

## Behavioral Health in the Workplace: How Are Employers Managing Mental Health and Disability?

### A Discussion Featuring:

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United Behavioral Health

### Location

**Reserve Officers Association  
of the United States**

One Constitution Avenue, NE  
Congressional Hall of Honor  
Fifth Floor

*(Across from the Dirksen Senate  
Office Building)*

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# Behavioral Health in the Workplace: How Are Employers Managing Mental Health and Disability?

## OVERVIEW

*This Forum session will explore the management of behavioral health benefits in employer-sponsored health plans. An introductory presentation will describe the impact of mental disorders on productivity and disability and briefly describe different approaches to managing behavioral health issues in the workplace. A facilitated panel discussion will explore concerns about cost and the reasoning behind differences among employers in the design of behavioral health benefits.*

## SESSION

Debates on mental health parity often bring to the surface long-standing fears about the costs of mental health services, particularly increased costs associated with inappropriate utilization. However, today's employer-sponsored health plan products vary considerably in the scope and management of behavioral and mental health services, suggesting that decision making about mental health coverage is complex. Some employers have expanded access to mental health services without increasing overall costs; some even report cost savings through reduced disability claims and better work productivity.

Over the past 20 years, there have been dramatic changes in the delivery and costs of mental health services. Significant advances in pharmacotherapy and short-term therapy interventions helped to shift the mental health industry from a predominantly inpatient service model to a greatly expanded range of services offered in community-based outpatient settings. In addition, the rise of managed care and behavioral health "carve-outs" in the 1990s, along with more sophisticated use of employer-assistance programs (EAPs), demonstrated that mental health services could be effectively administered and be cost-efficient. Although subject to criticism and not without flaws, behavioral health management techniques, when used appropriately, have helped to alleviate employer cost concerns while also increasing appropriate access to mental health services.

A growing number of employers are becoming concerned about the financial implications of *not* addressing behavioral health issues in the workplace. A compelling body of evidence has demonstrated persuasively that mental and substance abuse disorders are a major cause of lost productivity, absenteeism, and disability. Mental illness and substance abuse

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disorders (as a group) are a major cause of both short- and long-term disability in the private sector and account for more days of work loss and work impairment than many other chronic conditions such as diabetes, asthma, and arthritis. In fact, these disorders represent the top five causes of disability for people age 15 to 44 in the United States and Canada, excluding communicable diseases. Researchers estimate that 181 million workdays are affected by productivity decline due to mental disorders, costing employers \$17 billion each year. Estimates of the indirect costs associated with mental illness and substance abuse disorders range from \$79 to \$105 billion per year.<sup>1</sup>

This meeting will explore how behavioral health services are delivered and managed in the private sector. After a brief introduction to the range of mental health services covered by employer-sponsored insurance plans, a facilitated discussion will explore employers' reasons for choosing certain benefit structures.

## KEY QUESTIONS

- Do insurers and insurance purchasers perceive mental health benefits as more difficult to manage than other types of health care benefits? To what extent do utilization management techniques and other business practices (such as medical necessity determinations, cost-sharing requirements, and provider network development) differ for mental health services?
- To what extent has the role and structure of specialized behavioral managed care plans changed in recent years? What are the relative advantages and disadvantages of “carve-ins” versus “carve-outs”?
- How have changes in the delivery of mental health services, such as increased utilization of psychotropic drugs and the development of new cognitive-behavioral interventions, affected coverage for and management of mental health services?
- In what ways do employers see value in offering generous mental health benefits? What effect does access to these services have on employee productivity, absenteeism, and retention? What are the utilization trends and costs associated with the provision of generous mental health benefits? To what extent do varying labor market dynamics affect employers' analyses of the costs and benefits associated with mental health coverage?
- What is the relation between insurance coverage for mental health services and the design and cost of other employee benefits, such as EAPs and disability insurance?
- What challenges continue to undermine the provision of cost-effective mental health services? Are these challenges unique to mental health?

## SPEAKERS

**Ron Finch, EdD**, is the director of the Center for Prevention and Health Services at the National Business Group on Health. The Center focuses on information and resources for preventive and other health services that are delivered through employer-sponsored health plans and worksite programs. Program areas include a CDC Cooperative Agreement, Terrorism and Public Health Emergency Preparedness Initiative, Maternal and Child Health, Preventive Services, and Health Disparities. Prior to joining the Business Group, Dr. Finch was the director of healthcare and hospital administrator at Mount Carmel Guild Special Hospital, where he designed, implemented, and directed the delivery of behavioral health and addictions services to over 6,000 indigent psychiatric Medicaid and Medicare patients each year. Dr. Finch holds a bachelor of science degree from Memphis State University, a master of science degree from the University of Tennessee in Counseling Psychology, and a doctorate of education degree in counseling and personnel services from Memphis State University.

