Impact of the Blood Draw on the Paramedical Industry

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Growth for any business occurs by adapting to the evolving needs of its clients. Sometimes technology is the impetus for change, sometimes it’s a legal mandate, and occasionally a societal condition spurs a new way of conducting business. Since its inception, the paramedical industry has flourished by finding the right mechanisms to support the insurer. Paramedical companies have proven their ability to respond rapidly and successfully to meet new tests and challenges. An example of this has occurred during the past three years, the period in which AIDS has surfaced as one of the nation’s most critical healthcare issues. In responding to the insurance industry’s concerns and requirements, the paramedical industry has been transformed, with more extensive services and a more uniformly professional base. This evolution, interestingly, was triggered by the universal need for one specific procedure: the blood draw.

Although the original concept of the paramedical exam included a blood study, the reality was that the test was rarely used as an underwriting tool prior to 1986. Most insurers found minimal return in the financial investment required for such testing. With the spread of the AIDS virus, however, and the huge financial risk presented to the industry, the majority of insurers quickly re-evaluated their underwriting approach. The initial cost of blood testing, many concluded, would be offset by identifying potential AIDS claims. In addition, the ancillary information yielded—such as cardiovascular status, liver function, renal function and glucose tolerance—could also be rewarding. Blood testing quickly became standard underwriting practice, and insurers looked to the paramedical companies for blood drawing services.

This shift in focus, however, caught our industry at a time when it was least prepared for an explosion in volume. Throughout the 1980’s, many insurance companies aggressively loosened their underwriting requirements in order to reduce the acquisition cost of new business, thereby reducing the number of paramedical tests needed. By the time AIDS captured media headlines, the capacity to handle the case loads had been significantly diminished. Added to this was the ignorance and confusion about the AIDS virus: Many examiners were simply not willing to draw blood. Consequently, phlebotomists and medical technicians were recruited by the industry and experienced expanded roles. These were extensive changes for a relatively mature industry, but they were just the beginning.

Prior to the blood draw, for example, industry equipment was geared to the basic paramedical examination. EKG and TVC machines were obtained as required. For the occasional blood test, the paramedical branch office generally had a centrifuge. With this procedure so quickly becoming vital to the business, however, it became apparent that each examiner needed a centrifuge machine immediately. Blood specimens could then be sent directly from the examiner to the insurance company’s laboratory for prompt processing.

Blood kits also became essential equipment and underwent significant change. The original flat box design was convenient for mailing, but did not offer suitable protection for the contents. Broken test tubes and leakage were common. Some mail carriers refused to deliver the “contaminated” kits. Laboratories were forced to redesign their blood kits. Finally, the newly designed kits were larger and more secure, but their bulk led to another problem: storage.

The paramedical industry had flourished as a “mobile” industry. An examination at the applicant’s home or place of business made the process more convenient for the client. With the blood draw established as part of the process, however, some applicants soon began to feel more comfortable when the blood draw was conducted at an examining facility. Many paramedical branch offices were redesigned to accommodate increased in-office traffic. More space was also needed to store the large number of blood kits that was now required. In short, the blood draw increased the value and soon thereafter, the size of the branch office.

Frequent changes in underwriting limits for blood draws made further demands on the administrative personnel of paramedical services. With their volume and complexity, these changes absorb many manpower hours. One tool we have adopted is the generic form issued by The Institute of Home Office Underwriters, which translates limits into a common language. Already accepted by a significant number of insurance companies, we hope many more will make use of it.

Examiners themselves have undertaken broader responsibilities since 1986. In the past, the examiner’s main concern was the name of the insurance company for which he/she was doing an exam. Now, the laboratory is also a major consideration. The number of laboratories involved in insurance blood testing has increased from two to sixteen. Of those, eight have their own blood kits while the remainder supply their own authorization forms and mailing labels. Examiners must maintain an adequate stock of both and be thoroughly familiar with them. For example: does the kit
contain two, three or four tubes? Is the authorization form a three, four or five-part document? Does this lab use bar codes for identification? How many urine bottles are in the kit? Is tamper-proof tape supplied? Should the kit be sent Federal Express, Purolator, Emery or regular U.S. mail? The details are numerous.

Relationships with applicants have also become more complex since the increased need for the blood test. When scheduling an appointment, examiners must consider whether the applicant has been notified by the agent that blood will need to be drawn. Agents have always been good about informing their applicants about the basic examination, but the words “blood test” occasionally remain unspoken, sometimes out of ignorance, sometimes out of fear. At those times, our examiners are left to “close the sale” for the agent.

