A mixed bag of significant changes in the paramedical examination industry in the last few years has left paramedical examiner firms challenged to provide quality service. The changes include alterations in chain-of-custody and informed consent requirements, expanded collection options, new kits, time service considerations and quality control concerns. In an informal survey of representatives from insurance, testing laboratories and paramedical firms, some interesting observations about the 'State of the Industry' were obtained, although this article does not purport to be a scientific opinion sampling.

As the volume of exams and specimen collections increased in response to lowering of testing thresholds in 1987-89, paramedical firms scrambled to handle the increases. Paramedical companies concentrated on expanding their network of examiners in underserved areas to support the volume requirements. Along with expansion, however, came increased concerns over quality control issues. Even while the percentage of examiner errors remained relatively low, the sheer volume of exams increased the total number of examiner errors. The perception by many insurance company clients was of poorly-trained examiners, unaccustomed to quality.

In recent months, volume increases have slowed and to some extent, become more predictable. As a result of more stable volume demands, examiner firms have been able to increase efforts to upgrade the quality of service provided. These efforts come as result of more interest in quality control by insurance firms, continual re-definition of adequate time service, the reduced number of blood specimens collected (no back-up tubes available) and simply good business practice by health information providers. Paramedical firms are therefore devoting more of their available resources to quality issues, both as a means of meeting client company needs and in hopes of securing a competitive advantage.

Competitive pressure among health information providers has increased. The most pronounced effect on competition is the relatively recent trend for insurance companies to restrict the use of health information providers to those having a national presence. Oftentimes, this decision is coupled with reducing the number of preferred providers authorized to perform services for a given company. From the insurance perspective, a smaller list of providers streamlines the administrative aspects of monitoring paramedical service. And as David Wolpers, Manager of Underwriting Research and Services at John Hancock said, "Dealing with fewer companies results in more efficient use of time. After reducing our approved provider list from 26 to seven companies in the past few years, we now maintain a single main contact from each firm. As a result, the chances of miscommunication are reduced."

The increased demand for firms with national coverage has also contributed to recent mergers by several paramedical firms. Acquisition of smaller local and regional providers by the larger firms will most likely continue.

Insurance company emphasis on policy acquisition expenses has focused attention on lower cost alternatives to complete blood profiles, full urinalyses, electrocardiograms, full drug screens, attending physicians statements, etc. In many cases, re-evaluation of the risk assessment information provided by some of the higher cost procedures has permitted a reduction in the number of procedures/tests ordered. For many insurance clients, less extensive testing methodologies which provide underwriting information on two of the biggest concerns, HIV antibody status and cocaine use, are sufficient for many policy face amounts. A variety of products offered by insurance testing laboratories are available, all designed to appeal to the price-conscious insurance client company.

From the perspective of the health information services, the changing products offered by insurance testing laboratories require flexibility in the training of examiners in new procedures and stocking of appropriate examination kits. As these abbreviated tests continue to be introduced, health information firms are faced with changing requirements in collection procedures, different tubes or vials filled and increased chain-of-custody details.

In the past, the fragmented information available in the industry caused problems for health information providers in responding to unannounced changes. On several occasions, laboratories have offered testing methods, modifications to application and informed consent forms, introduced barcode labels or other changes with little notice to the examiner industry. Examination and collection specifications maintained by each examiner for client insurance companies constitute a huge data base to maintain for current collection and examination parameters. Without up-to-date information, examiner firms face difficulty in successfully completing examinations. In recent months, however, communication between the laboratories and the examiner industry has improved with more advance notice to health information firms of pending changes.

Another key issue of concern to the insurance client is time service. Without resorting to overnight courier shipment for all specimens, transport time of two to five days is standard for most paramedical examiner firms. This elapsed time, com-
combined with a minimum of 24-48 hours for completion and reporting of laboratory test procedures yields an average turnaround time of roughly five to six days from blood and/or urine collection to result reporting. Some insurance industry estimates state that completed health testing results are available 60-70 percent of the time before the policy application and other insurance paperwork is completed by the insurance home office. If these estimates are factual, the current turnaround times should be adequate. However, the perception of many insurance company clients is that their cash flow is impeded by delays in the collection, processing or result reporting of specimens.

Several representatives of larger firms with sophisticated information processing systems felt that the future will involve cooperation between examiners and laboratories in ‘paperless’ transmission of both the paramedical exam data and laboratory results. Electronic delivery of all outside information into the company's expert underwriting system and subsequent issuance of uncomplicated policies in just a few days was the vision of the future for many.

One question asked of industry representatives in researching this paper was whether paramedical services have improved over the last few months. By and large the response to this question was a guarded yes, with most negative comments relating to sluggish examiner adaptation to new collection procedures. Some particular problems more prevalent in the past, such as improperly centrifuged specimens, are now seen less frequently, according to Dr. Bill Roberts, Vice President of Operations at HORL.

However, clerical-type errors seen by the laboratories have remained relatively constant. These include mismatches between bar-code labels on the tubes versus those on the authorization slip, and improperly completed slips. This view is confirmed on the insurance side by Merike Voeltner, Specialist at Northwestern Mutual who said, “Clerical errors in the specimen collection process are our biggest source of problems. These range from failure to record the applicant name on the authorization slip to inadvertent mix-ups between husband and wife specimens. We also continue to receive examination forms with only one blood pressure reading, (although Northwestern requires three), and improper pulse rates recorded.”

Andrea O'Keefe, Research Analyst at Lutheran Brotherhood also notes discrepancies in clerical aspects, for instance, disparities between the height and weight recordings for applicants.

When asked whether introduction of urine HIV-1 collection had resulted in additional quality problems, almost all respondents felt that examiner firms had been conscientious in the chain-of custody provisions and that few problems had been experienced. The urine temperature recording was an area of less consistency, with a few examiners recording 98.6°C from a temperature strip providing only integer readout.

Strong quality control will grow in importance in the ’90s and after price considerations, will most likely become the predominant determinant of market share. As Jim Osborn of Osborn Laboratories said, “the paramedical firms providing the most consistent service on a national scale will be the winners.” Insurance company clients are becoming more demanding of the quality of services provided, and will insist that examiner services are performed correctly on the first attempt. Maintaining a high level of examiner professionalism and emphasizing training of examiners are effective in addressing the evolving quality control concerns of insurance client companies. In addition, closer working relationships between health information providers and insurance testing laboratories are improving communication and reducing the surprises related to new product introductions.

Along the lines of better communication, paramedical firms are also discussing more industry issues among themselves. Preliminary meetings have been held to discuss ways of presenting a unified voice to both the insurance industry and testing laboratories. One possible avenue under consideration is the formation of a paramedical trade association or similar organization. The goal of such a group would be to enhance the professional image health information providers strive for, while encouraging increased communication between all players in the quest to provide high quality services.