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TODAY'S ECONOMY FORCES CORPORATIONS TO FINALLY SCRUTINIZE THE HEALTH FAIR INDUSTRY

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Corporations across the country are cutting back and curtailing excessive spending. This trend is forcing corporations to take a hard look at where they are wasting money and examining the value that they do get from all of their expenditures.

As corporations take a closer look at their current health fair supplier, many companies are surprised to learn what is really going on and how much their "free" events are costing them. Instead of relying on the personality of their health fair salesman, corporations are starting to ask more questions. They are starting to do their Due Diligence and the results are eye-opening.

What corporations are learning is that ***nothing is free in the health fair industry***. The more tantalizing the freebies that a company accepts upfront the greater amount they are spending on the back end with expensive exhibitor out-of-network medical billings.

This is not a condemnation of the entire health fair industry. There are professional health fair coordination companies out there who do work in the best interest of the corporation. There may only be a few really good ones to choose from but if a corporation knows what they are looking for, and what they do not want, they will find them!

Corporations need to start by learning a lot more about the corporate health fair industry as well as the many positive benefits that can be obtained through health fairs if run for the best interest of the corporation.

HEALTH FAIRS, IF PROFESSIONALLY PLANNED, COORDINATED AND RUN ABSOLUTELY CAN:

- Improve morale
- Reduce absenteeism
- Increase employee retention
- Improve employee focus and production
- Have a positive Return on Investment (ROI) of as much as 5 to 1
- Be a fun way to reduce employee stress and show them that the company cares

What is not true is that any health fair provider will give you your desired results. In fact, if you are not careful, your health fair is likely to cost you hundreds of thousands of dollars in back-end costs that are incorporated into

your next medical insurance premium increase. This is where the industry needs swift reforms at the corporate level so corporations do not get taken advantage of. The health fair companies who are taking advantage of the current system are not going to reform themselves.

WHAT ARE CORPORATIONS UP AGAINST?

The deck has been stacked against corporations who are looking to run a professional health & wellness fair that will benefit their employees as well as the corporate bottom line. They are looking for a stress-free event by using a health fair company and then often find themselves being taken advantage of.

The health fair industry was created by out-of-network doctors who wanted to market their services to corporate employees. Since insurance companies only refer business to in-network medical doctors who have agreed to work closely within insurance company policies and payment guidelines, more expensive out-of-network doctors needed to aggressively market their businesses to gain patients. Thus the health fair industry was born.

To gain access to corporations, out-of-network doctors offered *free* screenings, *free* health fairs, *free* lectures, *free* lunch, *free anything* that would entice corporations to allow them access to their employees. Over time corporations stopped working directly with doctor's offices because of their no-solicitation policies and the potential legal problems associated with the implied endorsement of working with doctors directly.

To get around these corporate obstacles, many out-of-network medical practices started to market themselves as a health fair company in an effort to hide the fact that the owner, an out-of-network doctor, was trying to gain access to the corporation's workforce.

DOCTORS ARE TRAINED IN GETTING AROUND CORPORATE NON-SOLICITATION POLICIES

There are actually seminars that train doctors how to target corporations to build their practice. One consulting company was recently offering a seminar where for only \$145 per person, a doctor could learn how "Becoming a company's wellness doctor is the single greatest way to achieve instant practice success!"

At this seminar doctors will learn:

- The 3 simple secrets that keep most doctors out of corporations!
- The Practice building steps necessary to "get in the door"!
- The secrets of niche corporate marketing!
- Learn which companies are most likely to let you in the door!

The benefits of attending this seminar include: "Landing a corporation can profoundly impact the nature of your practice."

THE NON-PROFIT APPROACH

There are several non-profit organizations designed for doctors who pay a \$300 annual membership to can gain access to corporations as being part of the non-profit organization. They say they are "just trying to give back to the community" but they are actually trying to get access to corporate employees. One doctor contacted our company and tried to be included in our corporate events by using this approach:

“Dr. **** is a member of the **** for ****. Since she is a member of this non-profit organization we are required to do 30 health talks and wellness screenings a year to increase the awareness in the public about the importance of their health since our purpose is to help as many people as possible.”

This sounds forthright enough and since it is a non-profit organization it must be OK, right? It would be if the doctor was not promoting his *For Profit* medical practice and enticing your employees back to his office as a follow-up to their public awareness campaign.

With marketing techniques like these it is not hard to understand why so many corporations become prey to excessive out-of-network billing. It is not surprising to learn that the majority of health fair companies are still discretely owned by medical doctors because gaining access to corporate employees earns them a lot of money through back-end out-of-network billing.

THE SOURCE OF THE PROBLEM

HR is often given the challenge to create and run a health fair with little or no budget. Among all of their other responsibilities, they have to create and run a health fair for their employees which will probably be the most visible employee event their corporation will run this year. There is a lot of pressure to create a professional event that will shine on their next review.

Corporations allow themselves to be taken advantage of because they **Do Not Have a Health Fair Budget to Properly Fund Their Health Fairs**. Because corporations do not have a health fair budget they have to scrounge around to create a “free” health fair using whatever resources they can find. There are so many doctor-owned and out-of-network health fair companies around to give them their Free Event along with free massage, free cholesterol screenings, free lunch, etc. that working with these groups almost becomes a necessity.