**Anthony M. Kotin, MD**, is the chief clinical officer for Magellan Health Services. Dr. Kotin and his team develop and oversee the implementation of medical management policies and procedures, and they evaluate the current health care industry trends to assess future market needs and assist Magellan in strengthening its position as market leader. Prior to joining the company, Dr. Kotin served as the national strategy leader for the health and group practice at Mercer Human Resource Consulting. Additionally, Dr. Kotin was responsible for the group's national marketing strategy, major client sales, and product development. He also supported the specialty practitioner groups and managed the practice Intranet site and survey units. Prior to Mercer, Dr. Kotin served as national chief medical officer for Prudential Healthcare, Inc. His background also includes serving as the national practice leader for clinical operations and analysis in the integrated health care consulting practice of Towers Perrin. A board-certified internist, Dr. Kotin holds a medical degree from Rush Medical College in Chicago and a bachelor's degree from the University of Illinois.

**John J. Mahoney, MD**, is the corporate medical director for Pitney Bowes. As strategic healthcare initiatives director at Pitney Bowes, Dr. Mahoney is a key team leader for the company's innovative health care programs. Dr. Mahoney's current responsibilities include advanced health care planning for employees, integrating disease management and wellness initiatives, and benefits planning for employees and retirees. He joined Pitney Bowes in 1997 as corporate medical director and global health care management director. Prior to joining Pitney Bowes, Dr. Mahoney served as vice president of Integrated Health Management at Aetna, Inc., where he was responsible for integrating all health-related employee programs within Aetna to achieve improved employee productivity and effectiveness. Dr. Mahoney received his undergraduate degree from Boston College and his medical degree from the Medical College of Virginia. He also received a master's degree in public health from the University of California, Los Angeles.

**Denise Podeschi, PhD**, is a principal and the national lead for behavioral health consulting at Mercer Human Resource Consulting. Since joining Mercer in 1998, Dr. Podeschi has provided clinical and operational expertise on a broad array of assignments involving the design and implementation of managed care strategies or the redesign and performance improvement of existing managed care programs. In the past several years with Mercer, Dr. Podeschi has implemented behavioral health integration initiatives with medical and absence management programs, developed performance-based contracting protocols, and conducted clinical studies on the cost-impact of managed care programming and mental health parity mandates. Dr. Podeschi is a licensed clinical psychologist with over 20 years of experience. Prior to joining Mercer, she held posts of regional vice president of managed care operations and vice president of clinical operations for a large national managed behavioral health organization. Dr. Podeschi received a bachelor of science degree from the University of Illinois and her master's and doctorate degrees from Washington University in St. Louis.

**Rhonda Robinson Beale, MD**, is the chief medical officer for United Behavioral Health (UBH), where she is responsible for facilitating the clinical direction, quality of care, and clinical policy of the organization. Prior to coming to UBH, she was the chief medical officer for PacifiCare Behavioral Health (before the acquisition by UBH). Dr. Robinson Beale has also been chief medical officer at CIGNA Behavioral Health, medical director for Blue Cross Blue Shield of Michigan, and senior medical director at Health Alliance Plan. She is currently a member of the Institute of Medicine (IOM) Health Services Board and is serving on a IOM study examining psychosocial services need for cancer patients due to be published later this year. Dr. Robinson Beale is currently co-chairing a National Quality Forum Steering Committee working on "Evidence-Based Practices to Treat Substance Use Conditions." She has over 30 years of private practice experience in general psychiatry, concentrating on substance abuse particularly in drug addicted mothers. Dr. Robinson Beale completed her MD training at Wayne State University School of Medicine.

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## ENDNOTE

1. R. A. Finch and K. Phillips, *An Employer's Guide to Behavioral Health Services: A Roadmap and Recommendations for Evaluating, Designing, and Implementing Behavioral Health Services*, National Business Group on Health, Center for Prevention and Health Services, 2005; available at [www.businessgrouphealth.org/pdfs/fullreport\\_behavioralhealthservices.pdf](http://www.businessgrouphealth.org/pdfs/fullreport_behavioralhealthservices.pdf).



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