

Workforce Health Organization Lowering Healthcare Costs for Employers By Providing On-Site Medical Clinics, Telemedicine, Wellness Programs, Health Assessment and Disease Management



Philip Kurtz
CEO

CEOCFO: *Mr. Kurtz, big and bold on the CareATC® site is “Remarkably Different Healthcare”? How do you accomplish this?*

Mr. Kurtz: Our brand promise is Better Health, Lower Costs. As a result, we focus on two primary constituents: the employees (our patients) and the employer (our clients).

Because we contract our services directly with employer groups, our first priority is to produce financial results. However, financial results in this industry are a direct result of improved employee health, thereby shifting our focus to the lives of the patients we serve.

Unlike mainstream medicine, where revenues are generated through volume regardless of quality, we've developed a model that's truly dependent on health outcomes. We call it a win, win, win. By removing the barriers to healthcare, such as cost, inconvenience, and confusion, we've been able to produce high utilization rates with the populations we serve. This, in turn, drives improved self-awareness and decision making, and ultimately savings for everyone involved.

Another thing that is unique about us is that every decision we make along the way is a result of technology and analytics. We spend a significant time up front analyzing biometric and health plan data to assess organizational risk, and to provide a road map for the next 12 months of activity.

Additionally, our appointment times are much longer so the physician gets to know the patient and can provide better treatment. Also, we work hard to keep patient wait times at a minimum. This is much easier to achieve because our services are only available to our members. We also save them time and money by providing labs, x-rays and prescription medication on site, when possible.

At the end of the day, our patients don't have to fight for appointment times or worry about cost and confusing billings. This is incredibly valuable to them and 'remarkably different' compared to mainstream.

CEOCFO: *What types of companies turn to you for services? Is there a common thread?*

Mr. Kurtz: Traditionally, we have mostly appealed to large self-insured employers, therefore they benefit immediately from any reduction in their hard-dollar healthcare costs by leveraging our model. That said, we've pioneered the nation's largest network of shared-site clinics that are extremely popular for small to medium sized businesses. Size is much less of a factor than it used to be.

Almost all of them are united by their desire to reverse the trend of rising healthcare costs, but also in their effort to boost the value of their health plan. Most of the employers we work with truly care about the well being of their plan members, and recognize that traditional health insurance isn't the benefit that it once was. Therefore, they investigate our model as a plan supplement designed to actually produce results in the realm of prevention.

About 35% of our business includes government entities, municipalities, school districts, and state agencies, with the other 65% being private enterprise. Our largest clients are manufacturing, municipals, and retail chains. Overall, we really cover the gamut in terms of client types.

CEOCFO: *Would you walk us through a somewhat typical engagement when you join forces with a company or with a government entity? How do you implement? How are you reaching the employees?*

Mr. Kurtz: As I mentioned earlier, we start by assessing organizational risk, which helps us build a road map for success. Pre-contract we'll provide a detailed analysis of their existing health plan. Utilizing claims data, we're able to identify areas where we can have the most financial impact. We look at everything really, so that we can come back with some very strong recommendations of how we would approach this and what kind of outcomes they could expect. The process is truly unique because it's customized to each client. This is where we provide a ton of value that absolutely cannot be touched by mainstream medicine.

Post contract we'll go in and risk assess their entire population. We do that by sending a highly trained, in-house group of phlebotomists out to each organization. They operate in teams and go to our client's worksites to take blood samples from the population. They're kind of like a SWAT team, in and out and totally painless. Sometimes people wonder if they were ever there. Along with biometrics, they'll obtain vitals like blood pressure, body weight, height, and waist circumference. Additionally, each participant will fill out a health risk assessment, so that we can determine whether they have any hereditary risk for heart disease and other types of ailments.

All of this information combined leads us to an incredibly accurate assessment of health and financial risk of the population, which is the jumping off point for our model.

“With a few basic changes, they can improve awareness, access, and outcomes, and truly impact the lives of their workforce while simultaneously reducing their healthcare spend.”- Philip Kurtz

CEOCFO: *Are employees welcoming this initially?*

Mr. Kurtz: I think yes, but both employers and employees may have some anxiety over it. 'My workforce will not take to this very well,' or 'they already have doctors established as primary care physicians.' We hear that all the time, but we know in our experience, being in this business for over fifteen years, that employees will eventually wind up gravitating to the clinics for a variety of reasons. Most often convenience and savings to start, but also because of the staff and the improved healthcare experience that includes almost no wait times and significant time with their healthcare provider.

The other thing that employees are very concerned about is their employer knowing what they may have in the way of diseases or other health problems and that is not what we do. To that end, we spend a great deal of time and money emphasizing that we are 100% independent and are not sharing any information with the employer, except in de-identified and aggregate reporting formats.

