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Highlights of Presentation by
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RCMP "J" Division Leadership Conference
Fredericton, New Brunswick
March 11, 2008

MENTAL HEALTH IN THE WORKPLACE AND THE RCMP CHANGE AGENDA
A Matter of Leadership

1. THE PHYSICS OF MENTAL ILLNESS

Mental illness is not an invisible disease. It can be visible to the learned eye through brain imaging technology. Mental illness is not, by definition, a disability. But it can be disabling. And mental illness is not just mental. It has physical properties and effects.

Depression can be fatal. It is present in most suicides. Co-occurrence of depression with cardiovascular disease can help trigger heart attack and sudden death. The heart of a person living with depression – losing heart rate variability – never sleeps.

Depression is the leading cause of disability in the labor force – and, with heart disease, is becoming the leading cause of work years lost in the global economy due to disability and premature death.

Depression is a brain illness which can compromise our immune system, compound the effects of arthritis and make pain a lot worse.

Depression – among the most serious and most common form of mental illness – is concentrated among men and women in their prime working years, and their children. Young people 15-24 are most likely to experience a mental disorder.

2. ECONOMIC COSTS

Disability and suffering – not death and dying – are now the principal components of the global burden of disease. We are in transition.

The economic price tag of mental disorders is significant and going up. In 2002, the Roundtable estimated that mental disorders cost the country $33B a year in lost output and redundant wage costs.

But late last year, a study by the Institute of Work and Health (Toronto) said mental disorders and addictions cost this much in Ontario alone.

Beyond cash, there are cost structure questions. With low rates of treatment and high rates of prevalence, it's a good bet that mental disorders are producing greater workplace time losses in the form of presenteeism – on the job downtime – than employee absence.

3. ADVENT OF THE BRAIN BASED ECONOMY

Through estimates by McKinsey and Company, we are told 85% of new jobs coming on stream in the US economy – and presumably Canada's – demand cerebral not manual skills. 70% of new jobs in Ontario are skilled jobs.

The knowledge economy is spreading up, down and across organizations, even old industry ones. Don Pether, former CEO of steelmaker Dofasco, put it this way: "The minds not the backs of my employees now do the heavy lifting for my business."

Ambassador Michael Wilson and Mental Health Commission Chairman Michael Kirby call this the advent of a brain-based economy which puts a premium on innovation and thus cognition as the ignition of productivity.

Gordon Nixon, President and CEO of the Royal Bank says the capacity of employees to think and be creative is critical to the performance of organizations including his own.

In this, we have convergence. Some might say collision.

The advent of a brain-based economy has converged – or collided – with the advent of brain-based illnesses which attack brain function and brain skills. As a result, depression is the fastest-growing source of formal disability in the labor force.

4. MENTAL HEALTH AND PRODUCTIVITY

This is quite a phenomenon. We have a brain-based economy where brain-based disabilities are concentrated among men and women in their prime working years.

This imputes strategic value to brain health generally and mental health specifically in the workforce and workplace. This is one of the reasons we created the US/Canada Forum for Mental Health and Productivity.

The Forum – a series of four conferences – aims to bring together leaders in science and business to advance brain research, brain health and brain literacy.

The series was launched by Canada's Ambassador to the US, Michael Wilson, and the US Ambassador to Canada, David Wilkins. I serve as General Chairman.

The advent of a brain economy is also the reason we:

- Crafted a comprehensive *Business and Economic Plan for Mental Health and Productivity* in 2006 containing comprehensive management guidelines.

- Developed and unveiled last November at the 2nd US/Canada Forum a leadership package called *CEO Guidelines and a CFO Framework for Mental Health and Productivity.*

- And, also in November, we unveiled the *Brain Trust* to rally business people around a "Brain Agenda" and specifically, breakthrough research to solve the mysteries of mental illnesses. (All available at www.mentalhealthroundtable.ca)

Let me examine these initiatives in brief detail.
The *Business and Economic Plan for Mental Health and Productivity* contains roadmaps to help employers and employees grapple with the disabling effects of mental disorders in the workforce. And sets out the magnitude of the challenge:

The prevalence and concentration of mental disorders in the labour force

- 20-25% of the labour force per year
- Mostly men and women in prime years of work

The low rates of early detection and treatment

- Low/no "medically-necessary" treatment for four out of five employees suffering mental illness

Costs

- $33B/year in lost production alone
- Presentation costs are embedded in organizations and likely unfunded

Disability rates

- Mental disorders = 30-40% of all disability insurance claims in Canada
- Low/no "medically necessary treatment" a big factor in one-the-job downtime
- Migration: burn-out to depression and short to long-term disability.

