

## Opportunities Abound Beyond Clinic Walls

### ON-SITE AND MOBILE SERVICES REPRESENT CONSIDERABLE GROWTH POTENTIAL FOR OCCUPATIONAL HEALTH PROGRAMS.

*This is the first part of a two-part article. The second part will appear in the January/February edition of VISIONS.*

#### By Karen O'Hara

Providing on-site services to employers is analogous to rolling a snowball down a mountain: It gets bigger and gains momentum as it progresses, despite the rough terrain.

Similarly, when occupational health providers step outside the confines of familiar clinic walls, they are likely to encounter some obstacles. Yet there is also a sense of exhilaration in breaking loose.

As 1998 winds to a close and we begin the final year of the 20th Century, the provision of worksite-based and mobile occupational health services has emerged as a leading contender for the title of Most Likely Area for Expansion among provider-based programs nationwide.

Participants at a recent two-and-a-half day program on *Developing and Providing Effective On-site Occupational Health Services* heard this theme repeatedly hammered home by faculty representing the broad range of possibilities, from workplace flu shots, to mobile medical screening, to the placement of on-site clinical staff.

Faculty said there appears to be three essential ingredients to the successful provision of on-site services:

- 1) The necessity for market assessment and the development of a business strategy before moving forward.
- 2) The achievement of a balance between new product introduction and economic need.
- 3) A multi-tiered approach that may include a mix of services such as mobile medical screening, on-site personnel placement, consulting to industry and technically advanced surveillance.

"On-site services can be your Trojan horse," K. Burt Prater, M.D., vice president for EMR/Continuum HealthCare, Inc., Atlanta, CA, told providers at the conference sponsored by RYAN Associates. "On-site services will allow your program to get inside a company to further develop that all-important relationship."

Dr. Prater, who has considerable experience in the realm of on-site and outsourced services, believes occupational health professionals are in a "unique situation that allows even small providers to enhance their appeal to local employers."

He identified the following as key factors that have helped set the stage for the growing demand for and rapid evolution of on-site and mobile capabilities: 1) the emergence of well qualified niche vendors who provide pre-loss and post-loss services and with whom providers can contract; 2) the trend for employers to externalize non-core functions and replace multiple vendors with a single vendor; 3) the tendency for employers to seek services that increase productivity and reduce the costs associated

with lost work time.

Lew Malter, who many in the industry consider to be the dean of onsite and mobile occupational health testing services, is a particularly strong believer in the preventive aspects of the business.

"Prevention should be the number-one byword," he said during a presentation on customizing occupational health services. To be truly effective, the provider must look at the company's risk management record. OSHA-200 logs, regulatory compliance and exposure issues, and the types of injuries that are occurring are among indicators that can be addressed through an on-site presence.

However, it is incumbent on the provider to keep up-to-date on existing and proposed workplace health and safety regulations. The recently revised respiratory protection standard is a case in point: "When a proposed regulation becomes mandatory or is revised, you have to market that program to employers all over again," he said.

Over the years, Mr. Malter, president of Health Evaluation Programs, Arlington Heights, IL, has found that it is best to develop and refine services as customers' needs change. "As you perfect certain types of tests, you get more clients," he said. "The more you can introduce, the more you can do for a client, rather than have to go out and get new clients all the time.

### ***Other Opportunities***

The provision of on-site clinical services - such as the use of nurses, physicians and rehabilitation professionals who work under contract at the workplace on either a full-time or part-time basis - is an aspect of occupational health that has not been fully explored by the majority of provider-based programs.

Rehabilitation, for example, is ripe for on-site integration, said David McLarnon, vice president of operations for Occupational Health + Rehabilitation, Hingham, MA, which operates a network of occupational health centers in New England.

"Workplace health is a big growth area for us," he said, "and workplace rehabilitation is an important component of that. On-site services represent the next stage in the evolution of (outpatient) rehabilitation. Its great to be ahead of the curve with this product."

From the provider perspective, benefits associated with the provision of on-site rehabilitation services include the chance to be innovative, create a "customer-intimate" service and develop new revenue streams and premium pricing structures. For example, by charging \$120 per hour for on-site rehabilitation services and associated care management documentation (plus paid travel time no greater than one hour), OH+R anticipates considerable revenue potential in the coming year. Meanwhile, the company has persuaded payers to provide reimbursement under an "unspecified" code designation (97799 - unspecified) because many of the specific codes are not applicable to rehabilitation services provided at the workplace.

Another advantage to the provision of on-site prevention and treatment services is that there are several prospective operational models, each of which represents a potentially profitable scenario for employers and providers, Mt. McLarnon said. Models that might be considered include services offered as:

- 1) A component of a full-service, on-site occupational health program.
- 2) An extension of a clinic-based program.
- 3) A stand-alone rehabilitation product (which doesn't require a clinic and can be marketed to insurers, third party administrators and case management companies).

4) A professional management service. For example, a large national insurer has asked OH+R to manage its relationships with providers in other markets, including control of the billing component.

"Many times there are opportunities to sell additional services and get referrals," Mr. McLarnon said.