There are many agents who do not understand the blood draw process and are uncomfortable explaining it to their clients. Still others are fearful that mentioning it will cost them the sale. APPS introduced a videotape to agents late last year that clearly explains both the blood draw and basic examination. We emphasize the safety of the technique and the capabilities of our examiners. It is our strong hope that this educational vehicle will assist the agent in dealing with this matter, thereby relieving any unnecessary burden on the examiners.

The highly charged emotions attending AIDS and the blood draw procedure further complicate the examiner-applicant relationship, frequently casting examiners in the role of counselor. When applicants ask questions, they must be reassured as to the safety of the procedure. Examiners must also make on-the-spot judgements about the safety of the environment for the blood draw, and whether it is safe to draw blood from the applicant.

In addition, many states have passed laws requiring insurance companies to make applicants aware of HIV testing by signing informed consent forms and having the examiner provide the applicant with a copy of the American Red Cross booklet on AIDS. While most insurance companies have made the agent responsible for the informed consent form, some have not. Because these consent forms can raise questions that examiners are not equipped to respond to, they are naturally reluctant to undertake this assignment. Yet it is our examiners who must in the final analysis see to it that the authorization form has been completed and signed by the applicant.

After the questions are answered, the counseling is completed, and all the forms are signed, the examiner can proceed with what one would tell you is the simplest part of the process: the blood draw. Yet even this is no longer simple. Until recently, standard venipuncture procedure was the only blood collection method used for insurance testing. Today’s blood draw can vary in format. The Dried Blood Spot (DBS) test requires a finger stick be used to obtain a blood sample. Other variations of tests, using the finger stick, are being introduced. Examiners must be well versed in each of these techniques before performing them. This requires additional training and awareness as to each company’s requirements.

Throughout the entire blood draw procedure, the examiner fulfills several roles: professional examiner, empathetic counselor and skilled salesman. Examiners perform all these roles in a superior manner. We at APPS demand excellence from our examining staff, and we are confident that our examiners are committed to the very highest standards.

Given the problems in today’s society, necessitating procedures such as the blood draw, the paramedical industry has entered a new growth and challenge. American Para Professional Systems, as one of the largest of the paramedical companies serving the insurance industry on a national basis, is ready to meet that challenge, as we believe are all the national and regional paramedical companies. Cooperation among insurance companies, paramedical services and laboratories is essential, and can only serve to further strengthen each others efforts. All indications are that by working together, the future will bring new challenges and new successes for us all.
Dear ALIMDA Member:

We at American Service Bureau wish to take this opportunity to thank you for your continuing support. 1988 was the most challenging year in our history. With your help, we met that challenge. Our blood draws increased 260% over 1987. To keep up with this tremendous increase in business and still be able to serve you and your agents with the timeliness and quality you expected, we had to hire and train a large number of new, qualified paramedical technicians. The other developments which made 1988 a year to remember included the emergence of many new testing laboratories, complicating our supply distribution; processing an average of 200 requirement changes per month, including communicating those changes to all of our field locations; installation of facsimile equipment in all offices to facilitate service to you; and last, keeping abreast of changing testing technologies and techniques and how we might be ready to implement them as you, our customers, made evidence changes.

We look forward to 1989 presenting as many challenges as 1988. We are committed to meet each and every one of them. In spite of all of the internal reorganization experienced in 1988, we have kept our rates down. Actually, they are significantly lower than most of our competitors as a review of rate schedules or bills will prove.

Our 1989 goal is to increase our share of your business. We want to earn such increases. Your local ASB sales representative will be happy to discuss particulars of how we can better serve you, both quality-wise and economy-wise. Again, we thank you for your support.

Sincerely,

Glen D. Smith
Executive Vice President
As the senior laboratory serving the Life and Health Insurance Industry, GIB LABORATORIES would like to congratulate ALIMDA on its upcoming 100th Anniversary, and wish its members continued success in the future.

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(Wall Street Journal, Oct. 12, 1988)

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We at Serex continue expanding our R&D program developing assay methods and products for insurance testing laboratories. Four new products are scheduled for marketing during 1989. We have recently expanded our staff of experienced R&D scientists and have moved into new facilities. We are specialized and committed to servicing the needs of the insurance testing laboratories in giving cost effective, accurate, reliable and practical assays related to the needs of Life/Health Insurance industry.

To be more effective in our service to the Industry, we are actively seeking Life/Health Insurance Companies as R&D partners to develop products and assays that address the unique needs of the Industry. If you have any particular needs, interests or questions, please call us. We would be happy to share our ideas with you. Joint venture projects can be structured to be eligible for R&D credits.

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