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Morgan Stanley's Perspective: The ROI of Mental Health Care

CHALLENGE

Align mental health investment with meaningful outcomes. Replace high utilization and costs associated with out-of-network mental health care with more effective, evidence-based in-network care.

SOLUTION

Morgan Stanley clearly documented their desired outcomes, contextualized their claims data as part of an in-depth cost-benefit analysis, and prioritized making a compelling case to get their executives on board with moving forward with a comprehensive solution.

OUTCOME

Lyra rolled out—marketed as "advanced mental health benefit." Cost structure aligns with care the employees receive. Results: 10.3 percent of the member population receive care; 98 percent are instantly matched with a provider; average of just six days to first appointment; 93 percent of members show improvement or recovery on the PHQ9/GAD7 scales.

Morgan Stanley

Company overview:

Morgan Stanley is a financial services firm that mobilizes capital to help governments, corporations, institutions, and individuals around the world achieve their financial goals.

By the numbers (in the U.S.):

42k
employees

86k
total members on their medical plan

59%
of employees are male

45 years
average age of employees

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CHALLENGE

Morgan Stanley prioritizes benefits solutions that can serve their diverse group of employees and dependents across the country. For years, the benefits team had been hearing from employees about challenges with accessing in-network mental health providers. This was validated by their claims data—they saw that 50 percent of mental health visits were out-of-network, translating to 72 percent of mental health spend. Their out-of-network costs were two and half times that of in-network costs. Over time, the team implemented several changes aimed at improving access to care, including increasing the number of sessions available through the employee assistance program (EAP) from three to five, and working with their health plan partners to create a "quick access" network of mental health providers within Metro New York.

Morgan Stanley also partnered with their EAP to bring a counselor onsite to their headquarters office in New York City. This quickly became a sought-after service, and employees appreciated the immediate access to in-person counseling or therapy from a high-quality provider that was familiar with the firm's culture and employee needs. The onsite counselor also helped raise awareness across the firm about the importance of seeking care. Given the success of this initiative, the benefits team realized they needed a solution that could accomplish those same goals at a broader scale.

50%

of employee mental health visits were out-of-network

SOLUTION

Their team, led by Executive Director of Benefits Dana Erdfarb, approached finding a long-term solution with the following steps:

1 Align with your team on the specific goals and metrics for which you'll hold your vendor accountable

Prior to evaluating vendors, the benefits team documented their expectations about clinical outcomes and SLAs. Only vendors well equipped to measure and meet these goals were ultimately considered.

2 Review and contextualize your claims data related to mental health care

In Erdfarb's words, this data was "a little scary and very compelling." Despite paying very high out-of-network costs, the firm had no governance of care quality and many people in need of care likely didn't even seek it due to the cost barrier. Additionally, given the emphasis on quality, a detailed review of claims data highlighted an opportunity to look at overall costs based on episodes of care vs. individual visits—which would be better managed through a vendor providing exclusively evidence-based care.

Dana Erdfarb: "If you look at your health care claim data for any other condition, mental health is absolutely the outlier. There is no other condition category where people are using so much out-of-network care. So you have to ask yourself the question: Why?"

3 Create a cost benefit analysis and ROI model that considers both hard and soft savings

Morgan Stanley buckets savings into two categories—those that are "hard" (or very straightforward to measure) and those that are "soft" (or more difficult to measure but still a key component to an overall proposal). In their case, Morgan Stanley looked at hard savings like the cost replacement for their EAP and redirected out-of-network costs from their health plan. Soft savings were more challenging to measure or estimate, but Morgan Stanley relied on Lyra's projection model. Other factors they projected or considered were: avoidance of downstream medical costs, program utilization and engagement, patient satisfaction, clinical improvement, and duration of mental health disability claims.

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Socialize this cost/benefit analysis for management approval

Erdfarb urges others to make their case in terms that align with the values of a particular company. She said, “In order to sell something for us internally, we need to spend time communicating the value and articulating how this new program will impact the bottom line.”

Dana Erdfarb: “Our senior management was very much on board that mental health was important. The challenge here was convincing them that the price tag of such a benefit was worth the value that our employees in the firm would receive. Spoiler alert: We did it!”

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Involve executives in destigmatizing mental health

Normalizing mental health care was an early priority for Morgan Stanley’s entire leadership team. Early on, senior leaders underscored the desire that employees take advantage of this benefit, oftentimes by sharing personal stories that really resonated with employees.

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OUTCOME

Morgan Stanley rolled out Lyra in June of 2020, providing 16 sessions per year to their employees and eligible dependents. Erdfarb says, “We market Lyra as an enhanced mental health benefit vs. just an EAP. We communicate this as the best option you have to get the best care in the easiest way. And the fact that it’s free to our employees goes a long way.”

Boiling it down, Morgan Stanley has seen positive outcomes in a few areas:

1 Employees quickly engaged with Lyra and got care at a fast pace

Erdfarb says, “Our prior EAP never mentioned things like faster access and better outcomes, which likely resulted in low utilization (3.1 percent). If we annualize our utilization of Lyra, we’re seeing 10.3 percent and an average of just six days until people complete their first appointment.” 98 percent of Morgan Stanley employees using Lyra’s site were immediately matched with a provider, and 13 percent of members had their first session with a Lyra provider within 24 hours of searching for care. Erdfarb commented, “I have never experienced such quick access to clinically validated care through any other avenue; this really demonstrates the value that Lyra brings to our population.”

2 Morgan Stanley’s investment aligns with the high-quality care their employees and dependents receive.

Like most, their previous EAP had a fixed-fee model, meaning Morgan Stanley was paying a PEPM (per employee per month) fee regardless of how many employees were using the service. This was helpful from a budgeting perspective, but provided minimum incentive for the EAP to increase engagement in the program.

Dana Erdfarb: “Lyra was significantly more expensive than our existing EAP, but we were able to prove that the value of the solution was worth the cost. The majority of the costs are variable and based on the amount of care our employees are getting. We’re not paying a high fixed cost for care that our members may not use.”

3 People in care are showing meaningful clinical improvement

In general, 18 percent of employees improve with care through EAPs, but, in Morgan Stanley’s case, 93 percent of employees show improvement or recovery on the PHQ9/GAD7 scales with Lyra.