

# Direct-to-Employer Services: Why PTs Should Work With Employers To Manage Population Health



There are plenty of good reasons for PTs to work directly with employers or employer groups to manage population health in addition to individual patients and clients.

## Background

Perceptions about the sustainability of health care finance are changing. Current models of care in the United States are increasingly scrutinized due to high costs and low return for improving health outcomes. U.S. health care consumers have relied largely on a fee-for-service payment model that incentivizes providers to order or perform procedures even in scenarios in which benefits may not outweigh the risks or cost of doing so. This is especially important in the case of chronic noncommunicable diseases such as cardiovascular disease, diabetes, and chronic musculoskeletal pain, which are increasing in both prevalence and cost to treat without a corresponding increase in resolution or reversal of these conditions (Benjamin, 2017; CDC, 2020, Geiss, 2010; Heron, 2016; Meyer-Davis, 2017; USBJI, 2014).

### Benefits of Direct-to-Employer Services to You, Your Practice, and the Profession

- Direct-to-employer programs can be a viable alternative revenue source.
- Employers are seeking solutions.
- Research supports early intervention.
- The opportunity is here for PTs to lead the effort.
- Data collection and analysis enables PTs to understand their outcomes.
- Increased business and community involvement has potential for future referrals from family and friends.
- The experience is good preparation for future value-based collaborations.
- Population health-based initiatives are a central theme in value-based models.

Against this backdrop, health care consumers and providers are realizing that a fundamental shift in health care management is necessary. This shift needs to involve physical therapists providing evaluative and preventive management to mitigate risks of disablement and progression of these chronic noncommunicable diseases. PTs can work directly with employers or employer groups to decrease reliance on third-party payers. In such arrangements, PTs are positioned to promote the development, evaluation, and implementation of high-value management that can serve more people at lower per-capita costs than existing disease-management models — with the potential to decrease employers' health care costs without compromising quality.

## Challenges to Society's Health and Opportunities to Help

Chronic noncommunicable diseases directly result in seven out of 10 deaths in the United States annually, contributing significantly to the overall functional and financial disease burden (CDC, 2015). Beyond the severe effects of chronic disease mortality is the slow drain on personal and societal resources from people living with chronic conditions. More than half of the 120 million US adults have at least one chronic condition (Ward, 2014), and more than \$2 trillion is spent annually for disease management, accounting for 86% of overall health care costs (Gerteis, 2014). This equates to an estimated \$500 per month for every American.

Undoubtedly, costs at this scale take away from other personal, business, and societal priorities. The combination of physical impairments, activity limitations, participation restrictions, and related costs create a deep challenge to individuals and society; and provide motivation to take action as a physical therapy profession.

## Refocusing Physical Therapy’s Professional Lens to Reduce Health Risks

Prevention through risk reduction can decrease the frequency of health problems and their associated costs. However, for such an approach to be viable, health care management needs to refocus away from solely the individual and to the health and management of population-specific risks. Health care accounts for only about 10% of the variability in premature death among the U.S. population. The remainder involves genetic predisposition, social circumstances, environmental exposure, and behavioral patterns,<sup>10-12</sup> requiring an in-depth analysis of individual and population lifestyle profiles (Schroeder, 2007; McGinnis, 2002; McGinnis, 1993).

These big-picture issues need to become the focus of physical therapist management if PTs are to keep people healthy. Chronic diseases often develop over many years, providing ample opportunity for PTs to assess risk and intervene before a condition progresses or requires expensive intervention. So, rather than waiting to address a problem after it arises, PTs have the opportunity to address health risk factors that either cause or are strongly associated with disease, and head off disabling and costly health problems. Such services would provide substantial lifetime value to both the consumer and the health care system. Doing so, however, requires a significant shift in practice, from a reactive health care ideology and toward a proactive and preventive health care model. As experts in human movement, physical therapists are the most qualified health care providers to assess risk associated with the musculoskeletal system and movement — two of the most commonly affected systems that, when impaired, result in some of the most disabling and costly chronic conditions.

