
HALDIMAND COUNTY

Report HRD-06-2020 Employee Assistance Program

For Consideration by Council on June 16, 2020



OBJECTIVE:

To increase the annual Employee Assistance Program budget for eligible Haldimand County employees and Members of Council.

RECOMMENDATIONS:

1. THAT Report HRD-06-2020 Employee Assistance Program be received;
2. AND THAT Option 2, as outlined in the Report HRD-06-2020, be approved;
3. AND THAT staff be authorized to initiate a competitive market process for an updated Employee Assistance Program, with the upset budget limit noted for Option 2;
4. AND THAT the actual expense negotiated for such service, not to exceed the maximum budget allocated, be reflected as a Council approved initiative in the 2021 Tax Supported Operating Budget.

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Reviewed by: Megan Jamieson, Director, Human Resources

Respectfully submitted: Cathy Case, General Manager of Corporate & Social Services

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

As part of its overall compensation package, Haldimand County, like most municipalities, provides all permanent full time and part time employees with access to the Employee and Family Assistance Program (EAP), which focuses on early intervention and overall employee mental health and wellbeing. This program offers a wide variety of counselling services related to health, well-being, finance and family matters, as well as short term emergency crisis counselling. Our current provider, Haldimand Norfolk Resource, Education and Counselling Help (REACH) has given notice that they will no longer be providing this service, and therefore, at the end of the current contract (March 2021) the County will need to engage a new service provider.

In preparation for a competitive market process, staff are seeking support from Council to modernize and/or enhance the County's current service level. Based on past experience, together with advice from the County's Benefit Consultant, staff believe the current program is limited and not representative of today's EAP standard. Three options have been prepared for Council's consideration (a) continued service level at status quo, (b) modernized service level which updates the program to better reflect the variety of services in most private or public sector EAP standard package(s), and (c) modernized and enhanced service level, which includes both a service level update and increases the number of basic sessions an employee is entitled to under the standard program. Staff anticipates that all options will include an increase to the current cost of the benefit and therefore, staff are seeking budget parameters for the purposes of issuing an RFP. Actual budget would be based on negotiated costs, assuming they are achieved within the established parameters, and included in the 2021 Tax Supported Operating

Budget as a Council approved initiative. In order to undertake the competitive bid process and secure a new provider, this matter needs to be undertaken in advance of the 2021 Operating Budget deliberations.

BACKGROUND:

An Employee and Family Assistance Program (EAP) is a component of an employee wellness program and is mutually beneficial to the employee and the employer. The program offers voluntary, confidential and short-term support that assists with a variety of issues, including financial, legal, physical, and mental health.

Offering an EAP Program to staff and their family members provides some key benefits, not only to the employee, but also to the employer. Some of the main benefits for the employer are:

- Encourages a positive work environment by allowing employees to handle the challenges of life before they have a noticeable impact at work, positively impacting relationships with co-workers and the workplace in general;
- Contributes to employee recruitment and retention – when you consider the cost of an employee over the life of their career, the low cost of an EAP program per employee is a sound investment;
- Affordable for employers to implement (can potentially reduce other healthcare costs, disability claims, etc.);
- Increased productivity by reducing absences that would otherwise occur related to stress and sickness;
- Provides a first step in addressing potentially serious stress related and psychiatric issues being experienced by employees, and ultimately assists them in succeeding at work and in their personal lives.

Haldimand County provides EAP benefits to approximately 330 eligible permanent full time employees and members of Council and 170 permanent part time employees and their eligible dependents. Eligible dependents are defined as the spouse of the employee residing with the employee, and an employee's unmarried children or step-children up to age 21 or up to age 25 if a full time student. This benefit is not provided to retirees or temporary contract employees; however, a separate EAP benefit is provided to active volunteer firefighters, as outlined in the 2020 Tax Supported Operating Budget.

The current provider, Haldimand Norfolk Resource, Education and Counselling Help (REACH), is a not for profit multi-service agency that serves Haldimand County and Norfolk County. REACH has been in the business of providing EAP to companies for 25 years, and has provided EAP coverage for Haldimand County employees since its inception in 2001. Staff have received notice that, as of March 2021, REACH will no longer provide this service.

