

Turning Negatives into Positives: Creating New Business Models in a Soft Economy. Part 1 of 2

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This is the first of a two-part series discussing how today's market challenges affect the way occupational health providers react to employer needs. These challenges are stimulating providers to enhance productivity and boost sales in innovative ways.

Some may be heralding a return to healthier economic times, but those in occupational health know we've got a long way to go. In fact, many trends are driving the way we do business. The United States Bureau of Labor Statistics reported 500,000 fewer job-related injuries in 2001 than in 2000—an eight percent drop to 5.7 injuries per 100 FTEs. Workers' compensation costs continue to skyrocket as long-term injuries rise. And employers together are paying more than half a *billion* dollars in healthcare costs for their workforces.

It's not great news. But there's plenty of opportunity for those willing to take up the challenge and find fresh ways to position themselves, their products, and services to current and prospective customers.

Building Value for the Employer Market

No matter who you are—hospital, health system, or clinic—you need to keep one thing in mind: Employers and the employer-provider relationship are *critical* to your survival and success. Employers are the gatekeepers that control access to employed lives and allocate funds to healthcare (both group and work health).

Now is the time to embrace this market, not be tempted to abandon it. Reevaluate what employers need and how you can deliver it. As an occupational health program, you have an opportunity to provide a solution for employers, while building your bottom line. But you need to maintain the focus in every area of your business, from operations and administration to sales and clinical.

Take time to have everyone on your team answer some critical questions:

- How can we be so valuable to our employers that they can't afford *not* to work with us?
- What can we do to differentiate us from our competition—product, packaging, sales, service?
- What different ways can we sell and deliver our services that will bond the employer to us as a client, while being cost-effective and efficient?

Adding Value—Building on the Partnership

Your current clients have already entrusted you with their workers' compensation needs. Now is the time to create added—value services for this group. Consider, for example, the shift to on-

site programs. Lately, many occupational health providers have transitioned their services from clinic/hospital-based centers to the worksite.

This isn't a new idea, but its rebirth during tough times addresses the issues employers are facing: productivity, lost work time, and retention of invaluable employees. Employers are looking for a more comprehensive approach to healthcare, and providers are looking for ways to optimize their staffs' expertise.

It's a strategy that Work Fitness Center (WFC) has employed. WFC has two clinic locations in Moline, Illinois, and Bettendorf, Iowa and serves a variety of employers in the quad cities area. Its staff includes many Certified Occupational Health Nurses (COHNs).

Work Fitness Center (WFC) in Illinois and Iowa demonstrates its value clearly and consistently. The center regularly provides employers with six-month reports citing how WFC has performed. Information includes how many work-related visits were seen or treated on site, how many wellness services were provided, the unit cost of each service, and the productivity gains/savings created by treating employees at the workplace.

Consulting can provide additional revenue, without extensive costs to the provider, says Jackie Longworth of Bon Secours. "Know what everyone's time is worth and come up with a fee from there. Don't overcharge, but don't take a Loss on it. Consulting can be a step to building an existing or prospective partnership that will last. And it can add value to your program that sets you apart from the competition."

Small Changes Can Make a Big Difference

Pursuing added revenue doesn't require completely revamping the way you price your services. Bon Secours Health System in Virginia found the power of a dollar. They increased the price of each on-site service by \$1, while continuing to provide the same level of hands-on service. When multiplied by the number of units done in one year, the extra revenue was significant—and the employers didn't feel that a \$1 increase was unreasonable.

WFC realized it needed to better position its staff's value with employers and offer a clinical/educational deliverable that was different from the competition— while using expensive staff resources across a variety of client scenarios.

"Having our COHNs was great," says Patrick Doherty, President. "But we knew we needed to get them into the business community. Taking our staff onsite was one of the primary internal strategies we rolled out."

For example, WFC took its proposal to a local fire equipment manufacturer, which previously employed an emergency medical technician and a licensed practical nurse. When the LPN left, WFC's salesperson convinced the human resources director at the factory to work with a new staffing model. Under this model, the medical director visits every Tuesday and sees employees for general medical and recheck purposes. The employer has spent more contracting for this model, but in the big picture, has saved money by decreasing injuries and illness rates. "The employer has been nothing but pleased," notes Doherty. "His report card for us has come back with A's and A+'s."

Adding Consultative Services to the Mix

Occupational health providers are in a prime position to be consultants for their employers. You've already established trust, and you have the clinical expertise. Bon Secours Health System in Virginia has added consulting services to its product mix. Consulting, claims Jackie Longworth, Director of Occupational Medicine, Medcares and Employee Health, allows her organization flexibility and customization in services and staffing. The

organization has two freestanding occupational health clinics, as well as four Medcares urgent care centers.

“In consulting, we become the experts and have the ability to educate and sell the same services we do every day for our hospitals and employee health,” Longworth states. From discussing topics that range from the Family Medical Leave Act and workers’ compensation to bio-terrorism preparedness and substance abuse prevention and treatment, Bon Secours has become a valuable resource to employers.

“There are a lot of opportunities here,” Longworth says. “We can coordinate speakers for a particular topic or consult by the hour for policy review and writing, or safety team management. We’ve also positioned ourselves to be part of a client’s Continuous Quality Improvement teams. It’s led to an expansion of services for us?”

Bon Secours placed its hospital employee health services under its OccuMed branch, allowing it to flex-staff when needed and provide COHNs to its employers. “When we need to flex up or do an on-site visit, we pull from Employee Health,” explains Longworth. “My staff is cross-trained for the OccuMed clinic as well as Employee Health. This also allows us to take the best practices developed and use them for employers?”

Finding the Right Balance of Resources

One of the biggest challenges to providers when they restructure how and where they deliver services is balancing the bottom line.

WFC recently won a contract for a large entertainment employer. This fall, it will open a clinic on the employer’s campus for 1,500 employees and will operate the clinic 55 hours a week. WFC will staff the clinic with a physician’s assistant, registered nurse, part-time physical therapist, and office manager.

The large contract is not only changing the way the employer does business, but also the way WFC does. “I have to be very conscious that this is taking a huge book of business from our clinic,” says Patrick Doherty. The clinical positions being shifted to the employer’s on-site clinic most likely won’t be replaced in the clinic—giving WFC a challenge in maintaining the right level of staff as well as balancing constant overhead costs. “Because our business has shifted, my people know they have to have really good reasons for why a clinic position has to be replaced?”

There’s no simple answer here. But it bears noting that when you adjust your model to reflect your employer’s model, providers need to sit down and carefully evaluate the bottom-line.

How to Survive: Key Points

- Adapt** to shifting conditions. Keep solutions simple.
- Listen** to the customer. Find out what’s a priority, what’s on the wish list, what changes can be made starting now.
- Investigate** how you can sell deeper and wider to your current accounts. Implement a plan and forecast your results.
- Define** a value for every product you deliver.
- Keep** a report card for each employer, and share the monthly/quarterly results with them to prove you’re meeting/exceeding expectations.
- Build** a consulting practice from employee health and current programs and services.
- Empower** your employees and they’ll be your best advertising. Remember, every member of your team is a deliverable.

More in Part 2

Learn about new models for selling deeper and wider to employers in Part 2 of this article, appearing in the Winter issue of the Tracker. We'll include tips and examples on sales programs, new product/service trends, and getting your team on board, as well as more questions you can ask yourself as you develop a strategy that fits your program.

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