The Business and Economic Plan draws a connection between employee mental health, productive capacity and shareholder value.

The Plan contains:

i) Guidelines for Investors
We encourage investors to demand and/or monitor action by the management of the companies they invest in to contain the spreading effects of chronic job stress.

The Investor Guidelines advise institutional investors to examine employee health and disability rates as a way to evaluate the quality of management of the organization overall.

Ethical investors should put mental health on their agenda and be vigilant about workplace practices which can either enhance or diminish employee mental health and productive capacity in companies they invest in or propose to do so.

We advise investors to ask for reports on the unfunded costs of unmanaged disabilities and the number of annual disability absence pay-outs as a percentage of payrolls, using 3% as a standard.

ii) Guidelines for Boards of Directors
These Guidelines are also aimed at the protection of shareholder value in the management of public companies in Canada in the face of high rates of under-managed mental health problems.

If innovation is key to competitive success and economic prosperity then it stands to reason that the capacity to innovate – a function of thinking and brain power – must be sustained not routinely interfered with by chronic job stress.

This puts value on management practices which fuel healthy work environments and support employee health.

The Boards of Directors Guidelines were spurred by Dr. John Evans, then Chairman of Torstar, who declared that "boards which failed to put employee mental health on their board and committee agendas were abrogating their governance responsibilities."

iii) CEO Guidelines
These Guidelines were introduced and endorsed by Colum Bastable, President and CEO of Cushman & Wakefield LePage at the 2nd Forum last November – advising CEOs to:

- Champion mental health and encourage open and informed discussion of mental health issues. This will galvanize the organization.

- Mandate an audit of the organization's disability experience and articulate a policy of zero tolerance toward stigma and discrimination.

- Set out specific policy objectives and concrete targets to reduce mental disabilities from 30% to 40% of the total disability experience to 10% and LTD claims to virtually zero over five years.

- Equip management with the tools and training needed to assume accountability for the employee disability management system.

- Integrate disability management into the organization's performance management standards, policies and practices.

- Evaluate the external health services the organization uses – ensure that mental health expertise is explicit and proven.

(iv) CFO Framework
Without CFO support, CEO leadership in this area will likely fail. Therefore, the Business and Economic Plan sets out a CFO Framework for Mental Health and Productivity developed by financial executives task force recruited by the Roundtable.

In today's environment, a CFO is responsible for profitability, reporting, risk and internal controls, performance management and resource allocation.

Corporate finance is no longer just transactional reporting. As a result, finance executives bring a discipline to data collection and analysis and are able to measure progress toward achieving strategic and business plans, including the impact on ROI.

The Financial Executives Task Force isolated categories of mental health/financial costs and benefits as a framework within which to measure both.

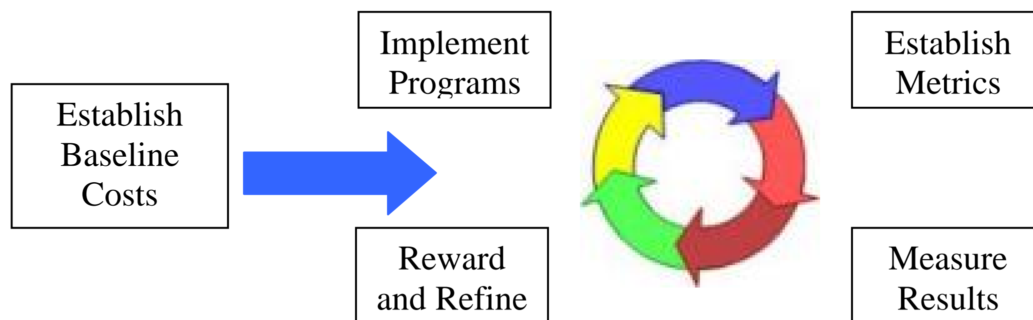
Mental Health/Financial Cost Categories
Mental illnesses in the workforce can be found in these cost categories:

- **Decreased revenues**
  Lost productivity, absenteeism, presenteeism
- **Increased expenses**
  Higher benefits costs, temporary labour, more recruitment and training
- **Long-term impact on customer/supplier/co-worker relationships**
  Interpersonal problems due to mental illness (withdrawal, communication conflicts) can impact employee interaction with customers, suppliers and co-workers and is a long-term determinant of the enterprise value of a business
- **Unfunded liabilities**
  Corporations that do not track or manage mental health issues in their workplace may have (un)under-funded liabilities, a sensitive exposure for public companies.
- **Reporting risk**
  Risks associated with impact of poor mental health on customer/supplier/co-worker relationships may be material and require disclosure in annual reports