ANALYSIS:

Currently the Haldimand County EAP offers these Core Program Services that are available 24/7 to eligible employees and their dependants:

- * Succeed at Work – Work-life balance, workplace concerns, performance
- * Manage well being – stress, anxiety, depression, grief, mental health, anger management, trauma, aging and life transitions
- * Addictions related to alcohol, tobacco, drugs, gambling, internet
- * Child and elder care resources

- * Enhance relationships – separation and divorce, parenting and family concerns, domestic abuse
- * Financial advice – credit/debit management, money management, retirement planning
- * Improve physical well being – weight management, healthy eating
- * Legal consultation – telephone only

Clinical services remain the most-utilized service, providing counselling services for employees and their dependants. Usage remains confidential, however, Haldimand County is provided with aggregate information on a quarterly basis for the purpose of identifying trends and reporting statistics. The following provides information on the most recent annual report for Haldimand County ending March 31, 2020:

- Utilization rate is 8% (compared to typical 6-7%).
- The majority of the clients are employees (66%), followed by either a family member (19%) or the employee and a family member together with the employee (15%).
- The top three most presented issues relate to family (separation/divorce, marital, child), stress and psychiatric (anxiety, depression). 93% of counselling clients had a positive outcome; 39% of the clients reported that they had fully recovered.
- 22 clients submitted a quality assurance survey, each noting satisfactory service, with improved situations and a recommendation for EAP counselling.

Typically, non-clinical services, such as child care, elder care, financial counselling and legal support represent about 20% of the utilization. These types of services offer immediate access to assistance, which can often reduce an employee's stress and anxiety.

Feedback from clients has been predominantly favourable, however, staff are aware that the current EAP is somewhat outdated in its offerings. Services are exclusively delivered face-to-face or as a result of COVID19 social distancing, some over the phone counselling has emerged and the service types (noted above under Core Program Services) are somewhat limiting in today's environment and may deter some clients from accessing assistance. Beyond the traditionally recognized EAP offerings, most EAP's now offer nearly 20 types of broader work-life services, as well as offering multiple counselling modalities such as video, chat, tele support and online group counselling. In most cases, EAP have enhanced their service offering to respond to changing environment, with the ultimate goal of preventing smaller problems from becoming larger, more complex problems that challenge the employee's ability to be productive at work and may even prevent them from attending work.

Based on the known market, staff anticipate significant challenges in procuring a new EAP provider within the existing Core Program service level and budget, and recommend using the opportunity to modernize our current program. In preparation for a competitive market process, staff have identified three (3) options.

1. Continued Service Level & Budget

With the exception of the current service provider, staff noted a significant shortfall in what was sought as a minimum service level versus the response from providers, during the last competitive procurement process, both in coverage and price. REACH is a not for profit organization that was competing against private sector companies. Since REACH has identified that they will no longer be offering EAP services at the end of this contract, staff anticipate difficulty in finding an equivalent service provider within the existing budget.

The current annual budget for this service (not including Volunteer Firefighters) is \$14,000, based on \$2.32 per full time employee per month and \$2.35 per part time employee per month. Approving this

option would mean that the budget would remain the same, however, staff are confident that it will not be sufficient to fund the existing service level. An actual cost of approximately \$3.50 to \$4.50 per employee, per month, is more in line with the current market standard, representing an estimated cost of \$21,000 – \$27,000 annually for Haldimand County.

Should Council support this status quo option, staff will issue an RFP with the existing service level and budget; however, staff are confident that the procurement process will be unsuccessful. Maintaining the existing program and budget will limit the number of bids. Maintaining the existing budget will result in the inability to award based on any bids that are submitted being over the budgeted amount. If an award cannot be negotiated within the existing budget, staff will report back to Council with a recommended approach, which is likely to include an enhanced budget and may or may not require a subsequent procurement process. Accordingly, staff feel this would be an inefficient process and do not recommend this option.

2. Modernized Service Level & Increased Budget

As noted above, the current program is somewhat outdated since the current provider has been phasing out its offering of such programs. Most providers of EAP programs have modernized their offerings over the past several years to include such services as:

- Coping/Change Management services
- Online Cognitive Behaviour Therapy (CBT) for treating mild forms of anxiety and depression
- Wellness tools and information that help focus on health such as:
 - sleep hygiene;
 - financial awareness and strategies for addressing debt, savings and emergencies
- Additional lifestyle categories and coaches for assistance, such as specialty coaching for life balance, healthy eating and weight management plans
- Virtual counselling and/or app-based platforms available digitally and on a 24/7 basis
- Manager/Supervisor coaching
- Self directed online courses
- Podcasts and online toolkits

This option allows an alternative to the County's current program. The RFP would be issued with a modernized service level, meaning that the minimum service level would be expanded to include at least some of the items listed above, in addition to core program services, to better reflect a more up to date and desirable program.

