PRESS RELEASE

Researcher Wins $2.6 Million Grant for Depression Care Study

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By Doug Carlson
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TALLAHASSEE, Fla.-- With the nation's economic crisis contributing to greater workplace stress, providing effective mental health care for employees may be more important than ever.

Kathryn Rost, Ph.D

Unfortunately, the approach most companies take in purchasing mental health care benefits is flawed and unlikely to produce the best outcomes for either their bottom line or their employees' welfare, according to a Florida State University College of Medicine researcher. Kathryn Rost, the Elizabeth Freed Professor in Mental Health at the College of Medicine, has received a $2.6 million grant from the National Institutes of Health to conduct research with potential to change purchasing behavior for companies trying to provide mental health care to employees. The work has enormous potential implications that go beyond mental health. Rost is focusing on depression care management, but the findings likely will apply across a broad range of employee health care coverage. Absenteeism and lost productivity at work due to depression costs American businesses $51 billion annually, according to a 2003 study published in the Journal of the American Medical Association. At the same time, companies that purchase depression care management programs for employees have grown accustomed to basing product selection decisions on cost rather than effectiveness. Ten years of research backed by more than $17 million in NIH funding has provided Rost with clear evidence that the current approach is more costly. "They're saving money in one pocket and spending it out of the other," Rost said, citing the excess absenteeism and lost productivity associated with poorly managed depression. "What we're saying to employers is, 'You need to purchase on the basis of value, not on the basis of cost alone.'" Getting that message across is complicated. The majority of companies that sell mental health care coverage have been programmed to sell cheaper plans rather than more expensive ones with greater long-term effectiveness. "Once the vendors understand that the employers are buying only on the basis of cost, then they play the game: sell a very low-cost product and make a lot of extravagant claims on what that product will do," Rost said. As a result, the amount American companies invest in their employees' mental health has dropped from 10 cents of every health care dollar spent 20 years ago to three cents on the dollar today. "Not a lot considering 32 percent of Americans have a diagnosable psychiatric disorder during their lifetime," Rost said, attributing the decline in spending to the employers' inability to discern between a valuable mental health care benefit and one that isn't. "So they just buy the cheapest," she said. Changing the behavior, and ultimately contributing to better mental health support for the American workforce, is at the root of

Rost’s five-year study. Rost’s work will examine the purchasing behavior of 360 businesses in 18 U.S. cities, each with a minimum of 100 employees, providing mental health care to more than 40,000 workers. Part of the study involves educating companies to ask the right questions of vendors selling mental health care coverage. Rost’s team provides dos and don’ts when negotiating with vendors and uses role-playing to guide employers through the process of choosing the right plan. But the 17 identified vendors of mental health care products in the United States stand to benefit from the research, as well. In addition to potentially selling products that are more expensive at the outset, the research is likely to convince more large companies of the two-year return on investment in purchasing mental health care products. “We’re trying to train employers to understand that they don’t have to just take whatever the vendors are trying to feed them,” Rost said. “We want them to know, ‘Hey, you’ve got power here. You get to define the market.’”