# EAP Competence and Value

## *The second of two articles on the need for a revised ethic in employee assistance addresses concerns about the use of subcontractors by national EAP vendors.*

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A recent study examined how a random sample of employee assistance professionals perceive the state of ethical conduct related to business practices within the EA/managed behavioral health care field (Sharar, White, and Funk, 2001). The survey, conducted in the fall of 2000, was distributed to a diverse mix of members of the Employee Assistance Professionals Association and the Employee Assistance Society of North America.

Forty-three percent of survey recipients responded, a return rate well within rates normally seen in health care ethics surveys. Data analysis included the use of descriptive statistics for variables that could be quantified and qualitative analysis for open-ended questions.

Twenty-two percent of respondents identified the ethics of EA referrals and ownership structures as among the most important or critical business ethical issues facing the field. This article will address some of the concerns expressed by respondents about competence and value among large-scale, national EA vendors.

*(Note: It is important to emphasize that the following discussion is based on EA professionals' perceptions of ethical problems, not the actual prevalence of ethical breaches in the EA field.)*

### Concerns About Competence and Value

Local and regional employee assistance vendors dominated the early EAP industry; today, a few national vendors hold about 75 percent of total EAP enrollment in the United States. These national players tend to be for-profit, insurance-based, and investor-owned companies that offer EAPs and other core products (such as managed behavioral health care and work/life benefits) to large employers. Local and regional vendors, on the other hand, tend to be nonprofit organizations, proprietor-owned practices, or treatment facilities.

National EAP vendors routinely subcontract with practitioners in locations where the vendor does not have a staff office. Responses to the survey indicate that the competence and use of these subcontractors (also known as "affiliates" or "network providers"), especially in cases where referrals are indicated, is a leading ethical concern within the industry.

Survey respondents suggested that many subcontractors, while licensed in their respective behavioral health disciplines, lack a rudimentary understanding of the anatomy of a referral within the employee assistance context. As evidence, respondents cited several common shortcomings among subcontractors, including the following:

- Lack of knowledge of available community resources;
- Reluctance to refer clients, except occasionally to themselves;
- Failing to assess when a referral is in order, particularly in chemical dependency cases;
- Failing to understand the mechanics of a company supervisory referral;
- Confusing the simple task of passing along a phone number with the complete referral of a client; and
- Failing to conduct follow-up activities with the referral resource or client.

A broader ethical concern among survey respondents is a perceived decline in the quality of EA programming in the face of massive consolidation and large-scale national mergers.

At the heart of this concern is a perception that national vendors lack, as a core value, a collaborative, community-based ethos based on geographic proximity, personal communication, community benefit, and outcome rather than cost. This lack of an ethos manifests itself in ways that minimize and dilute some of the potential strengths of local/regional EA firms, such as the following:

- An understanding of local resources and linkages;
- A connection between (or even an integration of) the local EA vendor and the local worksite;

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- The retention of dollars and assets within the community;
- A commitment to finding innovative ways to solve local employers' workplace issues;
- The ability to respond to local employers' concerns and crises; and
- The ability to quickly tailor programs and procedures to meet local employers' unique circumstances.

Local/regional players generally believe they are better situated to form collaborative relationships with area employers and referral resources and develop integrated, innovative, and customized programs (as opposed to using "off the shelf" materials). Local/regional players also tout the fact that they are either nonprofits or small business entities and thus do not have a financial obligation to a third party that is not the employer/purchaser or the employee client. The implication is that the local/regional EAP invests a larger percentage of the premium dollar on direct client care and employer services.

National EA vendors, on the other hand, claim to offer many program features and support capabilities that are especially attractive to large employers with multiple locations. These features include the following:

- Superior access to capital to finance program innovations and improvements, such as on-line platforms for employees or supervisors seeking EA services;
- The ability to afford and implement established or emerging accreditation requirements, such as the managed behavioral health care standards issued by the National Committee for Quality Assurance;
- Sophisticated management information systems and databases that allow for the management of financial risk and the delivery of complex reports;
- Nationwide affiliate networks that enable all locations to be serviced through a single contract between the national vendor and the employer;
- The ability to provide products that can be integrated with an EAP, such as a work/life program or managed behavioral health care service; and
- Economies of scale—and, ultimately, more competitive prices—that are unattainable in local/regional models.

Subsets of national vendors also challenge the claim that their services are not locally focused and community based. Some national vendors have "regionally-based" account management and service center sites that emphasize local integration, coordination, and responsiveness—attributes that local/regional vendors claim as an advantage. This regional management structure has the potential to produce the kind of collaborative, community-based ethos that many respondents perceive as missing in national EA vendor models.

The reality is that work organizations, as purchasers of EAPs, ultimately determine what constitutes a quality program. Decisions about whether an EAP provider will be local or national in scope, for profit or nonprofit, or owned by a parent organization or managed care company are made largely in response to employers' needs and preferences.

## A New Professional Ethic?

These are challenging times for the EA field. We perceive a growing disconnect between the historic concept of employee assistance ethics and the changing circumstances and emerging environment in the provision of employee assistance services. The current climate of intense competition for increased market share, operating losses, "merger mania," referral incentives masked as integrated delivery systems, and the blurring of boundaries between EA entities and ancillary products is unlikely to foster an atmosphere that nurtures high standards in referral and business practices.

It seems the EA field is being pulled in one direction by members of the traditional guard, who rail against programs they feel have drifted away from the original mission of employee assistance, and in another by programs and entrepreneurs that are diverse, expansive, and market- or profit-driven. The latter are calling for a new professional ethic that takes into account a broader, more complex set of business-related ethical guidelines and responsibilities.

One place to start is to revise our codes of ethics and conduct. Current codes of ethics and conduct (those of EAPA and EASNA) lay an ethical foundation, but hardly build the whole house. They are minimalist codes that are restricted in scope and unable to provide much guidance to the complex and ambiguous predicaments related to the business practices of EAPs, such as the ethics of referral and ownership.

Our vision is for the leadership of the employee assistance field to engage in ethics-related advocacy by organizing and supporting an "ethics summit" composed of a cross-section of EA leaders, professionals, constituents (employee/employer clients), and representatives from allied fields (e.g., human resources, benefits, labor, managed care, treatment, and so on). This summit would not be a conference but rather a working meeting, with subgroups entering into a dialogue on how to revise the field's ethics codes to be more relevant and informative in the area of business ethics. Another goal of the summit could be to explore ways to develop an independent audit function for all external EAPs. Our hope is that some of the survey findings and interpretations of issues in this article will stimulate interest and discussion (not just "ethics talk") in a way that ultimately affects referral practices and ownership structures in the EA field. **E**

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*Declaration of Institutional Interest:* Chestnut Health Systems, a private, nonprofit community-based provider, owns and operates a division that provides regional EA services. In addition to employee assistance, Chestnut also provides a wide variety of behavioral health care programs, prevention activities, and research as well as program evaluation and training services. Both authors are employed by Chestnut Health Systems.