## Why Focus on Employers?

### Physical therapists need to treat people where they are.

Adding to PTs’ traditional focus on the individual, APTA proposes influencing employer groups as a unit. This new focus will require moving away from the one-on-one model of care delivery and toward treating “one- on-many.” Population health promotion and management strategies will require PTs to look outside the typical clinical settings to treat people in their usual living, working, and social environments.

Considering the substantial amount of time U.S. employees spend at their workplaces, those environments can be seen as logical places to start addressing the health needs of society. Unfortunately, neither the U.S. government nor insurance companies sufficiently recognize the value in paying for preventive services. However, employers are more willing to use preventive approaches that improve the wellness of their employees when they see potential short-term gains such as increased productivity, decreased lost work time, decreased health care spending to include fewer unnecessary tests and a reduction in claims for employees who experience major illness or injury. The greatest opportunity might be the ability to reduce the total cost of care for musculoskeletal conditions, which in 2020 the National Business Group on Health reported as the top driver of health care costs for large employers.

However, sources of employer health care costs are not limited to medical and include:

- Absenteeism (lost workdays).
- “Presenteeism” (productivity losses due to health-related distractions).

- Rise in chronic conditions associated with a disability.
- Low employee morale and dissatisfaction with the employer.
- Legal claims.
- Health care following injury or illness.
- Workers' compensation claims.
- Occupational Safety and Health Administration recordable events\* and penalties. (Recordable events involve injury or illness that results in death, days away from work, restricted work, transfer to another job, medical treatment beyond first aid or loss of consciousness.

By working directly with employers or employer groups, physical therapists can decrease reliance on third-party payers. In such arrangements, PTs are positioned to promote the development, evaluation, and implementation of high-value management that can serve more people at lower per-capita costs than existing disease-management models—with the potential to decrease employers' health care costs, mitigate risks of disablement and progression of chronic noncommunicable diseases without compromising quality.

### **Employers and employees shoulder a great financial burden for health care costs.**

The costs of health insurance have substantially outpaced the rate of growth in wages and inflation in the United States. Employer-sponsored health insurance represents one of employers' highest costs, making it a target of blunt demand-side cost-control tactics such as increased employee cost sharing. As the impact of these tactics' plateaus, employers face an unsustainable cost increase. Simply put, the scenario requires more emphasis on health maintenance, compressed morbidity (delaying the onset of illness that leads to death), and more efficient models of delivery.

APTA believes such new models will motivate employers and employees to change their approaches to health care delivery. For example, employers could provide primary prevention services such as screening for suboptimal fitness, sleep, and nutrition and delivering lifestyle coaching to at-risk individuals. Improving employees' health through preventive services would reduce reliance on health insurance for risk-factor management, which can ultimately reduce costs for employers and employees.

## **Considerations for Direct-to-Employer Arrangements**

**Health care decision making.** Many employers, large and small, are self-insured. This allows them to directly control their health care spending, the provider network, implementation of alternative delivery models, and benefit design. What it means for physical therapy is that the employer has more flexibility to make decisions related to physical therapist services, including cost sharing and copays, maximum number of visits per year, direct access to services, among other elements of benefit design. Employers that use an insurer to administer the health care benefit exert less influence on spending, benefit design, and choice of provider network. To gain access to those employers, the PT needs to go through the insurer.

**Direct contracting.** Employers seek direct contracting relationships with “quality providers” who deliver measurable value, are willing to risk share, and apply data-based solutions that objectively demonstrate effectiveness.

**Diversified revenue stream.** Diversifying your revenue stream makes good business sense and working with employers reduces reliance on traditional payers. Employers are actively seeking value-based, viable solutions that reduce costs, improve outcomes, and keep their workforce healthy.

**Improved cash flow.** Directly contracting with an employer allows for a more predictable revenue stream, eliminates claims issues, and reduces administrative burden by removing the middleman.

**Payment for prevention.** Employers are receptive to preventive approaches that improve the wellness of their employees while seeking to control health care spending. They seek potential short-term gains such as

increased productivity, decreased lost work time, decreased health care spending to include fewer unnecessary tests and a reduction in claims for employees who experience major illness or injury. The greatest opportunity might be the ability to reduce the total cost of care for musculoskeletal conditions.

