) coverage in their existing benefit plan(s) to comply with the new parity requirements.

- Estimates of cost increases to employers that are already complying with comprehensive state mandates range from 1% to 3% or more of total health care costs. (Mercer, 'Guidelines for Cost-Effective Implementation of the Mental Health Parity and Addiction Equity Act of 2008')
- Plans without some form of behavioral health management may expect increases in outpatient costs of up to 30%. (Milliman, 'An Actuarial Analysis of the Impact of HR 1424')

With most organizations looking to reduce expenses as a result of the current economic climate, any cost increase at all can be detrimental to the company's short- and long-term financial viability.

For organizations that continue to provide MH/SA coverage, their Employee Assistance Program (EAP) may have some plan design options that can mitigate the financial impact of the Act. One of those options, an MH/SA Gatekeeper, benefits both employers and plan participants by redirecting EAP-appropriate cases into the Employee Assistance Program, while guiding members with acute mental health or substance abuse needs to the appropriate in-network provider within the benefit plan.

"Even after the Mental Health Parity Act goes into effect, companies that use their EAP to act as a 'first stop' for employees accessing MH/SA services may actually see their health care costs go down," says John Kamilis, LCPC, Clinical Director of CuraLinc Healthcare (www.curalinc.com). "Our experience shows that an EAP with an MH/SA Gatekeeper should have a direct financial offset of 1-to-1 or better. However, the key to success with this model is ensuring that the EAP provider is committed to addressing short-term counseling cases within the program."

The Gatekeeper service takes direct aim at MH/SA costs in two ways:

- **Redirection:** The majority of all MH/SA claims are for outpatient (short-term) counseling. From the onset of the case, members with short-term counseling needs are guided into the most appropriate avenue of care, which is usually the EAP. In a 5-session EAP model, 70% of outpatient counseling cases can be addressed within the framework of the

program. By providing the right mode of care from the point of entry, employers benefit by mitigating the financial impact of a case that would have otherwise generated a claim.

- Advocacy: Members with acute MH/SA needs that require inpatient care, partial hospitalization, medication management or long-term outpatient services are guided to the most appropriate in-network care choices within their benefit plan. An effective MH/SA Gatekeeper can reduce out-of-network utilization by over 50%.

Mindee Zis, Senior Account Executive at Allied Benefit Systems, Inc., a Chicago-based Third Party Administrator, has seen the impact of the EAP/Gatekeeper model first-hand. “Our clients with an integrated EAP/Gatekeeper model are experiencing EAP case utilization that is two-to-three times higher than we have seen from programs without the Gatekeeper component. If this model weren’t in place, many of these additional cases would have gone into the plan with an average cost ranging from \$126.00 to over \$900.00 per case. After the Parity legislation goes into effect, we believe that the savings will be demonstrated even more dramatically for companies that continue to provide coverage for MH/SA services.”

The MH/SA Gatekeeper is a product offered by CuraLinc Healthcare in tandem with the SupportLinc Employee Assistance Program. CuraLinc (www.curalinc.com) is a Chicago-based provider of behavioral health and wellness programs. For more information, John Kamilis, MA, LCPC, Director of Clinical Services with CuraLinc Healthcare, can be reached at jkamilis@curalinc.com or 224.534.2900.