

Can You Really Get a Free Lunch?

In recent years, there has been a trend for insurance companies, payroll providers, and disability carriers to bundle Employee Assistance Program services into their core products and offer the EAP for “free”. Two questions that come to mind are: **is the EAP really “free” and is the program really an EAP?**

Survey Outcome

In a recent study (Burke, Sharar 2008), the stakeholders in this debate were surveyed to look at cost, perceived or realized value, large vs. small employers, visibility, knowledge, free and fee-based services. Consultants, HR Managers and EAP providers were interviewed.

Broker/Consultants

In the survey (Burke, Sharar, 2008), consultants generally viewed the EAP as a **valuable and essential service** but believed that employers were not taking full advantage of the full scope of services. Brokers and Consultants saw a strong link between the **EAP and health and productivity management**. They believed a **full service EAP is a valuable vehicle to manage health and productivity initiatives**. It was also noted that a “free” EAP embedded in a disability plan may limit the scope of the EAP to disability cases, thus further constricting the value of the EAP.

Human Resources

The HR Managers polled from large organizations tended to make decisions influenced by value and tended to work more frequently with fee-based EAPs. The HR Managers in smaller organizations focused on the cost of the EAP rather than the value. **The reality is that the cost of the EAP is miniscule compared to other benefits**. Smaller employers tended to choose the “free” plan to avoid managing another vendor contract.

EAP Providers

EAP providers that do not deliver “free” EAPs expressed concern that the “free” programs erode the quality and diminished workplace emphasis of EAPs in general. They cited the following concerns with free EAPs: **lack of promotion, lack of reporting, lack of follow-up and case management**. In the “free” model, client contact is typically done via the phone or web, and in-person sessions are not provided or provided at an additional cost. In addition, managers are without the tools of management training, consultation and referral leaving them with no resources to manage performance concerns. Representatives of providers with “free” EAPs indicated that they were able to make a healthy profit on the “free” EAPs model because utilization and expectations for workplace support are low.

Implications

Implications of the survey clearly depend on one’s perspective and organizational goals for the Employee Assistance Program. The cost of the EAP, however miniscule, seems to be a deciding factor for some purchasers. Many HR Managers have not worked with fee-based or full service EAPs and are not familiar with the **partnership that can be attained with a fee-based, full service EAP**.

Through this partnership, the organization fully experiences the **bottom line benefits and value of a fee based EAP**. The value of the EAP becomes clearer when a full service program is well publicized and functions as an **organizational risk management** tool that is part of the strategy to **maximize employee health and productivity**.