When services such as physical therapy, pre-placement screening work capacity evaluations, work conditioning, job analysis and job description development, ergonomic evaluations, safety training and education occur at the worksite, employers typically benefit from:

- increased control over care management and prevention activities;
- improved productivity;
- decreased wage replacement and other indemnity" costs;
- enhanced employer/employee contact;
- improved morale.

Employees may also see benefits in the form of:

- improved cash flow;
- stronger relationships with fellow employees;
- an improved sense of self-worth and productivity;
- faster recovery.

The successful implementation of an on-site rehabilitation program requires a focus on all functional business areas including sales, operations and finance. In addition, an on-site program must be appropriately staffed and supervised, Mr. McLarnon noted. For example, depending on the needs of the client, the on-site therapist might be a physical therapist, an occupational therapist, a physical therapy assistant, a certified occupational therapy assistant or a certified athletic trainer. The on-site therapist may be called on to function as a patient advocate, case manager, salesperson - and even as a politician.

OH+R provides its on-site therapists with the tools it believes are necessary to do the job. Their "tool kit" includes a laptop computer, cellular phone, pager, folding table, JAMAR strain and pinch gauges, exercise aids (theraband, putty) and an ultrasound/E stim combo. This kit costs less than \$5,000 to assemble, Mr. McLarnon said.

Since it is essential for the company to illustrate the impact of its interventions, OH+R tracks cases in a number of ways: by referral source, diagnoses, lost work days per case, modified work days per case, number of visits per case, cost per case and averages by referral source. In general, successful outcomes from on-site rehabilitation programs are increasingly well documented in academic and insurance industry literature.

On-site rehabilitation must be considered as an integral component of both full-service workplace and clinic-based occupational health programs, Mr. McLarnon said.

### **Overcoming Barriers**

Like the snowball on the mountainside, providers are likely to encounter obstacles which may impede their progress in developing on-site capabilities. For example, many programs make the mistake of introducing a product or service *before* conducting a thorough market needs assessment.

Many of us go in with a hammer and all we look for is a nail," said Meg Schupp, senior partner with the consulting firm, Corporate Health Group, Palos Heights, IL. "We need to listen to customers. What do they want as the end result? We need to listen to what the client wants to accomplish, not necessarily what they want to buy."

A market analysis might include employer telephone surveys and focus groups, as well as one-on-one sales calls. Factors to consider when evaluating the market include company size, hours of operation, location, the physical plant and nature of the industry, union concerns, economic stability, available internal resources, and the company's real and perceived needs.

However, it's not enough for the provider to understand customers needs. Internally, the provider organization must evaluate its own resources and capabilities, the degree to which it can depend on administrative support, anticipated costs and return on investment, and what the competition may be offering as an alternative. It is important to lay the groundwork for providing solutions to customers' problems by refining and expanding internal capabilities, or entering into relationships with qualified vendors and subcontractors.

Over-customization is another potential pitfall to the provision of onsite services. There should be a balance between flexibility and reinventing the wheel.

"Don't recreate a product each time a customer asks for it," Ms. Schupp advises. "When you package a product that can be provided at the worksite, do it so you can provide it over and over again in different settings."

To create enduring relationships with employers, Dr. Prater suggested that providers make themselves invaluable to clients by acting as a conduit for the wide variety of workplace health and safety services companies require. In a provider-vendor management model, for example, the provider assumes responsibility for auditing outsourced services on behalf of the employer.

"Employers are looking for a master vendor, or provider partner, to manage multiple vendor relationships," he said. "It's a much easier relationship for the employer to manage, and it saves money."

Quality monitoring is a critical aspect of the vendor management model because the provider is held accountable for vendor performance. Prospective vendors must be evaluated on the basis of their expertise and specialization, track record, flexibility, location, availability and pricing, among other factors. The optimal ~ situation is one in which the vendor provides services directly to the employer, but the provider controls billing and reimbursement, Dr. Prater said.

"Providers can utilize on-site services to gain an edge in the marketplace, but it is also critical to understand what services are appropriate for on-site delivery and what services are better provided in a clinic setting," he added. "Employers will look to the provider for guidance in that regard."

While the provider may risk being perceived as an additional layer, or "middleman," savvy employers are, willing to pay a little more for services on the front end if they experience cost savings on the back end. In addition, providers and vendors typically enter into contractual arrangements which preclude the vendor from direct-contracting with the employer.

Since occupational health is a relationship business, it shouldn't be difficult to overcome another potential barrier to the provision of on-site services: the presence of a company nurse or other in-house expert who may be on the defensive. In such instances, the provider should emphasize the partnership aspect of the relationship and

the reason for it - to help the company better control its costs through the effective management of workplace health and safety.

The key is to document the actual savings that are achieved. Consequently, the provider and employer must agree in advance on appropriate factors to measure. The arrangement should also hinge on the employer's willingness to sponsor programs such as smoking cessation, weight loss, back injury prevention and fitness or stretching classes.

Because of the cost-savings potential of on-site services, in some markets, workers' compensation insurance carriers have indicated they are willing to subsidize certain prevention and on-site programs. Grant funds are also available for these types of programs, conference participants said.

Coming in Part II: Mobile medical services, nursing and physician components.