To help initial adoption, we work with employers to design an incentive of either a premium discount, or something else of that nature. We have had employers that are offering gift cards, cash, and a variety of other incentives to get their employees excited. That said, once employees experience our model, you almost have to hold them back. It's pretty cool.

CEOCFO: *You conduct the assessments. What are the next steps?*

Mr. Kurtz: The next step is to segment and stratify the results. We are looking for people who would probably be train wrecks over the next twelve months; people who have high cardiovascular diseases, or have diabetes and may not even be aware of it.

We categorize those individuals as high risk because they are likely to end up in the hospital and have a major incident over the next twelve months, but also because we can actually come in and do something about it. This is where a significant amount of opportunity is identified. Once we identify our target patients, we reach out to them directly in hopes of getting them into the clinic so we can address their risk factors. We'll do this until we're successful, or until they tell us to stop. Our Care Teams are highly trained in motivational interviewing and produce significant results.

Sometimes we don't have to contact them at all. Each participant receives a Personal Health Summary in printed and digital formats. And this isn't your grandma's health summary, either. This is the real deal, packed with tons of information in an easy-to-read format. If they have a smart phone they can get it on their smart phone or they can get it through a patient portal.

The summary helps to inform and educate the participants about the health risk they have and the potential of that risk turning into a major incident. From there, they'll often schedule a follow-up without us even picking up the phone. It's amazing how much people really are concerned about improving their health once they're totally informed.

From there, things get very sophisticated. Once a medical provider starts addressing the risk, we're able to monitor the active health of entire populations, and have an immediate impact through prevention, by helping them avoid admission into the hospital.

The second group of people are people who are on a track towards a disease, but do not necessarily have that disease yet; for example, pre-diabetic or pre-hypertensive patient. Like the high-risk group, we like to get them into the clinic but not quite under the same urgency. For them, the better alternative is to provide face-to-face coaching via a certified health coach or nutritionist. This is because they don't see themselves as sick on the outside, and therefore are unlikely to adopt traditional intervention strategies.

Overall, if we have a good assessment of the population's risk, we can predict what is going to happen in the future, and work to prevent it. Everything we do pivots from that basic premise.

CEOFCO: *Would you tell us about the onsite clinics? Is that true with all of your clients or is that depending on size and number of locations?*

Mr. Kurtz: It varies. The term "onsite" usually refers to a clinic that is literally on the premise of the organization and is only available to a specific group of people. This is our legacy and flagship offering. From there, we have shared-site clinics that are centrally located and often shared with other employers, hence the name. This model was originally pioneered by us in the early 2000's, and is becoming very popular in the industry. We refer to it as our near-site network. The value proposition is that it reduces brick and mortar start-up costs and provides more convenient access to the family, but provides all of the same benefits as our on-site facilities. This has triggered rapid adoption for medium sized organizations that don't want to spend huge amounts of money on custom clinics. Often we see a mix of both. A few of our very large clients like having onsite clinics for a critical mass, but leverage the near-site network in large metro areas where their employees are spread out. It works well for them.

What's different about our network compared to traditional shared-site clinics is that for a small fee, our near-site members can access any near-site clinic in the nation. This is pretty cool for individuals that need immediate care when they're traveling. In fact, I was recently made aware of a Tulsa-based CareATC patient that was due to deliver an important sales presentation in Dallas, but needed immediate care for a severe allergic reaction he was having. Instead of visiting the ER, he opted to search for an opening in one of our Dallas near-site clinics. Using our mobile app, he located a clinic, made an appointment, and within 2-hours was able to see the physician and get the necessary treatment and medication that enabled him to complete his presentation the next morning. This is amazing if you think about it. He was able to avoid the ER and give his presentation. The value that our near-site network provided that day was substantial to both him and the organization he works for.

CEOFCO: *Why do doctors and other medical personnel like to work for CareATC? Why is it a good experience from their side?*

Mr. Kurtz: Our provider retention is very, very high. I have received letters and emails from doctors that say, "This is the first time that I have been able to practice medicine as I see it needs to be practiced." One thing is they do not have to be involved with negotiating network contracts, following up and collecting money from patients, and they are not dealing with the government and Medicare. Although we do have our doctors maintain electronic medical records and code the work they do, this isn't a problem for them and is necessary for demonstrating our value to each client.

More noticeable than anything, our providers are able to spend much more time with the patient. We see, on average, about two and a half patients per hour. This is unheard of in mainstream medicine where we see upwards of six to seven patients per hour. The result is significant in that they are able to spend much more time and perform many more procedures they were not able to do before. This prevents them from sending patients to specialists or scheduling follow-up visits, which is incredibly important for the mission of reducing cost.

