

# CRC BENEFITS



## Mental Health Matters: Why Businesses Are Prioritizing Employee Well-Being



Imagine a workplace where mental health is a central component of employee well-being, and not a footnote. Thriving employees and increased productivity — all thanks to a proactive approach to mental health. According to a study published in the Journal of Occupational Health Psychology, companies offering comprehensive mental health benefits see a remarkable reduction in employee turnover of over 30%.<sup>1</sup> This statistic uncovers a fascinating but simple truth: investing in mental health can enhance employee satisfaction and loyalty. As awareness of mental health issues grows, businesses nationwide are realizing the power of mental health coverage. For those in the health insurance industry, there has never been a better time to embrace and understand these trends so we can best serve our clients.

### THE GROWING IMPORTANCE OF MENTAL HEALTH COVERAGE

What exactly is mental health? According to the CDC, mental health includes our emotional, psychological, and social well-being.<sup>2</sup> It affects how we think, feel, and act, and helps determine how we handle stress, relate to others, and make healthy choices. Mental health is vital at every stage of life, from childhood and adolescence through adulthood, and is more prominent than ever, extending beyond the confines of a typical after-school special. It plays a central role in our daily lives, impacting our homes, schools, and workplaces. In fact, when it comes to workplaces, employees today are more vocal about their mental health needs than ever before and not only desire but expect their employers to provide comprehensive mental health support.

The statistics truly are eye-opening. For example, in 2024, an estimated 57.8 million adults, that's a startling 19% of the country, had a mental illness, yet only a fraction, 43%, received any kind of mental health care.<sup>3</sup> This stark gap reveals a critical issue: while mental health is increasingly acknowledged in conversations and policies, barriers to access and care still exist. Many individuals continue to face obstacles in getting the support they need, highlighting the importance of a comprehensive benefits package that includes mental health services. The growing recognition of mental health needs is a step forward, but there is still much progress to be made to ensure that effective, accessible care becomes a standard part of employee benefits.

The expansion of mental health benefits impacts people across the United States and is not biased to any specific state or city. Take major cities like New York, San Francisco, and Seattle, where the competition for top talent is fierce, many companies



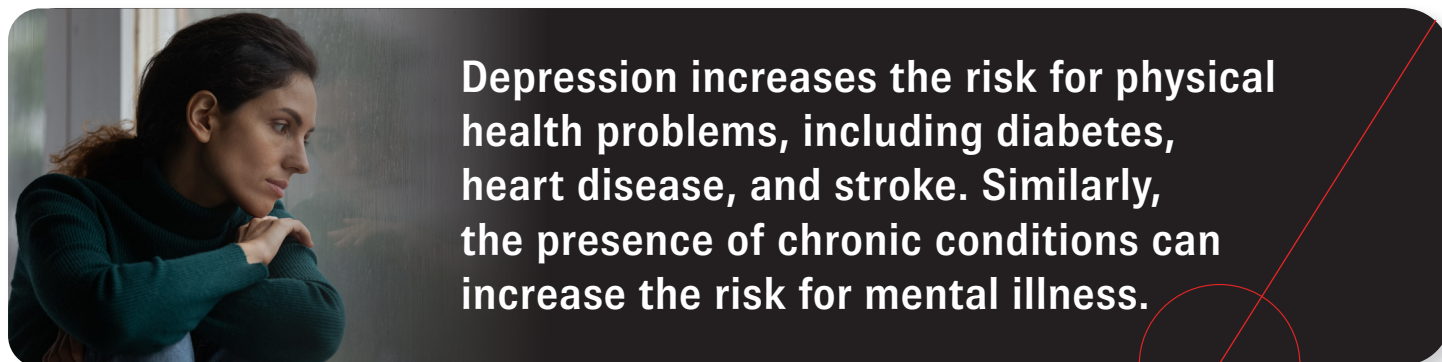
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there are leading the charge by already offering comprehensive mental health benefits as standard. These larger populated areas often set the pace, with businesses recognizing the competitive edge that robust mental health support can provide. But it's not just the big cities taking note. Cities and towns across more rural states, like Iowa and Kansas, are seeing the benefits of statewide initiatives with mental health task forces and employer-led wellness programs, which are paving the way for broader adoption of mental health coverage. It is a needed step in the right direction, especially as remote work extends talent pools beyond state borders.

