



# COVID-19 and mental health trends

February 2023

Mental health diagnoses and needs have significantly increased throughout the COVID-19 pandemic, as employees and their families have coped with new levels of stress, loss and disruptions to daily life. Adapting to these new factors has deeply impacted employees, and employers must be prepared to adjust their strategic benefit plan offerings to meet the evolving care needs of their population.

## Mental health trends

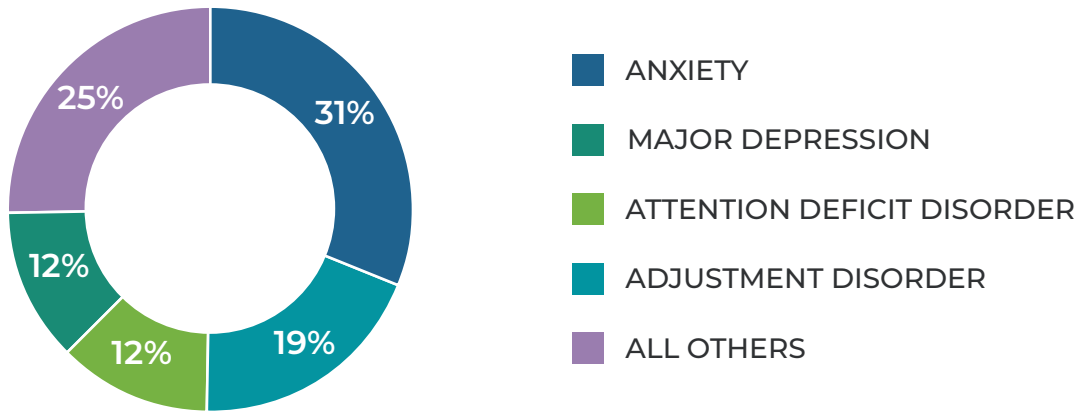
The mental health needs of employee populations have grown during the pandemic, having a direct impact on the wellbeing of employees and their families. According to the CDC, 1 in 5 Americans will manage a diagnosable mental health condition each year, and more than 50% will be diagnosed with a mental illness or disorder at some point in their lifetime. While awareness of mental health issues has been increasing, so has the need for employers to support mental health, with a focus on plan member health as well as the organization’s bottom line due to implications on productivity and retention.

At Alera Group, we have reviewed key data points through Vital Incite, an Alera Group company, conducting an analysis of more than 300,000 lives over the period 2019 to 2021.

## Key observations include:

- 1. Significant increase in mental health diagnoses during the pandemic:**  
Among the most troubling trends observed was the 12% increased overall incidence of psychological diagnoses when comparing 2019 to 2021. Of particular note, the prevalence of anxiety diagnoses increased by 25% between 2019 and 2021, and the prevalence of major depression increased by 11%.

Prevalence of mental health diagnoses in 2021



Source: Alera Group

### TOP MENTAL HEALTH DIAGNOSTIC CATEGORIES IN 2021 COMPARED TO PRIOR YEARS

(per utilization per 1,000 members)

DIAGNOSIS TYPE	2019	2020	2021	% CHANGE 2019-21
All psychological diagnoses	155	158	175	12%
Anxiety	59	65	74	25%
Major depression	40	40	45	11%
Attention deficit disorder	25	26	29	16%
Adjustment disorder	25	26	28	10%

Source: Alera Group



- 2. **Impact on children:** Overall, children had the largest increase (15%) in mental health diagnoses when compared to employees (12%) and spouses (11%). Driving this increase in prevalence for children, anxiety diagnoses and major depression increased by 34% and 24%, respectively. Also noteworthy is that children experienced a 27% increase in total counseling visits from 2019 through 2021. Further, 58% of mental health diagnoses in child dependents were for members over 18 years of age, pointing to specific attention required to address the mental toll of the pandemic on child dependents over 18.
- 3. **Impact on employees:** Based on Alera Group’s data, 18% of employees were diagnosed with a mental health condition in 2021, representing an increase of 12% since 2019. The top diagnosis, anxiety, increased by 22%. While the prevalence varies by company, this trend will be particularly concerning to employers. As we look to better understand what is driving workforce performance and culture, employers with particularly high prevalence of mental health diagnoses within the workforce can focus on addressing this issue in order to improve employee engagement, productivity and efficiency, while lowering turnover.