**Network access.** Many health insurers have closed their networks to new providers. This may include enrolling a facility and or adding a therapist to the credentialing panel for an existing in network clinic. Working with an employer will reduce the impact of such restrictions.

**Opportunity to introduce novel solutions.** Contracting with an employer offers an opportunity to employ outside-the-box thinking and design a delivery model that affords the best outcome and patient experience. Removing onerous payer policies such as utilization management and prior authorization, and establishing care pathways that facilitate early access, can be part of the negotiation and design.

**Responsiveness.** Employers are more adept than insurers at making rapid changes and are receptive to novel solutions such as pilots.

**Opportunity for collaboration.** An employer problem requiring a solution may need the services of several PT clinics as well as other disciplines. As health care makes the slow shift to value and alternative payment models, collaboration will be essential.

## Why Physical Therapists?

### Physical therapists already are integral members of the occupational wellness team.

As human movement experts, physical therapists are well-positioned to contribute to an employer's efforts to maintain employee productivity and well-being and facilitate return to work when the need arises. PTs are trained in assessment and treatment of limitations in physical function, a skillset that can provide significant value to any large purchaser of health care. For many years, PTs have been engaged in collaborative efforts to maintain a healthy workforce. Their expertise in prevention and care within work settings make PTs uniquely effective in addressing noncommunicable diseases and their associated risk factors before they become symptomatic, disabling, and, therefore, costly. PTs have additional expertise to approach workplace health from not only an occupational health but also a lifestyle perspective. At the employer's worksite, this may include ordering appropriate tests, assessing the employees' biopsychosocial health and risk for persistent pain, and intervening to influence health behaviors — not only of a single employee but of groups of employees or populations of employees across employer groups. When management of risk factors or resulting conditions is needed, physical therapists could lead early frontline care efforts onsite for employees presenting with acute needs.

### Physical therapists are an important part of the solution.

Physical therapists can design, implement, evaluate, and lead programs to meet the targeted needs of employers and their employees through managing lifestyle health risk factors at every level of the social-ecological and International Classification of Functioning Disability and Health framework. Such strategies can lower medical expenditures, improve employee health-related quality of life, and increase business success through less need for expensive medical services and gains in employee productivity and engagement.

APTA proposes to support physical therapists in strategies to design, implement, evaluate, and lead programs to meet the targeted needs of employers and their employees through managing lifestyle health risk factors at every level of the social-ecological (Sallis, 2008) and International Classification of Functioning Disability and Health framework. Such strategies can lower medical expenditures, improve employee health-related quality of life, and increase business success through less need for expensive medical services and gains in employee productivity and engagement (Conn, 2009; Cassidy, 2011; Baicker, 2020). APTA's initial effort in this area is focused on employers, because they are common aggregating points in society for large groups of people. However, this is not the only necessary approach if the profession is to deliver on its vision statement

promise to “transform society.” APTA supports the development of other population-based approaches for people who are not covered by employer health insurance. The association also acknowledges the important role PTs have in medical screening and risk-factor management in traditional clinical settings across the care continuum. By exploring and refining physical therapist-led models that can thrive in an environment that incentivizes care delivery focusing on “lives under management” — the cohort of individuals covered under an employer’s insurance plan, the profession can be positioned to deliver on its mandate and demonstrate the value of PTs’ knowledge and skills on a significantly greater scale.

### **Physical therapists are experts in addressing low back pain.**

The largest cost driver for employers is low back pain. Studies demonstrate that early and direct access to physical therapy reduces total health care costs and improves outcomes. PTs are experts in treating low back pain and have the knowledge and experience to offer creative solutions.

