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Web-Based Depression Calculator Touts Improved Benefits for Employers and Employees

Washington, DC (January 23, 2007) — The Pharmaceutical Research and Manufacturers of America (PhRMA) today released the newest version of the “depression calculator” at the Midwest Business Group on Health conference in Chicago, Ill. This third version of the calculator—“version 3.0”—was developed by the HSM Group and helps businesses determine the cost and productivity savings of helping employees suffering from depression to obtain treatment.

Depression is a leading cause of absenteeism and low productivity in the workforce, affecting almost every company in America to some degree. Studies estimate that employees who suffer depression miss an average of 22 to 32 work days per year and will sustain an average of \$1,000 to \$2,000 higher annual medical costs than other employees. The combination of missed days, decreased productivity when on the job, and other associated issues costs the U.S. economy approximately \$80 billion a year.

“The depression calculator has proven to be a valuable tool for employers,” said Richard I. Smith, senior vice president of policy, research, and strategic planning at PhRMA. “Companies using the calculator can see that helping employees obtain treatment for depression is good for their workers and their businesses. Experts tell us that employees with depression have higher rates of productivity and lower rates of absenteeism when they get treatment. Most importantly, treating depression can dramatically reduce depression’s human costs.”

Available on the Internet (www.depressioncalculator.com), human resource managers can enter company information into the calculator such as business size, industry, and location to measure how much money they can save by offering treatment.

Many new features are available in version 3.0 of the depression calculator, including updated wage and compensation rates, updated prevalence rates, the integration of two levels of depression care, and a feature allowing the user to specify how often replacement workers are utilized.

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The HSM Group, Ltd., a healthcare consulting firm in Scottsdale, AZ, developed the calculator in response to the growing cost of untreated depression in the workplace.

“The depression calculator can provide significant benefits to companies,” said Sheryl Bronkesh, president of the HSM Group. “For example, a firm with just 500 employees can expect to lose anywhere from 888 to 1,292 days each year due to absenteeism and low productivity effects of depression. The calculator allows companies to determine a plan to support its workforce and avoid the effects of this debilitating disease.”

“This tool connects the dots,” said Clare Miller, director of the American Psychiatric Foundation’s Partnership for Workplace Mental Health. “Now, any company can apply the combined wisdom of more than 30 scientific studies to its specific workforce. In real dollars, company leaders will see the cost of untreated depression and the return on investment for addressing the problem. A healthy workforce is a key ingredient to a healthy bottom line.” The Partnership for Workplace Mental Health, a program of the American Psychiatric Foundation, advances effective employer approaches to mental health by combining the knowledge and experience of the American Psychiatric Association and its employer partners.

PhRMA and the HSM Group, Ltd. initially introduced the jointly developed “Depression Calculator” tool in June 2004. The calculator has helped thousands of employers see a snapshot of financial benefits for their company if they assist their employees who are battling depression.

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the country’s leading pharmaceutical research and biotechnology companies, which are devoted to inventing medicines that allow patients to live longer, healthier, and more productive lives. PhRMA companies are leading the way in the search for new cures. PhRMA members alone invested an estimated \$39.4 billion in 2005 in discovering and developing new medicines. Industry-wide research and investment reached a record \$51.3 billion in 2005.

To learn more go to:

<http://www.depressioncalculator.com/>

www.phrma.org

www.workplacementalhealth.org

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PhRMA Internet Address: <http://www.phrma.org>

For information on how innovative medicines save lives, visit: <http://www.innovation.org>

For information on the Partnership for Prescription Assistance, visit: <http://www.pparx.org>

For information on the danger of imported drugs, visit: <http://www.buysafedrugs.info>