

} **FEDCAP SOLUTION SERIES**  
BUSINESS IN THE 21<sup>ST</sup> CENTURY

The Impact of  
*Mental Health*  
and *Addiction*  
on Economic  
Well-Being

**A JOB MAKES A DIFFERENCE**

Solution Series is a project of Fedcap's **Community Impact Institute**



## } A LETTER FROM FEDCAP'S PRESIDENT & CEO

Dear Friends,

Welcome to Fedcap's 10th Solutions Series, *The Impact of Mental Health and Addiction on Economic Well-Being*.

Our society is profoundly affected by mental illness and addiction. Over 20 percent of the adult population of the United States – approximately 44 million people – suffer from some form of mental illness, and a large percentage are undiagnosed or untreated.

The social, emotional and economic consequences touch each of us. We see the impact in the workplace, within families, in our soldiers returning from war, and in our criminal justice system.

Fedcap is committed to joining with leaders around the country to make high quality mental health and substance use services accessible to those who need them, when they need them. That is what this Solution Series is all about. To identify key opportunities to “change the story” and then employ informed, laser-focused interventions.

At Fedcap, we understand that the biopsychosocial influencers in a person's life directly impact long term economic well-being. Health, mental health and substance abuse services cannot be delinked from workforce development and career advancement. The planful integration at the broader system level and within local service delivery is a critical step in the process of changing the outcomes for those we serve.

Our goal is to achieve that more perfect world where there is no stigma attached to mental illness and addiction, and treatment is provided when needed.

Sincerely,



*Christine McMahon*

**Fedcap President and CEO**

# } THE CURRENT REALITY

In the United States, approximately 44 million adults aged 18 or older – about 20 percent of the adult population – have some form of mental illness, which is defined as a medical condition that disrupts a person’s thinking, feeling, mood, ability to relate to others, and daily functioning.

Experts agree that **EMPLOYMENT** is an important step in recovery from mental illness, one that leads to self-sufficiency, lower health care costs and higher quality of life. Yet the national unemployment rate for individuals receiving public mental health services nationwide is rising, from 77 percent in 2003 to just over 82 percent in 2012, according to the National Alliance on Mental Illness (NAMI).

About 60 percent of the 7.1 million people who receive mental health services want to work, and close to two-thirds are capable of succeeding in the workplace with appropriate support. According to NAMI: “Unemployment among people served by public mental health systems remains inexcusably high. The price of this unmet need is exorbitant in human costs of wasted talent, derailed lives, broken families, lost productivity and increased public spending on disability income and health care.”

Within most societies, including the United States, people with mental illness face marginalization, stigma and discrimination in the social, economic and health spheres. Discrimination and negative stereotypes are among the

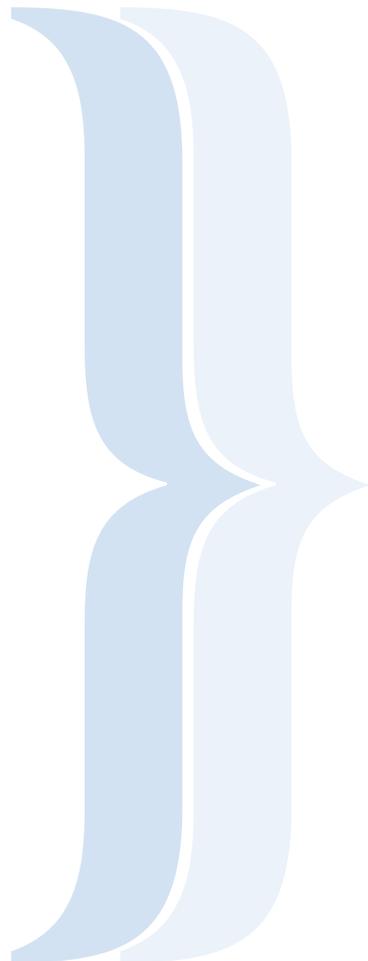
reasons that so many of these individuals struggling with mental health issues and addiction are excluded from the workplace. Many have found that a disclosure of mental illness can negatively impact career advancement. Also, people with mental illness often do not seek employment for fear of losing public income supports and medical benefits.

Our nation also faces a critical need to improve access to mental health care for **MILITARY VETERANS**, who are at high risk of mental illness.

In a recent 2014 study – the largest study of mental-health risk ever conducted among the U.S. military – found that depression was five times as high among soldiers as civilians and post-traumatic stress disorder was nearly 15 times higher than among civilians. It indicated that almost 25 percent of nearly 5,500 active-duty, non-deployed Army soldiers tested positive for a mental disorder, and 11 percent tested positive for more than one illness.