## **Summary**

Widening the lens of the physical therapy profession to include population health strategies will require a shift in practice from the traditional focus on individual patient care. Preventive interventions will be needed before and during the long asymptomatic preclinical phases for chronic non communicable disease, and will occur through managing health risk factors that could result in the development of disease, corresponding disablement, and costs. Physical therapist interventions should influence people through their workplaces, a common aggregating location for populations. As stated in the APTA positions Health Priorities for Populations and Individuals, Physical Therapists’ Role in Prevention, Wellness, Fitness, Health Promotion, and Management of Disease and Disability, and The Association’s Role in Advocacy for Prevention, Wellness, Fitness, Health Promotion, and Management of Disease and Disability, APTA supports physical therapist efforts to create, implement, evaluate, and lead new initiatives to introduce population health approaches to transform society.

## **References**

Baicker K, Cutler D, Song Z. [“Workplace Wellness Programs Can Generate Savings.”](#) Health Affairs, February 2010.

Benjamin EJ, Blaha MJ, Chiuve SE, et al. [“Heart Disease and Stroke Statistics — 2017 Update: a Report From the American Heart Association.”](#) Circulation, March 7, 2017.

Cassidy D, Ammendolia C, Côté P. [“Are Workplace Health Promotions Programs Effective at Improving Presenteeism in Workers? A Systematic Review and Best Evidence Synthesis of the Literature.”](#) BMC Public Health, May 26, 2011.

Centers for Disease Control and Prevention. [National Diabetes Surveillance System.](#) Diabetes Data and Statistics. US Department of Health and Human Services.

Centers for Disease Control and Prevention. [Leading Causes of Death and Numbers of Deaths, by Sex, Race, and Hispanic Origin: United States, 1980 and 2014 \(Table 19\).](#) Health, United States, 2015.

Claxton G, Rae M, Panchal N, et al. [“Health Benefits in 2015: Stable Trends in the Employer Market.”](#) Health Affairs, October 2015.

Conn V, Hafdahl A, Cooper P, et al. [“Meta-analysis of workplace physical activity interventions.”](#) American Journal of Preventive Medicine, October 2009.

Geiss LS, Cowie C. "Type 2 Diabetes and Persons at High Risk of Diabetes." In: Venkat Narayan KM, Williams D, Gregg EW, Cowie C, eds. *Diabetes Public Health: From Data to Policy*. Oxford University Press, 2010.

Gerteis J, Izrael D, Deitz D, LeRoy L, Ricciardi R, Miller T, Basu J. [Multiple Chronic Conditions Chartbook. AHRQ Publications No. Q14-0038](#). Rockville, MD: Agency for Healthcare Research and Quality, 2014.

Girod C, Hart S, Weltz S. [2017 Milliman Medical Index](#). Milliman, 2017.

Heron M, Anderson R. [Changes in the Leading Cause of Death: Recent Patterns in Heart Disease and Cancer Mortality](#). NCHS Briefs No 254, August 2016. National Center for Health Statistics.

McGinnis JM, Foege WH. [Actual Causes of Death in the United States](#). JAMA, November 1993.

McGinnis JM, Williams-Russo P, Knickman JR. ["The Case for More Active Policy Attention to Health Promotion."](#) Health Affairs, March-April 2002.

Meyer-Davis E, Lawrence J, Dabelea D, et al. ["Incidence Trends of Type 1 and Type 2 Diabetes Among Youths, 2002-2012."](#) New England Journal of Medicine, April 13, 2017.

Sallis J, Owen N, Fisher E. "Ecological Models of Health Behavior." In: Glanz K, Rimer B, Viswanath K, eds. *Health Behavior and Health Education Theory, Research and Practice*, 4th ed. San Francisco: Jossey-Bass, 2008.

Schroeder S. ["We Can Do Better — Improving the Health of the American People."](#) New England Journal of Medicine, September 20, 2007.

United States Bone and Joint Initiative. [The Burden of Musculoskeletal Diseases in the United States: Prevalence, Societal and Economic Costs, 4th ed](#). United States Bone and Joint Initiative, 2016.

Ward BW, Schiller JS, Goodman RA. ["Multiple Chronic Conditions Among US Adults: a 2012 Update."](#) Preventing Chronic Disease, April 17, 2014.

**Last Updated:** 09/01/2021

**Contact:** [payment@apta.org](mailto:payment@apta.org)