Mental Health/ Financial Benefit Categories

- **Commercial benefits**
  Improved workplace relations and customer/supplier orientation
- **Strategic Benefits**
  Improved employee resiliency and motivation; increased productivity and efficiency; reduced absenteeism; better recruitment and retention.
- **Financial Gains**
  Improved sales, net income and expense levels.

ROUNDTABLE CFO FRAMEWORK FOR MENTAL HEALTH & PRODUCTIVITY



Range of Complexity
The Framework—while simple in design—embraces a range of complexity that cannot be downplayed for the sake of recruiting adherents. But the fact remains:

Powerful scientific and experiential evidence supports the view that the cost of doing nothing exceeds, over time, than the cost of doing something to properly absorb and manage the impact of mental health problems in the workplace.

A new Opportunity Cost Model developed by Watson Wyatt Worldwide is an instrument now available to organizations to demonstrate what the cost of action and inaction means to them.

Meanwhile, the Roundtable's Financial Executive Task Force set out five clear steps to implement the CFO Framework for Mental Health and Productivity.

STEP ONE: ESTABLISH BASELINE COSTS OF MENTAL HEALTH

Establish a baseline of the company's actual experience or occurrence rates of disabilities associated with mental health. The more data collected, preferably drawn over the past three years, the better the benchmarking ability. Measure the following metrics:

- Extended/Group Health Care Costs
  - Drug claims by major drug category
    - § per covered active employee
  - Mental illness-related drug claims as a percentage of total drug claims
    - § per covered active employee
  - Number of mental illness-related drug claims + those where a second drug is also being claimed for another ailment (co-morbidity)

- Employee Assistance Costs
  - Number of employees using the program for mental illness-related disorders
  - Utilization as a percentage of total program users
  - Number of cases referred to community-based treatment programs
  - Number of high risk mental illness cases

- Absenteeism Costs
  - Lost workdays (paid and unpaid) per active employee
  - Lost workdays (paid and unpaid) for mental illness-related disorders
    - § As a percentage of total lost workdays per active employee
  - Absenteeism rates by type of ailment/disorder
  - Average duration of absenteeism

- Replacement Worker Costs
  - Total cost of replacement workers as a percentage of total active payroll costs
  - Number of replacement workers (fulltime equivalent) used per reporting period
  - Employee turnover rates relating to mental health disorders

- Short and Long Term Disability Costs
  - Number of short term disability claims related to mental health disorders
    - § As a percentage of total short term disability claims
  - Number of long term disability claims related to mental health disorders
    - § As a percentage of total long term disability claims
  - Average duration of short/long term disability claims relating to mental disorders
  - Cost per claim of short and long term mental health related disorders

- Presenteeism Costs
  - Actual output per worker as a percentage of targeted output per worker
    - § Quality of output (e.g., defect rates, customer feedback, etc.)
    - § Actual vs. targeted worker output percentage times the total active payroll cost

- Other Useful Financial Metrics
  - Health-related costs as a percentage of payroll
  - Productive capacity measures

STEP TWO: EVALUATE, CONSTRUCT AND STRENGTHEN PROGRAMS

- Evaluate current programs for:
  - Employee access to:
    - § Mental health information
    - § Adequately trained clinicians
    - § Workplace screening for depression
  - Benefits related to mental health:
    - § Integration of mental health programs with other programs, including EAP, disease and disability performance management, performance management
  - Competencies of benefits consultant:
    - § Determine if the consultant is up to date on latest mental health data
    - § Determine how consultant evaluates the mental health services of various vendors

- Construct Your Program
  - Conduct an employee awareness program about depression, anxiety, and substance abuse
  - Educate managers about mental illnesses
  - Offer mental health screening

- Strengthen Your Program
  - Integrate all healthcare services and build on ROI Model (See www.mentalhealthroundtable.ca)
  - Collaborate with other employers and stakeholders; adopt a proactive approach
  - Retain employee assistance program (EAP), if your company does not have one