The **CRIMINAL JUSTICE** system is also struggling with a high prevalence of mental illness and addiction among inmates. American prisons and jails house an estimated 360,000 inmates with several mental illness – more than 10 times the number of mentally ill patients in state psychiatric hospitals. The disproportionately high rate of mental disorders in prisons is related to several factors: the widespread misconception that all people with mental disorders are a danger to the public; the general intolerance of many societies to difficult or disturbing behavior; the failure to promote treatment, care and rehabilitation; and, above all, the lack of, or poor access to, mental health services.

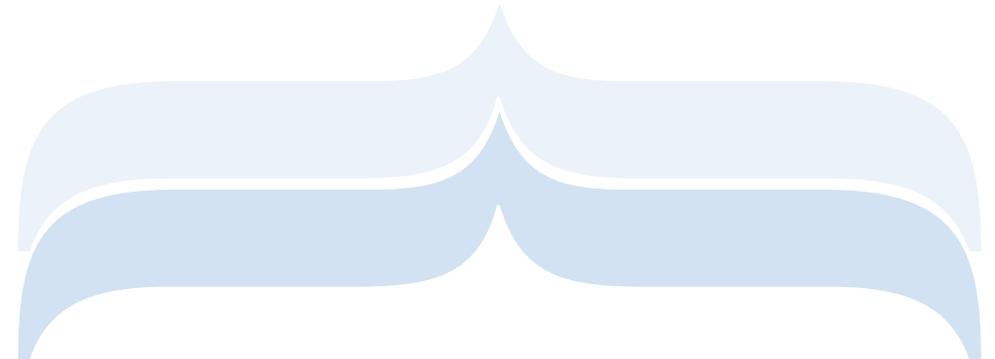
People with mental illness or substance use disorders who have committed minor offences are often sent to prison rather than treated for their disorder where they go unnoticed, undiagnosed, and untreated. Upon release, these untreated mental health issues directly impact re-entry success and ultimately contribute to the high percentage of recidivism. 



## **IMPACT OF MENTAL HEALTH ISSUES IN THE WORKPLACE**

Untreated mental illness can wreak havoc on work performance and productivity. According to the Partnership for Workplace Mental Health, more workers are absent from work because of stress and anxiety than because of physical illness or injury. Further, mental illnesses like major depressive disorder are strongly correlated to chronic diseases like cardiovascular disease, diabetes, obesity, asthma, and arthritis. Mental illness short-term disability claims are growing by 10 percent annually and can account for 30 percent or more of corporate disability expenses for employers.

A growing number of companies are investing in wellness programs to support the mental health of their employees. These companies are seeing a reduction in medical costs, increased productivity, lower costs related to absenteeism and presenteeism (when employees are physically present but unproductive), and decreased disability costs.



A study by the Institute of Medicine and the National Research Council found that cost-benefit ratios for early treatment and prevention programs for addictions and mental illness programs range from 1:2 to 1:10. This means a \$1 investment yields \$2 to \$10 savings in health costs, criminal and juvenile justice costs, educational costs, and lost productivity.

Even with these costs, some businesses have been slow to invest in mental health and substance use services. Some of the reasons include:

- Misperceptions about the cost-effectiveness of treatment;
- Lack of information about the direct and indirect costs of mental illness in the workplace;
- General wariness about all things related to mental illness and addiction; and
- Employers' fear that an organizational focus on mental health will actually increase costs related to mental health services.

The reality is that building a culture that supports promotion, detection, and early treatment is a smart investment for employers.



“Treatment for mental illness results in substantial positive impact on the bottom line.”

### What Companies Can Do

Ideally, companies should create an integrated approach to the mental health and general medical health of their employees building a culture where:

- A diverse workforce is valued;
- There is regular communication and education to all employees regarding health and wellness;
- Health care options treat mental illness with the same urgency as physical illness;
- Policies promote employee emotional health and work-life balance;
- There are protections for the confidentiality of employee health information; and
- There is support for employees who seek treatment.

# AMERICAN EXPRESS IS LEADING THE WAY

In 2015, American Express was given the American Psychological Association's Organizational Excellence Award for its Healthy Living employee assistance program (EAP) and its behavioral component, Healthy Minds.

During the recession of 2008-2009, stress and other mental health issues accounted for more than 16,000 work days lost among American Express employees, and accounted for 10 percent of employees on short-term disability. "That's when we really started to see the value of investing in employee health and well-being," said David Kasiaz, the company's Senior Vice President of Global Compensation and Benefits.