We all know the old adage:

NOTHING IS FREE and IF IT SEEMS TO BE TOO GOOD TO BE TRUE IT IS

Why don't corporations apply this age old wisdom to their health fair providers? Well, if they had a budget for their health fair, they would!

WHY IS OUT-OF-NETWORK BILLING SUCH A PROBLEM FOR CORPORATIONS?

First, employees are responsible to pay a deductible and a percentage of the medical bill for any out-of-network service that they receive instead of the simple and inexpensive copayment required at an in-network doctor's visit. Once an employee learns that they will have to pay more money for their medical care because of the health fair you put together... Well, you know the rest of that story.

What about the out-of-network doctors who offer to treat your employees “as if they were in-network” by only charging your employee the in-network co-pay? This would only work if they would charge your insurance company in-network rates for their services. But they can't because out-of-network doctors' usual and customary billing is much higher than what in-network doctors agree to accept for their services. Oh, and there is the little advertised point that **OUT-OF-NETWORK DOCTORS ARE REQUIRED TO BILL AND ATTEMPT TO COLLECT YOUR EMPLOYEE'S SHARE OF THE BILL**. Those who do not are violating medical insurance industry regulations. HR

should never be party to or encourage their employees to participate in any practice that is not in full compliance with insurance industry regulations.

Second, out-of-network billing is typically 2 to 10 times more expensive than in-network medical billing. These additional charges for receiving the identical services that in-network doctors provide, show up as a medical insurance premium increases in next year's medical insurance premium. Insurance companies use the amount of money it paid out on a corporation's annual claims as one of their criteria for calculating next year's rate increase.

If 10% of a corporation's employees utilize out-of-network doctors they are guaranteed a minimum of a 9% increase in their health insurance premium.

Most corporations pass a portion of their insurance premium along to each employee. So the insurance premium increase caused by a health fair's encouragement of out-of-network doctor usage is actually paid by each employee, to the tune of an additional \$500 to \$750 per employee per year.

That is a very high price for you and your employees to pay for not having a health & wellness budget to work with in the first place.

STILL CAN'T CONVINCING YOUR CEO TO CREATE A BUDGET FOR HEALTH FAIRS?

One area where you get the biggest ROI from a professionally run health fair is a decrease in your medical insurance premium. This is also the budget that gets hit the hardest with the back-end out-of-network profiteering. Therefore, the most logical place to fit a health fair budget is along with the company's medical insurance budget.

Since the amount of money a corporation spends on health insurance is proportional to the amount of employees along with the value of their benefits package, a good rule of thumb is to appropriate 2% to 4% of the overall medical insurance premium for corporate health & wellness programming. Knowing that health fairs are the cornerstone of any corporation's health & wellness initiatives, half of the overall health & wellness budget should be reserved specifically for the health & wellness fair(s), including funding for onsite medical screenings.

When you compare your health fair budget to your overall medical insurance budget, it becomes much less of a significant budget item considering the overall value that your corporation receives from a well run professional health and wellness program.

DO YOUR DUE DILIGENCE

In addition to properly funding their health fair, corporations need to make sure they do their due diligence when hiring a health fair company.

Utilize the skills that you apply to hire a new employee:

- Interview
- Test
- Verify

- Check References
- Fact Check Every Detail. *This is the most important factor! You must verify if you are receiving the correct information.*

What do you check for? OpenHouse Direct, Inc. offers a 14 point Due Diligence Checklist that covers several categories that Must be verified, including:

- Who owns the health fair company. (Ask for a copy of their incorporation papers. No incorporation papers = not a legitimate company.)
- Make sure you are dealing with a professional organization and not a small mom & pop.
- Verify their insurance coverage and insist that they carry:
 - Medical professional liability insurance. *Your Most Important Protection.*
 - Liability Insurance
 - Errors & Omissions Insurance
- Make sure they are properly licensed. (Most states have stricter regulations and specific licensing for public screening events. Just because a doctor can do a service in his office does not mean that he can perform that service in *your* office without additional licensing. Verify this yourself by checking with your state's Department of Health.)
- Verify that they will ONLY BOOK IN-NETWORK medical exhibitors and verify this with your insurance company.
- Look over their paperwork. Do they have a professional agreement and paperwork that organizes the event and protects your company from liability? *If not, it is a 100% guarantee that you are looking at a doctor-owned company and not a professional health fair coordination company that has your best interest in mind.*

Protect yourself, your company and your job: Create your own Health Fair Company Due Diligence Checklist or borrow OpenHouse Direct Inc's.

THE SOLUTION:

1. Create a budget to properly fund your corporate health fair(s)
2. Do your due diligence in selecting your health fair provider
3. Eliminate all kickbacks and freebees
4. Contract with a professional health fair coordination company
5. Do not work with a doctor owned health fair company
6. Create a fun and educational event that is in Your Company's Best Interest

The benefits of health fairs, as listed above, are obtainable. But they are only obtainable if a corporation has a budget to pay for a Professional Corporate Health Fair Coordination Company. **The key here is to hire a professional company.** Just by creating a \$5,000 to \$10,000 health fair budget corporations of all sizes can save tens or even hundreds of thousands of dollars in hidden back end costs. Either way, there is a cost to the corporation for their health fair(s). Either the corporation is controlling these costs upfront with a health fair budget or they are leaving it up to chance exactly how much they will spend on their event(s).

For more information about running a professional event for your corporation, please contact us at (732) 563-9749, or visit www.HealthFairsDirect.com.