The need for a modern EAP is a must-have solution for meeting the changing needs of staff and dependants in dealing with today's complexities, both in life and work. With a substantial proportion of people feeling highly stressed during their working day, which can lead to higher mental health issues, conflicts, workplace injuries, social and emotional problems, a responsive EAP program can assist in coping and keeping people healthy and at work. In addition, a modern approach to EAP is essential in recruitment and retention of the new generations of the workforce (i.e. millennials). If the County is to remain a competitive and attractive employer, a current and up to date program is critical.

Staff believe this modernization would come at an increased cost, representing approximately \$3.50 to \$4.50 per employee per month. Staff believe that an annual cost per employee from \$42.00 - \$54.00 is affordable and will provide a good return on investment considering the mutual benefits this program will provide to the employee and the employer. Should Council support this option, staff are seeking an upset limit of \$27,000, excluding HST, per year. Assuming an award can be made within this range, the actual cost negotiated to be incorporated into the 2021 budget would not exceed \$27,500 including non-rebatable HST, annually. If an award is not possible within this range, staff would report back to Council with a recommended approach. **Staff are recommending Option 2.**

3. Modernized & Enhanced Service Level & Increased Budget

The typical service model for an EAP is short term, solution-focused counselling services using a face to face model with an average 4 hour session. Short-term counselling focuses on a specific issue as a means of responding to an emergent issue and/or facilitating access to a continuing care plan. The current EAP follows this same format, in that the employee or dependant can access the EAP for one specific issue per year and each issue is expected to not exceed 4-6 sessions.

Human Resources staff are made aware of times that an employee reaches the 4 - 6 session limit and are still in need of assistance. Extra sessions have been considered on a one-off basis, typically as a means to continue professional counselling while awaiting referral to a longer-term treatment plan. Given the long wait times for mental health related services in Ontario, it is anticipated that the requests for extra sessions will continue, which could cause the overall utilization rate to escalate. Likewise, in some cases, a person finds themselves requiring support several times per year for the same issue, and a six session maximum may not be sufficient to cover the collective number of sessions for the matter being addressed.

Staff believe that some of the enhanced services and alternative platforms noted in Option 2 will assist by providing clients with self-guided tools and references. However, there is also an opportunity to review if an enhanced number of sessions is warranted to better reflect employee needs. Should Council be supportive of this approach, staff recommend changing the maximum number of sessions from 6 to 10 and increase the annual utilization rate from the current 6% to 8% to a higher level of 10%. It is anticipated that this change, along with the modernized service level in Option 2, would require an upset limit of \$37,000, excluding HST, per year, noting that this is a new approach that is somewhat outside the norm and so it is difficult to accurately predict the cost. Assuming an award can be made within this range, the actual cost negotiated to be incorporated into the 2021 budget, would not exceed \$37,700, including non-rebatable HST, annually. If an award is not possible within this range, staff would report back to Council with a recommended approach.

FINANCIAL/LEGAL IMPLICATIONS:

The current pricing has been based on a "risk share window" which provides a fixed price based on a utilization range of 6% to 8% usage of the EAP benefits. The usage is reconciled at the end of each year. If utilization exceeds 8%, the County would pay the additional cost. If utilization is below 6%, then a refund is processed. The County's 10 year average shows a utilization rate of 7.2%.

As noted, the current annual budget for this service (not including Volunteer Firefighters) is \$14,000. The following chart summarizes the required budget change associated with options as outlined.

<u>Option</u>	<u>Estimated Cost per Employee, per month</u>	<u>Upset Limit for RFP (excluding HST)</u>	<u>Budget amendment, over Current (2020), including non-rebatable HST</u>
1. Continued Service Level	\$2.32 (FT), \$2.35 (PT)	\$14,000	Nil
2. Modernized Service Level	\$3.50 – \$4.50	\$27,000	\$13,500
3. Modernized & Enhanced Service Level	\$3.50 – \$4.50 plus ad hoc pricing	\$37,000	\$23,700

The above parameters are estimates to be used for issuing and evaluating an RFP, depending on which option is supported. The resulting budget needs would be based on negotiated contract costs,

assuming they are achieved with the established upset limit, and included in the 2021 Tax Supported Operating Budget as a Council approved initiative. If the results of the RFP are such that an award cannot be made within the parameters of the Procurement Policy as it pertains the approve budget, staff will report back to Council with a recommended approach.

STAKEHOLDER IMPACTS:

Staff are committed to reviewing compensation and wellness issues periodically and as opportunities arise. By responding to the changing environment and needs of our employees, a modernized EAP program may assist employees in coping with personal or professional issues, which may be impacting their ability to attend and stay at work. Likewise, a comprehensive EAP may indirectly contribute to staff retention and a favourable work culture.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. None.