*“Healthy Minds is first and foremost a business initiative that is scaled globally, customized locally and supported through investment.”*

— Charles Lattarulo, PhD  
Director-Healthy Minds at  
American Express

The company hired an experienced internist who worked with Kasiaz to build a business case for expanding the company's EAP. As a result of their efforts, American Express added free, onsite mental health counselors at its regional Wellness Centers across the U.S. They then recruited Charles J. Lattarulo, PhD, a psychologist with expertise in behavioral health management for global businesses, to lead the development of Healthy Minds.

A major goal of the Healthy Minds program is to destigmatize mental health.

Healthy Minds incorporates onsite activities and events, issues-based campaigns, a website and blogs, and print and online information covering an extensive list of work-life topics. All resources are provided free of charge to the company's 50,000 employees and their dependents.

Now in its second year, the Healthy Minds website has recorded over 22,000 hits, and in an employee satisfaction survey, 90.6 percent gave the program high marks.

“Our aim is always to be proactive,” says Lattarulo. “Our belief is that we are catching stress before it becomes anxiety, and catching sadness before it becomes depression. Already, we are seeing a leveling-off of both medical and behavioral health claims, and the rates of behavioral health issues are decreasing.”

In the future, as more data is collected and analyzed, employee health patterns and their impact in the workplace can be targeted and addressed even more meaningfully.

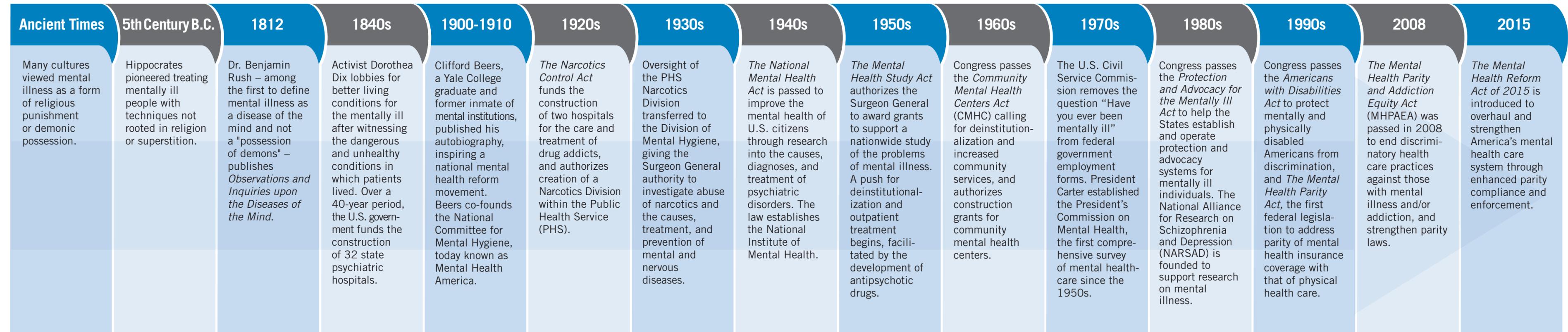
Kasiaz and Lattarulo regard Healthy Minds as a sound behavioral health model for any company or organization. To succeed, such programs must be supported at the highest levels of an organization. 

*“Business leaders need to understand that mental health issues can have a significant impact on their bottom line.”*

# HISTORY OF PUBLIC POLICY – MENTAL HEALTH AND ADDICTIONS

Before the mid 1700s, mental illness was largely perceived as demonic possession. Slowly, decade by decade information started to change these perceptions. Stories about the inhumane treatment of people with mental illness started to awake the public consciousness. Research uncovered the organic and physical nature of mental illness. Links between trauma and behavior were identified and opened eyes to the impact of war, childhood trauma, and violence. Public policy gradually followed.