		2019	2020	2021	% CHANGE 2019-21
ANXIETY	Dependent	50	56	68	24%
	Employee	64	70	78	22%
	Spouse	63	68	75	19%
MAJOR DEPRESSION	Dependent	33	35	41	24%
	Employee	42	42	46	10%
	Spouse	47	45	47	0%

Source: Alera Group

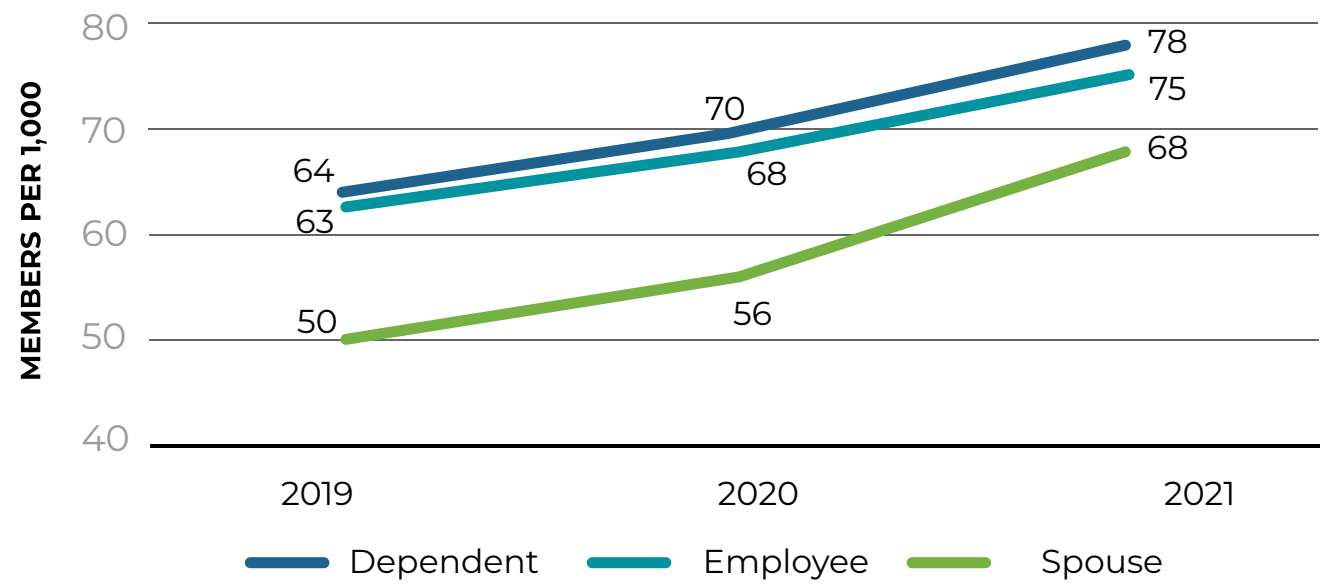
- 4. **Increase in plan costs:** In conjunction with the increase in prevalence of mental health diagnoses, plan costs increased by 18% from 2019 through 2021. While prevalence increased by 12%, the cost to treat members with psychosocial conditions also increased by 6% during this period, from an average cost of \$9,991 in 2018 to \$10,600 in 2021.
- 5. **Care gaps:** Nine percent of members taking prescriptions for the treatment of mental health conditions have two or more refill gaps in their treatment, demonstrating the need for programs to encourage treatment compliance in this increasing subset of the population.
- 6. **Substance abuse:** The prevalence of substance use disorders increased by 6% from 2019 through 2021 at about 7 members per 1,000.





