

What's the ROI of your Employee Assistance Program

What does the ROI Calculator do?

The EAP ROI Calculator answers the following question:

Assuming only a subset of employees utilise the EAP, are the cost savings sufficient to offset the cost of the program, considering the value of money, turnover, and program effectiveness?

What variables are considered in the calculator?

- Industry
- Number of employees
- Average annual compensation
- Annual fee (cost of the investment)
- Utilisation rate
- Prevalence rates of emotional, legal and financial issues
- Cost of accidents and accident rate
- Turnover rates due to replacement, relocation and retraining costs

The Calculator generates the Internal Rate of Return (IRR) and Net Present Value (NPV) of your investment in an EAP, and considers the opportunity cost of capital.

Best of all, it is tailored to your company's unique demographics, such as covered employees, industry, occupation and utilisation rates. To facilitate ease of use, the EAP ROI Calculator contains carefully researched default data derived from published studies and research, which may be overridden with actual client data.

- Do you need to justify investments in your EAP program?
- Can you calculate the Internal Rate of Return and Net Present Value of your EAP investment?
- What are the break-even participation and effectiveness rates on your EAP?

Access and Consulting Support

The Calculator is available through web access and your client relationship manager will guide you through the process.

EAP Calculator

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The screenshot shows a web application interface for the EAP Calculator. It features a navigation bar with three steps: 1. Company Information (highlighted), 2. Assumptions, and 3. Program Information. Below the navigation bar, there are several input fields and dropdown menus. The 'Group' field is set to 'Xeon Manufacturing'. The 'Region' is 'New South Wales', 'Sector' is 'Manufacturing', and 'Occupation' is 'General'. The 'Total of Employees' is 7896, 'Compensation Average' is 60000.00, and 'Working days per year' is 260. There are also fields for 'Number of employees covered in EAP' and 'Annual gross salary (without bonuses)'. A 'Continue' button is visible at the bottom.

What are the cost savings associated with an EAP?

Employer Savings:

- Reduced productivity losses (presenteeism and absenteeism gains)
- Reduced replacement, relocation, and retraining costs for employees who exit the company
- Reduced claims, therefore reduced premiums
- Reduced accident rate (distractions associated with issues)

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Home >

EAP :: Summary Report
15/07/2016 / 09:07

EAP :: Summary Report

General Assumptions

Group
Xeon Manufacturing

Region New South Wales	Industry Manufacturing	Occupation General	
Default Daily Productivity Loss 451.35	Default Monthly Compensation 5,105.53	Employees 7896	Actual Compensation 60,000.00
Temporary Replacement Cost / Rate 60,000.00 / 10.00%	Relocation Cost / Rate 300.00 / 10.00%	Retraining Cost / Rate 500.00 / 50.00%	Disability or Claims Cost / Rate 300.00 / 10.00%
Premium on Replacement Cost 1.00%	Accident Cost / Rate 1,000.00 / 10.00%	Medical or Premium Inflation 2.30%	Discount Rate 6.00%
Num Days Absence 1.50	Presenteeism Rate 12.30%	Num Days Episode 90.00	Avg Medical / Premium Cost 0.00
Prevalence Rate 26.00%			

Assistance Types / Cost

Assistance	Percent	Average Provider Cost
Provider	100.00%	1286.00

Program Assumptions

Program Name EAP w/ All Savings-Xeon Manufacturing	Program Cost (PEPM) 25.20	Program Cost 198,979.20	Utilization Rate 6.20%	Program Turnover Rate 10.00%
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Reduction Rates

Premium Increase Control / Medical Cost Reduction 0.00%	Absenteeism 44.30%	Presenteeism 39.70%	Accident 10.00%
Replacement 10.00%	Relocation 10.00%	Retraining 10.00%	Disability / Claims 10.00%

Reduction Goals Employee

Assistance	Percent
Provider	81.60%

Program Results

	Pre Program	Post Program	Cases Addressed by EAP 399	
Incidence	2052	1653	Claims/Medical	Economic
Savings	0.00	1,012,484.00	Employee	Reduced Costs
			462,352.00	1,474,835.00

Results

NPV 1,192,370.00	IRR 641.50	Benefit/Cost Ratio 7.41
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