## TYPES OF MENTAL HEALTH SERVICES COVERED

While doctors and mental health professionals have long advocated for a balance between the two, it's now increasingly clear that mental and physical well-being are equally important to overall health. For instance, depression increases the risk for many types of physical health problems, including long-lasting conditions like diabetes, heart disease, and stroke.<sup>4</sup> Similarly, the presence of chronic conditions can increase the risk for mental illness.

In addition to the standard health plan benefits of physician copays and prescription drug coverage that employees are used to, employee benefits packages can include a wide range of mental health services as well. These services encompass counseling and therapy, with many employers covering sessions with licensed professionals for individuals, couples, or even group therapy. Employees can access these services in person or through virtual platforms, making them more convenient and accessible. Teletherapy, in particular, has become wildly popular due to its flexibility, allowing employees to seek help from the



comfort of their own sofa. Additionally, there are dozens of mental health apps available with nothing more than access to a smartphone needed. The apps provide a range of resources, including meditation services, stress management programs, and online support groups. Even substance abuse treatment is being addressed, which is especially important given the increasing prevalence of substance abuse challenges. Every day, more companies are recognizing addiction as a mental health issue and extending coverage for treatment programs and rehabilitation services.

## IMPACT ON EMPLOYEE PRODUCTIVITY AND WELL-BEING

The benefits of expanding mental health coverage extend beyond the individual and impact the entire organization. Employees who have access to mental health resources are more likely to perform better at work. Addressing mental health issues reduces absenteeism and presenteeism (working while unwell), leading to a more productive workforce. Companies offering robust mental health benefits are more attractive to potential hires and are better able to retain current employees. A supportive work environment fosters loyalty and reduces turnover. Mental health support contributes to the overall well-being of employees, leading to higher job satisfaction and morale. Remember, a happy employee is a productive employee. By normalizing mental health discussions and providing resources, companies help reduce the stigma around seeking help, creating a more open and supportive work culture.



**Companies providing robust mental health benefits experience an impressive 30%+ decrease in employee turnover.<sup>5</sup>**

## MANAGING COSTS OF MENTAL HEALTH BENEFITS

While the expansion of mental health benefits is beneficial, it is not without its challenges, namely cost management, technology, and availability of resources. Here's how companies are overcoming these obstacles:

- ◉ **Preventative Measures:** Investing in preventive care and early intervention can reduce long-term costs associated with mental health issues. Programs that promote mindfulness, stress reduction, and resilience training are increasingly popular.
- ◉ **Flexible Plans:** Employers are opting for flexible health plans that allow employees to choose the mental health services they need. This personalized approach helps in managing costs effectively.
- ◉ **Negotiating with Providers:** By negotiating with mental health service providers and insurers, companies can secure better rates and expand their offerings without significantly increasing costs.
- ◉ **Utilizing EAPs:** Employee Assistance Programs (EAPs) are cost-effective solutions that provide a range of mental health services at a lower cost. These programs often include short-term counseling for acute issues as well as referrals to specialists as needed.
- ◉ **Leveraging Technology:** Digital health solutions, such as teletherapy and mental health apps, offer affordable alternatives to traditional therapy, expanding access without inflating costs.

## BOTTOM LINE

Understanding the expansion of mental health benefits is a must in order to best serve and advise our clients. This shift in focus on mental health benefits is reshaping the workplace and offering companies the chance to truly support employee well-being. As a trusted advisor, you play a pivotal role. Work with clients to design benefits packages that align with their employees' needs and the company's budget. Encourage them to invest in preventive mental health measures, emphasizing the long-term cost savings and overall benefits. Partner with your local CRC Benefits sales team to help craft benefits packages that effectively meet workforce needs and promote mental health awareness and support in the workplace.

## CONTRIBUTORS

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## END NOTES

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