



**Department of Employee Relations**

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**File: 252188 - EAP/ Behavioral and Mental Health Program Enhancement Proposal**

Dear Madam Chair and Committee Members,

I would like to begin by sincerely thanking the Committee for taking the time to review this proposal to expand and enhance the City's existing Employee Assistance Program (EAP) and Behavioral and Mental Health services. Your continued commitment to the well-being of our workforce is greatly appreciated, and I am grateful for the opportunity to present this recommendation for your consideration and support.

Mental health challenges continue to impact workplace productivity, employee well-being, and healthcare costs nationwide, with nearly 1 in 5 U.S. adults experiencing a mental health condition each year. Under the City's current UHC EAP model, employees are limited to 3 counseling sessions per issue, face an average 6-day wait for care, and often encounter a limited provider network. This frequently shifts ongoing treatment costs into the medical plan, increasing long-term healthcare expenses for the City.

Transitioning to Spring Health would provide employees with more timely and comprehensive access to behavioral and mental health services while supporting improved outcomes, earlier intervention, and better long-term cost management.

I have prepared the full cost analysis below, along with a broader picture of what this transition represents for our organization.

The information below reflects both the financial case and the human case for expanding and enhancing our current mental health program.

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## COST ANALYSIS: CURRENT MODEL vs. PROPOSED MODEL

Cost Category	Current Model (UHC)	Proposed Model (Spring Health)
EAP Sessions	3 visits per issue	6 visits per issue
EAP Cost	\$0 (included in UHC contract)	\$189,600 (1.95% utilization — Year 1)
Post-EAP Medical Cost	\$147,000 (UHC allowed specialist rate)	\$58,800 (reduced via earlier intervention)
Admin / Ancillary	\$36,120	\$0
<b>TOTAL ANNUAL COST</b>	<b>\$183,120</b>	<b>\$248,400</b>

The cost differentiation between models is \$65,280, approximately \$130–\$160 per covered employee annually. On its face, this appears to be a straightforward cost increase. However, as I will illustrate below, this figure tells only a fraction of the story.

### THE SOFT SAVINGS: WHERE THE REAL VALUE LIVES

The transition from a 6-business-day access model to a guaranteed 2-business-day appointment window is not simply an administrative improvement, it is a direct investment in workforce productivity. Every day an employee waits without care is a day they are operating at diminished capacity. The soft savings below are conservative estimates grounded in peer-reviewed research and public employer benchmarks.

Savings Category	Est. Annual Value	What's Behind the Number
Absenteeism Reduction	\$42,000 – \$70,000	120–200 workdays recovered; 4-day access gap eliminated, reducing untreated symptom days to near zero
Presenteeism / Productivity Recovery	\$180,000 – \$350,000	Untreated depression reduces capacity to 40–60%; effective treatment restores 80–90% productivity (CDC; JOEM)
Turnover Reduction	\$40,000 – \$60,000	Est. 2–3 employees retained who would otherwise exit due to unaddressed mental health stress
Reduced Crisis / Escalation Costs	\$20,000 – \$40,000	Earlier intervention prevents ER visits, inpatient admissions, and FMLA escalations
<b>TOTAL PROJECTED SOFT SAVINGS</b>	<b>\$282,000 – \$520,000</b>	<b>Net favorable position: \$51,600 – \$271,600 annually vs. current model</b>

**Double the benefit, manageable investment:** Spring Health provides twice the counseling sessions (6 vs. 3) at an incremental cost that is fully recovered through productivity gains within the same plan year, making this a fiscally responsible enhancement, not a discretionary expense.

This decision is supported by the following factors:

- The gross cost increase of \$65,280 is modest relative to total compensation spend and is dwarfed by conservative soft savings projections of \$282,000+

- Doubling EAP sessions from 3 to 6 meaningfully increases the likelihood of clinical resolution, reducing the probability of higher-cost downstream medical utilization
- The shift from 6-day to 2-day access-to-care is the single most impactful change for workforce productivity and is a major driver of measurable ROI
- This transition aligns our benefits program with municipal peer benchmarks and competitive market practice
- Spring Health's outcomes reporting capability will allow us to demonstrate benefit ROI annually, an important accountability tool for elected leadership

Please note that the intent is to not request any additional funds to cover this projected \$65k cost and that I strongly believe we will be able to observed it within the current budget allocation. I'm available to answer any further questions that might arises and appreciate the consideration.

Respectfully,

Molly King