STEP THREE: ESTABLISH ACCOUNTABILITY

- Include specific mental health-related goals/objectives in the annual strategic planning and budget process for each department
  - Address awareness and recognition of mental health issues and reduction of stigma. Internal objectives could include some or all of the following:
    - § Reduce short term disability duration with a focus on co-morbid depression and other forms of chronic illness including heart disease
    - § Reduce mental disability rates as a percentage of total disability experience inside 24 months
    - § Reduce by 20% the ratio of mental illness as a percentage of all disability inside five years
    - § Forge a long term disability prevention strategy to reduce the use/need for LTD
  - Using surveys, evaluate qualitative measures of productive capacity. Included are:
    - § Employee engagement and performance outcomes
    - § Customer satisfaction and improved relationships

STEP FOUR: SET PERFORMANCE INITIATIVES AND REWARD APPROPRIATELY

- Establish positive, not punitive, incentives
  - For employees to actively address workplace issues that contribute to stress and mental health issues
    - § Achievement of metrics must depend on participation by all departments so success of the improved metrics benefits the entire organization
  - Include metrics in the determination of salary reviews and bonus calculations

STEP FIVE: BENCHMARK AND REPORT TO THE BOARD

- Benchmark annual costs and benefits of initiatives addressing mental health issues
  - Compare against the baseline costs and benefits
  - Compare, where possible, against external benchmarks
- Report results to the board

CASE STUDY: JP Morgan Chase

The benefits of an aggressive measurement and treatment program for mental illness, in this case depression, are evidenced by one outstanding case study.

JP Morgan Chase benchmarked depression in the workplace, introduced strategies to address work place mental health and saw impressive results:

Benchmarks discovered:

- Of the 60% of employees covered by the company's pharmacy plan, antidepressants currently rank third in spending (behind antihypertensive and antihyperlipidemic medications)
- 24% of participants in the corporate health risk assessment program had scores indicating the need for mental health follow-up
- Since 1995, 6% compound annual growth rate in psychiatric disability (v. 1% per year growth in medical-surgical disability)
- Mental health cases comprise 10 – 12% of all disability cases if only primary diagnoses are considered

Strategies implemented:

- Established a dialogue with all treating professionals in the corporate medical plan
- When a psychiatrist is not available, primary care physicians work in concert with a mental health provider
- EAP plays an integrated role in disability management by facilitating return-to-work interventions with employees and management
  - helps separate true disability issues from workplace issues
- Established program allowing returning-to-work employees to work part-time
- Introduced training for managers
  - to recognize depression and anxiety disorders
  - how to refer employee to EAP
- Increased compliance of anti-depressant medication

Results:
- Reduced recidivism rate to 9% in 2003 from 17% in 1989
- Short term disability reduced by 1 full week for employees in part-time work program
- Target savings of $1M for future improved adherence to antidepressants

Global Business and Economic Roundtable on Addiction and Mental Health, *Health and Productivity Management Consortium Benchmarking Study*, www.mentalhealthroundtable.ca

Langlieb, Alan M., Kahn, Jeffery P., *How Much Does Quality Mental Health Care Profit Employers?* Journal of Occupational and Environmental Medicine, 2005

Watson Wyatt Canada ULC, *Mental Health in the Labour Force*, Literature Review and Research Gap Analysis, 2007

Cranfield University School of Management, *Understanding Corporate Value: Managing and Reporting Intellectual Capital*

v) Human Resources Management Guidelines

The CEO and CFO guidelines constitute two parts of the leadership package for mental health and productivity in the workplace. The third set of guidelines relate to Human Resources Management by HR specialists and line managers alike.

The Roundtable's HRM Guidelines contemplate a comprehensive disability management strategy focused on these objectives:

- Formulating a comprehensive policy aimed at reducing sources of chronic job stress, clarifying what constitutes good/bad stress for managers and modifying management practices that can corrode employee health and morale.

- Creating a disability management process designed to accommodate the return to work of employees recovering from or living with "cognitive and sensory" adjustments such as concentration deficits and hearing and comprehension problems. *See Part IV, Module 6: Roadmap for Cognitive and Sensory Disability Management Business and Economic Plan: www.mentalhealthroundtable.ca*

- Getting information to employees to build their understanding of the links between and among depression, heart disease and other chronic illnesses. Encourage employees to question their physicians and health advisers.

- Build an educational program focused specifically on the human rights obligations of employers, unions and employees. Co-workers can implicate the employer in offensive behavior toward other employees.

The HRM Guidelines encourage line and human resources managers to sort out:

- Weaknesses in current disability policies involving mental illnesses. Chronic, even insidious delays in getting employees back to work even with medical clearance are more typical than aberrant.

