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Checklist: How to Evaluate ROI Claims

Uncovering the true ROI of mental health benefits can be challenging. Studies can be biased and unverified, making it difficult to know which benefits yield real returns. This checklist includes evaluation criteria for ROI studies to help you vet their quality and inform decision making.

☐ How many participants are included in the study? Is the study sample size representative of the benefit usage?

Strong studies include a representative number of participants that is comparable to the total members using the benefit.

If the analysis only has 1,000 participants but benefit usage is closer to 5,000, the sample size fails to represent actual benefit usage.

☐ Is the study excluding individuals who are found in large numbers within the benefit users?

The study group should accurately represent the benefit users. Excluding large benefit user groups weakens the results, as the remaining participants no longer represent typical users.

It is good practice to exclude members who are outliers to prevent bias from a few unrepresentative cases. For example, many studies exclude members with claims exceeding $100,000, which typically affects less than 1% of participants. At the same time, excluding a non-outlier group means the results do not capture their data.

☐ What is the timeframe of the analysis? Is at least one year of data included?

Not including a full year of claims data is a significant weakness, as it fails to ensure the results apply to the entire calendar year.

Health care spending data shows seasonal variation, with costs fluctuating throughout the year (e.g., higher costs in the second half after deductibles are met). Omitting a full year's data can lead to inflated and misleading results. At a minimum, ROI studies should cover a full year of data to be reliable. Demonstrating consistent results over multiple years further increases confidence in findings.

☐ Is the study showing real results from real data, or is it relying heavily on estimated projections into the future?

ROI results derived from real data (past events) are more reliable than those generated by estimations (which forecast future events).

Using estimations doesn't necessarily mean an analysis is inaccurate. How accurate a projection is depends on the scope of the data it is based on and what exactly is inferred. Projecting extensive results from little data is usually a weak approach. For example, using a few months of data to forecast a full year is likely inaccurate, while using a full year of data to predict the next year is likely more accurate.

☐ Was the analysis conducted by a third party or was it done in house and just reviewed by a third party?

Independently conducted analysis by third parties provides the most thorough, reliable, and unbiased validation.

If a study is independently conducted by a third party, that party completes the analysis on their own with raw data. They select the methodology, run the analysis, and write the final report. This approach is more rigorous and provides more trustworthy conclusions than if a third party is only included to check the vendor's end results. Such a cursory review allows for a large margin of error as the third party does not have access to the raw data, is not performing the analysis, and is usually only reviewing at a high level.

Explore Lyra's independent ROI and savings studies to see the exceptional value you can expect with us.