Additionally, we have male and female wellness programs and comprehensive disease management programs. We do a lot of work in that area and that's work that our providers love and were trained to do. They really love caring for the whole person. This type of environment is sadly not possible in the fee-for-service model.

CEOCFO: *Is there much skepticism from employers initially? What do companies fail to recognize?*

Mr. Kurtz: I think that most employers, and myself included, believed for a long time that the only way to reduce rising plan cost was to reduce the value of the plan, or shift the financial burden to its members. While these strategies certainly save the employer money right out of the gates, they are horrible long-term solutions because they discourage members from seeking medical care until they are in the worst possible position. When the members are forced to pay extravagant and opaque fees for even the smallest of services, they grow frustrated and wait until the severity of their issues outweigh the hassles involved. By then it's too late. At that point, the strategy fails and employers are left with massive costs and inevitable increases in plan premiums.

We have a saying that goes, 'Sometimes a \$4.00 pill can save a \$400,000 encounter.' I know of a family member in my family that had over \$300,000 dollars' worth of medical bills for a stroke. Most of these are preventable if they are caught early and are addressed through coaching and treatment. We can turn that tide around and over a long period of time our companies have experienced little or no increase in healthcare spend.

CEOCFO: *How do your wellness programs engage the potential patient or the employee? What is different about the depth of your programs?*

Mr. Kurtz: First, we focus on providing a return on investment and ours is very targeted. We custom design our wellness programs around our client's corporate culture and what they really want to accomplish. For each program, we provide outstanding curriculum and support to help drive employee engagement.

Second, we believe that you must have technology in place that makes it easy for the employee to engage. Web portals, mobile apps, analytics, biometric results, and video coaching are just to name a few. What is key, though, is integrating all the individual components into a single application that reports usable information regarding risk and outcomes.

Third, our wellness programs leverage our medical providers and clinics. This is key, and what 99% of all wellness programs lack. Physician interaction, or the ability for a physician to participate in the corporate wellness initiatives, is so paramount to program success. Without that piece, you're just asking groups to eat better, workout, and repeat. That's where the value of contracting direct really shines. Not only are our providers managing acute and chronic conditions, but they're active participants in the initiatives that each organization is designing.

Lastly, successful wellness programs require specific goals for each employee to achieve and a network to help them along the way. Goals should be tied to individual health status, risk, and outcomes. That is why we push hard for outcome-based wellness programs. The physician interaction helps to easily manage reasonable alternatives, and ROI is much easier to demonstrate.

As for the support networks, I can give you an example of a woman in my own organization, who was diagnosed as a diabetic, has been a Type 2 diabetic for twenty years, and is insulin dependent. Via strong corporate support, she was able to reduce her weight and improve her general fitness activity and nutrition habits, and was able to wean herself totally off of insulin. The impact was huge for her and the health plan. Her efforts helped reduce overall costs, just in medications alone - over \$8,000.00 per year. Her out-of-pocket savings exceeded \$2,000.00 a year, which is absolutely astounding. But the most important thing for her, as she told us, was that she now can wear her wedding ring, which she hadn't been able to do for over 15 years! It gives me the chills even talking about it. Her lifestyle improved dramatically and now she's influencing others in similar situations.

When you digest that, you can see that with the right program in place, you can achieve a very nice return. Our cost to administer our own program is about 1/2 of an average FTE (Full-time Employee). That is nothing compared to the impact that it's had on our population.

CEOCFO: *What has been the industry acceptance of CareATC?*

Mr. Kurtz: About half of our business comes from companies who are searching for new solutions and haven't tried onsite or shared-site clinics, and the other half is a result of experienced companies who are seeking a larger, more sophisticated provider. We're finding there are many mom-and-pop operations out there that are easy to out-grow.

When I first got into this business, I kind of had this naiveté that everyone is doing it the same way. Since then, we've been able to make astounding progress in regards to technology, analytics, and marketing, and have found new ways of providing value to the organizations we serve. Being able to see the cutting edge capabilities and the results that we provide has really made it easier for our clients to partner with us.

CEOCFO: *What is the takeaway? What should our readers understand about CareATC when they learn about your company?*

Mr. Kurtz: It's estimated that 75% of all healthcare costs are paid for by employers. That is an astounding amount of money. Most employers have the power to turn the tide for their organization and don't realize it. With a few basic changes, they can improve awareness, access, and outcomes, and truly impact the lives of their workforce while simultaneously reducing their healthcare spend. In order to do this, they have to change their perspective and move against the grain a little. The groups that are experiencing the most success are the ones taking matters into their own hands and investing in solutions like ours.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine



CareATC, Inc.

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