

Mental Illness

A growing cause of disability claims

By Brad Fedorchuk

Addressing mental illness among plan members should be a consideration for any plan sponsor who is serious about containing disability claim costs. As awareness of the impact of mental illness in the workplace grows, plan sponsors are turning to advisors for help in developing solutions to keep disability costs down.

Depression is currently the leading cause of disability around the world, according to the World Health Organization, and mental disorders now account for five of the top 10 leading causes of disability. Mental illness tends to strike hardest during the prime working years. The struggle to balance on-the-job stress with pressures at home, such as raising children and caring for aging relatives, can contribute to the development of high stress levels and mental health issues. In Canada, one in five workers per year experiences a stress-related illness, according to a survey by Statistics Canada.¹

Plan member support and disability claims

Analysis of long-term disability claims data² shows that services supporting plan members' mental health, such as prescription drug therapy, psychological counselling and other forms of wellness support, are important factors in containing disability costs.

Claimants who receive drug therapy, psychological service or both, as part of treatment for depression, tend to have shorter claim durations, resulting in lower disability costs. Those who are treated with drug therapy and psychological counselling typically return to work up to two months earlier than those who receive neither form of treatment. While this means lower disability costs for the plan sponsor, it also benefits the plan member, who is able to return to better health and increased productivity sooner.

Even when the expense of providing these services is taken into account, the total average disability costs for claimants who use antidepressants at any point during a disability are seven per cent lower than costs for claimants who do not use them.

Cost savings are also seen for disability claimants who visit a psychologist during the course of their disability. Receiving psychological services as part of treatment can result in up to a 12 per cent savings in total average disability claim costs.

Timing of antidepressant use and psychological counselling also has an effect on claim duration. The sooner both of these are introduced into a treatment plan for depression, the shorter the average duration of disability claims.

A comprehensive approach

While plan members can benefit from participation in any workplace wellness program, it is the adoption of a comprehensive strategy, including a number of components, that makes a workplace health promotion program successful, according to a Conference Board of Canada report.³

Since the average duration of long-term disability for depression-related conditions is 12 months, associated costs can be significant. These include disability benefits payment, lost productivity and the expense of filling a disabled plan member's position. The costs of prevention and treatment can be small in comparison. An appropriate strategy may be to offer a comprehensive benefits plan that includes prescription drug therapy and psychological services that support plan members' mental health while also reducing disability claim costs.

A comprehensive plan takes a broad spectrum of employee health and wellness into account, encouraging plan members to stay healthy while also helping those on disability return to work and achieve their potential. Employee assistance programs (EAPs), for example, can play an important role in addressing stress and mental illness in the workplace. The services these

programs provide help to support plan members' mental health in a number of ways; many provide individual or family counselling, information on childcare and eldercare as well as referrals for help with legal, financial and nutritional concerns.

Efforts aimed at plan member health education — whether online or in the workplace — represent another aspect of a broad employee health strategy. These might include at-work seminars related to mental health, plan member newsletters or articles and tools available on plan sponsor or insurer websites. Whatever the method, it is important to address plan members' health before mental illness occurs.

Communicating with plan members

Informing plan members of the resources available to them is essential. A strategy aimed at reducing mental illness in the workplace is most effective when plan members have full knowledge of the services they can access.

By helping plan sponsors offer a comprehensive plan that includes prescription drug therapy, counselling and other wellness support, advisors play an important role in establishing effective management of mental health in the workplace.

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1 The Canadian Community Health Survey on Mental Health and Well-being, Statistics Canada, 2003

2 Cross-Benefit Study: Depression and Benefit Costs, Great-West Life, 2006

3 Health promotion programs at work: A frivolous cost or a sound investment? Conference Board of Canada, 2002

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