Anxiety: Prevalence per 1,000 Members

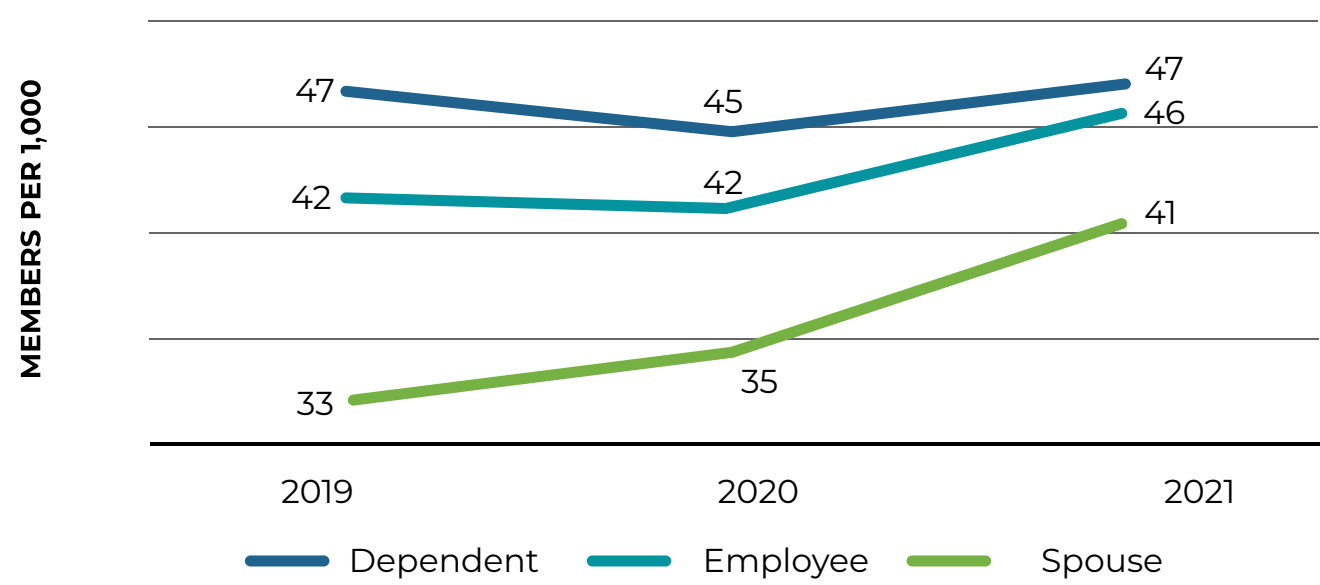
(by Dependent Type)



Source: Alera Group

Major Depression: Prevalence per 1,000 Members

(by Dependent Type)



Source: Alera Group



Key issues

Understanding the increased impact of mental health conditions, newly diagnosed dependents and treatment patterns is essential in providing high-level medical benefits in 2023 and beyond. In addressing mental health, key issues employers should consider include:

- **Stigma/culture:** Unfortunately, negative attitudes or stigma towards individuals with mental health disorders are common and can lead to both delays in seeking care and worsened outcomes. For employers, it is imperative that workplace cultures support the mental health and wellbeing of all employees and their families.
- **Access to care:** The difficulties surrounding access to mental health services are multifaceted and include limited in-network providers and high out-of-pocket costs. Employers can be instrumental in supporting this issue by offering plans that feature no or low out-of-pocket costs for mental health services and a robust network of high-quality mental health providers, including virtual-provider options. Ensuring employees are aware of mental health benefits via email, webinars, onboarding and training can improve utilization of these services.
- **Changing landscape:** With medical plans providing more options for mental health care over the last few years, there has been an increase in tools and resources, as well as growth in provider networks to support member needs. In addition, new vendors have emerged to support employee assistance programs and provide cost-effective behavioral health solutions. Most recently, there has been an increase in tele-behavioral health, where many providers can be accessed remotely, allowing for convenient and private access to providers at a lower cost.



# Employer implications

Employers play an important role in supporting mental health. The Surgeon General of the United States recently issued an advisory regarding youth mental health. The advisory offers recommendations and resources on how employers can support mental health not only for youth but for employees and families as well. The recommendations are as follows:

**Provide access to comprehensive, affordable and age-appropriate mental health care for all employees and their families, including dependent children.** Research shows that parental mental health challenges not only impact parents' productivity in the workplace but can also affect the mental health of their children.

- Employers should offer health insurance plans that include no or low out-of-pocket costs for mental health services and a robust network of high-quality mental health care providers.

**Implement policies that address underlying drivers of employee mental health challenges, including both home and workplace stressors.**

- Offer paid family leave and sick leave where feasible. Consider additional employee benefits such as respite care for caregivers and mental health and wellness tools.
- Help caregivers secure affordable childcare or offer more flexible work arrangements. This can reduce stress and improve productivity.
- Ensure employees are aware of and can easily make use of these benefits. For example, include information on mental health benefits in emails and webinars, and during onboarding and training for all new hires.

