



# *White Paper: Choosing an EAP - The Case for an External EAP*

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## Choosing an EAP – The Case for an External EAP

Deciding to implement an Employee Assistance Program, or EAP, is easy, as a multitude of research studies have demonstrated the value of an EAP for both employees and employers. Implementing an EAP can result in marked improvements in employee absenteeism and productivity<sup>1</sup>, a reduction in medical and disability claims costs<sup>2</sup>, and can help employees improve work<sup>3</sup> and personal issues. In fact, nearly 77 percent of companies surveyed in a 2013 SHRM Employee Benefits study offered an EAP to their employees.<sup>4</sup> While it is clear that implementing an EAP is beneficial, deciding which type of EAP to choose has become increasingly difficult as there are three primary models of EAPs including external programs, internal programs, or “free” bundled models.

What are the differences between each of these models? An external EAP model is generally delivered by a vendor that is housed outside of the company for which the services are provided. The clinicians providing the counseling services are employed by the external EAP provider. In contrast, an internal EAP model is generally housed onsite at the company with the EAP Program Director, counselors and support staff also having offices located onsite. Finally, the “free” bundled model is often delivered as “part of” an insurance product purchased by the company, with no purported additional cost for the EAP services.

When deciding which model to purchase, a company should consider a number of factors beyond the mere cost of the EAP program. These factors should include: program utilization rate, effectiveness of EAP services provided, and confidentiality. Although the importance of each factor may differ with each company, at a minimum, the EAP should provide highly effective counseling services, which are readily utilized by employees.

With the cost of employee benefits rising each year, companies are increasingly lured to implement a “free” EAP service, which is usually bundled into an insurance product, as a means of cutting costs. The utilization rate and quality of counseling services for bundled EAP services was assessed in a 2009 study by the Employee Assistance Society of North America (EASNA).<sup>5</sup> This study found that in a “free EAP”, the type of counseling is usually “telephonic 24-hour triage and telephonic counseling services”.<sup>6</sup> The goal of this type of EAP seems to be to “provide access to emergency counseling and critical event response resources and to at least be able to offer a minimal level of counseling services as an employee benefit”.<sup>7</sup> The utilization rate may be “much lower” than other EAP models.<sup>8,9</sup> And, of course, the cost is usually buried within the other charges so the EAP is not truly free.<sup>10</sup> Studies clearly demonstrates that a “free EAP” frequently offers less comprehensive services, which may be utilized at a lower rate by employees, at a cost which is NOT truly free.

After ruling out a bundled model, the choice is between external and internal EAP models. When considering the effectiveness of the EAP services provided, service outcomes have been found to be the same, whether the EAP provider is externally or internally based.<sup>11</sup> How then can one determine which EAP model to choose? To answer this, we must turn to

the last important factor, confidentiality; which is where it becomes clear why so many companies choose an external EAP provider. Confidentiality concerns abound with an internal EAP model. Whether or not the internal EAP provider maintains that the services provided are confidential, just the onsite provision of services alone can cause employees to fear that their information will not be held in confidence. As duly noted in a 2009 EASNA study, “handling client confidentiality is a more difficult challenge for Internal programs than for External programs”.<sup>12</sup> Only a third party external EAP provider can truly offer services free from confidentiality concerns.

Although choosing between different EAP models may seem difficult initially, the choice is clear. Only an external EAP provider can truly offer a fully confidential provision of services, which are highly effective, steadily promoted and utilized and cost effective.

#### References

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