*The chart below depicts the evolution of public policy in the United States.*

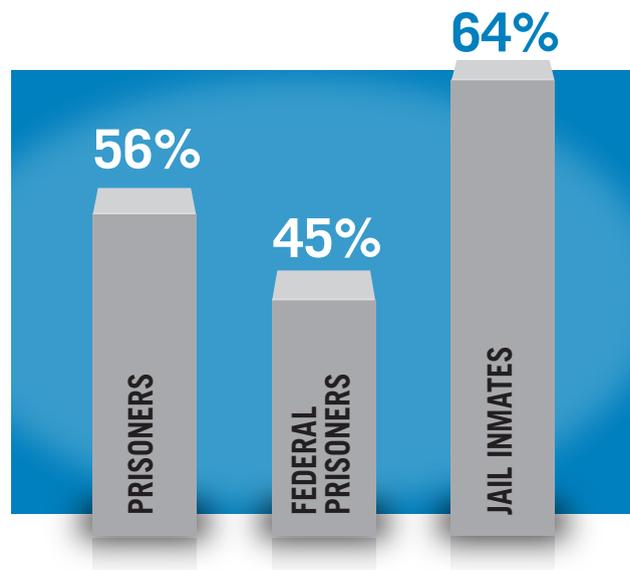


# MENTAL HEALTH CRISIS IN THE PRISON SYSTEM

The Criminal Justice system in the United States is in the midst of a mental health crisis. American prisons and jails house an estimated 360,000 inmates with mental illness – more than 10 times the number of mentally ill patients in state psychiatric hospitals.

“Part of what’s really swelled our jail and prison population, is our inability to deal with the mental health crisis that we’re facing in this country,” said June Tangney, PhD, a psychology professor at George Mason University. “We have an enormous number of people who are suffering from very treatable illnesses who are not getting treatment and who end up getting caught in the criminal justice system as opposed to getting what they need through the mental health system.

% of inmates who have a mental health problem



## Problems associated with incarcerating mentally ill persons include:

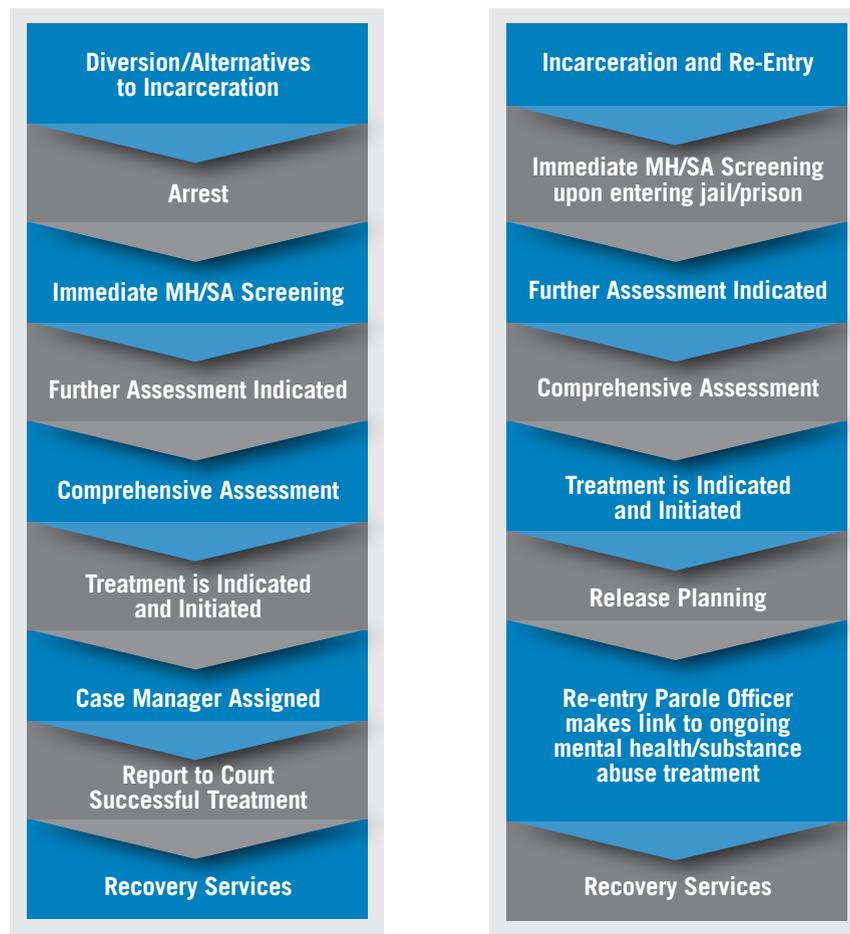
- Jail/prison overcrowding;
- Behavioral issues disturbing to other prisoners and correctional staff;
- Physical attacks on other prisoners and correctional staff;
- Victimization of prisoners with mental illness in disproportionate numbers;
- Deterioration in mental health condition of inmates with mental illness due to lack of treatment;
- Relegation in grossly disproportionate numbers to solitary confinement, which worsens symptoms of mental illness;
- Jail/prison suicides in disproportionate numbers;
- Increased taxpayer costs; and
- Disproportionate rates of recidivism.