- Problems of engaging unions outside the collective bargaining process and using the Roundtables "Rule out Rule (1) AND (2) to:

    1. Distinguish between garden variety performance problems and medical symptoms relating to cognitive, sensory and emotional distress and

    2. Audit the workplace environment to determine if it is receptor or deterrent to the return and continued recovery of employees dealing with cognitive and sensory sensitivities due to depression et al.

    3. Clarify the roles, expectations and requirements of each of the parties involving in the return to work process (manager, employee, union, treating physician, section or department head.)

- In that context, develop a flexible but clear understanding of the employee's responsibility to do moderate but meaningful work during the period of accommodation and gradual re-entry.

Ask fact-finding questions to evaluate the track record/experience of the particular section, department, plant, work site in terms of the number of disability cases per year/month, average duration and record of successful returns.

Five telltale questions:
1. How many employees are currently on disability leave?
2. How many over the past five years?
3. How many temporary positions still exist?
4. How many were created and then kept on during an employees' disability leave?
5. How many employees have been off longer than 3, 5 and 12 months, and why?

The answers to these questions will reveal whether there is a culture, attitude or benign acceptance of workplace practices that run counter to principles of good management and human decency.

The HRM Guidelines encourage HR specialists and line managers to look into the incidence of disability among employees with 10 or more years of service.

Studies show that anti-depressant medication prescribed by physicians and paid for through group drug plans – on average – have 12-14 years of continuous service with the same employer – reflecting "over time" growth among the "working wounded."

The HRM Guidelines pose these questions:

- Does YOUR organization have a clearly written policy on job accommodations and return to work, do you have a working knowledge of the organization's health benefits plan?

- Do YOU know who your external health benefit providers are, have you ever met with them, do they have provable mental health competencies and experience?

The HRM Guidelines alert managers to these risks:

- The longer employees are off work, the longer they will be off work and the less likely they will be ever to return.

- A common mistake that managers make is to misinterpret medical symptoms as a negative attitude. Opposite the myth, most employees struggling with depression work through their illness until they hit the wall.

Essential to all these workplace guidelines are treating physicians who:

- Include a "return to function" and not just symptom relief as a factor defining the employees' readiness for a return to work even on accommodated grounds.

The HRM Guidelines advise managers to:

- Give their employees who go on disability leave a customized description of the work they really do (not just a pro forma job description) including the nature of key relationship to help guide return to work decisions. (This, to help the treating physician or health adviser to make judgments on the timing of a return to work.)

- Engage unions as partners in mental health. Unions must share the onus of accommodating the employee's return to work. Putting unwell employees in the middle of a dispute that requires due process to resolve is brutal.

- Accept the need to customize job accommodation arrangements. The safe and successful management of mental disorders in the workforce depends on this and while it is almost dollar cost-free, managers must invest the time.

5. APPLYING THE RCMP CHANGE AGENDA

This paper discusses mental health in the workplace from a civilian perspective. But the principles and practicalities of the measures discussed can apply to a police services organization.

In fact, you have a unique opportunity to act – an opportunity born of the government's mandate for change and specifically the Task Force report which says:

- "health and wellness" among RCMP personnel must be taken into account as part of overall decision making
- "scientific approach" to HRM is called for

These dovetail nicely with the development of mental health policies and the concept of "rebuilding the trust" which headlines the Task Force report and adds even greater synronicity to the timing for an RCMP mental health strategy.

Rebuilding trust is a challenge virtually all organizations must deal with in advancing the concept of openness in dealing with the sensitive characteristics of mental health and mental illness in the workforce.

In these matters, the RCMP can and should see itself as part of Canada's greater employer community and work openly with civilian organizations to share information and experience on mental health issues. No one has all the problems or all the answers including the RCMP.

The RCMP is not isolated as an employer in facing mental health problems in its workforce. In fact, your rates of time off work due to these conditions – 30% plus – is about the same as that of the private sector.

On October 16th, in Toronto, we will stage the 4th US/Canada Forum on Mental Health and Productivity. The focus: "Mental Health in the Workplace of Heroes" –

That is, the unique, inherently volatile and honored workplace of the men and women who serve the public safety and national security interests of all Canadians: law enforcement and the military.

The RCMP will, of course, be part of this and through Assistant Commissioner Graham, play a leadership role. The Canadian Forces will do the same. Both will help private sector employers learn from your experience in peer support.

– 30 –

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