**Create a workplace culture that affirms the importance of the mental health and wellbeing of all employees and their families.**

- Create space for employees to speak up about how they are feeling, and encourage company leaders to serve as role models for discussing mental health and modeling healthy behaviors. For example, ensure that senior leaders take advantage of benefits such as paid leave and vacation days.
- Tools such as employee surveys can help employers understand the wellbeing of employees across demographic groups (e.g., gender, race, sexual orientation), levels of seniority, business units and geographies, and to identify opportunities for improvement.
- Solicit ideas from employees about how to support their mental health and wellbeing, as well as that of their children and families.
- Adopt clear messaging that promotes mental health awareness and addresses common misconceptions about mental health (for example, that mental health issues are a sign of weakness).
- Provide managers and supervisors with training to help recognize negative mental health symptoms in themselves and colleagues, and encourage employees to seek help. Mental health employee resource groups, for example, can help increase mental health awareness, build community and offer peer support.

Given the weight of the national crisis, the federal government has also outlined a sweeping plan for access to mental health and training. Over \$700 million from the 2023 budget has been dedicated to this effort.

The initiative includes a 988 suicide-prevention hotline started in July 2022, as well as school-related tools and research into additional causes behind the increase in diagnoses of mental health issues.

While the prevalence of diagnosed mental health conditions has increased over the last few years, with COVID-19 being a major contributing factor, it remains to be determined what the long-term ramifications will be on population health.

Alera Group will continue to monitor healthcare trends and work with employers to ensure that addressing mental health is built into their strategic plans.



# Why Alera Group

As an Alera Group client, you have the peace of mind that comes from working with a trusted, local partner, backed by national expertise and resources to address your most complex challenges.

Together, we create cutting-edge, optimized strategies and solutions that set your business apart from the competition and empower you to tackle whatever comes your way.

## OPTIMIZED SOLUTIONS

Our optimized solutions are customized to grow and protect your business. These solutions save you valuable time and money and provide an enriched benefits program to attract and retain exceptional employees.

- Advanced health plan strategies
  - Pharmacy management
  - Individual coverage
  - Captive solutions
- Alternative funding
  - Workforce wellbeing
  - Voluntary and worksite benefits
  - Absence management

## PERSONAL PARTNERSHIP

Our team members are part of your local community and know your organization and goals. As your partner, we serve as an extension of your team so you can focus on growing your business.

- Compliance
  - Data analytics
  - Total program management
  - Benefits administration
  - Carrier, vendor and renewal management
- Benefits technology
  - Employee communication and engagement tools
  - Local service

## NATIONAL COLLABORATION

We deliver peace of mind through best-in-class solutions and access to deep resources to help address complex business challenges.

- Benefits benchmarking
  - Leverage with preferred carrier partners
  - Workforce solutions
  - Education and training
- Industry expertise/verticals
  - Property and casualty insurance
  - Wealth services
  - Impact groups

# Contributing Authors

**KAYCEE DEGABRIELE**  
DIRECTOR OF STRATEGIC CONSULTING  
INDIANAPOLIS

**ANIL KOCHHAR, ASA, MAAA**  
EMPLOYEE BENEFITS CONSULTING ACTUARY  
LOS ANGELES

**JULIE KUEPPERS, PHD, FNP, RN**  
CLINICAL REVIEW DIRECTOR, EMPLOYEE BENEFITS  
ROCHESTER

**ANNA MACGREGOR, RD, LD**  
SENIOR POPULATION HEALTH ANALYST  
INDIANAPOLIS

**CARRIE REED**  
EMPLOYEE BENEFITS MANAGER OF ANALYTICS  
TACOMA

**HARINDRA SEBASTIAN, FSA, FCIA, MAAA, MBA**  
VICE PRESIDENT AND SENIOR CONSULTING ACTUARY, EMPLOYEE BENEFITS  
BOSTON

**LEE WILLIAMS**  
SENIOR DATA SCIENTIST  
BALTIMORE

# Nationally recognized experts in population health

Vital Incite, an Alera Group company, is a nationally recognized health consultancy committed to providing best-in-class data analytics and objective, high-impact solutions. Our data-driven strategies help our clients mitigate cost and improve employees’ health. In addition, these strategies are designed to identify and improve medical spend waste, allowing employers to reinvest in the correct resources that will improve employee health. Vital Incite’s analytics tools combine multiple data sources, including claims data (medical and pharmacy), health risk assessments, biometric data, case management and vendor data.





To learn more about how Alera Group can assist you in designing and implementing the type of Total Rewards program that attracts and retains high-performing employees, contact our Employee Benefits team.

## Contact

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### **Mary Delaney**

Managing Partner  
Vital Incite, and Alera Group Company

### **Sally Prather**

EVP, Employee Benefits Practice Leader  
Alera Group

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