*“The lack of treatment for seriously mentally ill inmates is inhumane and should not be allowed in a civilized society.”*

— Dr. E. Fuller Torrey,  
founder of the Treatment  
Advocacy Center

## A proposed solution.

Developing solutions to the prevalence of mental illness and substance use disorders in our court involved population requires an approach that embeds early screening, assessment, and treatment into the flow of the criminal justice process. The charts below depict a strategy that is being tested in several states. It has the potential to reduce the number of individuals with undiagnosed or untreated mental illness or substance use disorders, increase the employability of these individuals and ultimately reduce recidivism.



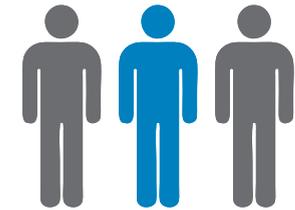
# VETERANS AND MENTAL HEALTH CARE

## Many of our nation's veterans are in crisis.

On any given night more than 300,000 veterans are homeless, living on the streets or in shelters. Close to 70 percent of homeless veterans suffer from substance abuse problems, and 45 percent suffer from mental illness including Post-Traumatic Stress Disorder (PTSD).

Gulf War-era veterans – those who served since 2001 – have experienced higher rates of disability and unemployment than the general veteran population. **About one in three U.S. service members returning from Iraq or Afghanistan experienced signs of combat stress, depression, post-traumatic stress disorder (PTSD) or symptoms of a traumatic brain injury (TBI).**

Many of these veterans do not seek or receive adequate treatment. According to a study by the Rand Corporation, only 53 percent of returning troops who screened positive for PTSD or major depression sought help from a provider in the preceding year and only slightly over half received adequate treatment.



Suicide is a serious risk. Between 2005 and 2010, one service member committed suicide every 36 hours. U.S. Army suicides reached an all-time high in July 2011 with the deaths of 33 active and reserve component service members, according to *Losing the Battle: the Challenge of Military Suicide*, a study by the Center for a New American Security.

The need for mental health services will only increase in the coming years as the nation deals with the effects of more than a decade of conflict.

## Steps are being taken to improve mental health care for our veterans.

Peer Support Specialists are increasing in numbers across the country. A Peer Support Specialist is a veteran who is actively engaged in his/her own mental health recovery and serves as a role model by sharing his/her personal recovery stories, showing that recovery from mental illness is possible. It is about veterans helping other veterans.

On August 31, 2012, President Obama issued an Executive Order: *Improving Access to Mental Health Services for Veterans, Service Members, and Military Families*. This order established the following:

- Increase the capacity of the Veterans Crisis Line by 50 percent. To date, the Veteran Crisis Line has made approximately 26,000 rescues of actively suicidal veterans. Between October 2006 and June 2013, the Veterans Crisis Line received more than 890,000 calls, not including online chats and texts;
- Pilot 15 sites that demonstrate effective ways for consumers of community-based services to continue to be integrated into the health care systems of the Department of Veterans Affairs;
- Establish a rural mental health provider recruitment initiative to expand access to mental health services in rural parts of our country; and
- Hire and train 800 peer-to-peer counselors to empower veterans to support other veterans and help meet mental health care needs.

On Feb 2, 2015, the U.S. Senate unanimously passed the Clay Hunt Suicide Prevention for American Veterans (SAV) Act, to increase access to quality mental health care and reduce veteran suicide. 

# FEDCAP AND MENTAL HEALTH SERVICES

Fedcap is an innovator in framing the delivery of mental health services through a workforce development lens, helping individuals to address their mental health and addictions with an eye on economic well-being and long term self-sufficiency. We believe that work completes treatment.

This approach informs Fedcap's array of behavioral health services.

It was foundational to the thinking behind establishing an outpatient mental health clinic in the Bronx where we provide a full array of treatments and services for adults and strive to fully integrate work readiness into the clinical milieu.

It is the bedrock for our work with the previously incarcerated, where national statistics tell us that between 45-65 percent of individuals re-entering society have an undiagnosed or untreated mental health issue. Treating mental health issues while helping individuals become work-ready is the most effective approach to reducing recidivism.

It drives WeCARE (Wellness, Comprehensive Assessment Rehabilitation and Employment), where the biopsychosocial informs the development of a plan for individuals with medical and/or mental health issues by providing targeted services to help clients stabilize, and obtain employment.

It informed the design of Easter Seals New York's Vets2Jobs and Homeless Veterans Reintegration Programs that help veterans and their families with the challenging transition to civilian life and employment. Because we understand the impact of war on veterans' mental health, clinical services are woven into our workforce and transition efforts.

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