The Industry Insider Series: Occupational Health in the Future

The first independent survey covering both buyers and providers of health management service

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Introduction

Between August and September 2009, psHEALTH ran an online survey with buyers and providers of health management services to assess the current trends impacting the purchasing and provisioning of occupational health services.

Buyers: 45 companies were contacted. 30 companies participated in the survey from the private and public sector covering a range of industries.

Providers: 30 companies were contacted. 20 companies participated in the survey ranging from specialist occupational health, rehabilitation and health management businesses to large insurers which include health services as part of their offering.

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Executive summary

- **Buyer Perspective**
  - Occupational Health constitutes the biggest spend within health management services
  - While the overall health management spend is likely to remain unchanged, OH spend will likely increase
  - A significant portion of buyers are not satisfied by the ‘case visibility’ offered by the current providers
  - Price and management information are the most important purchase decision criteria for the buyers
  - Buyers increasingly want their OH providers to provide better ‘case visibility’ with access to real time case status and management information online

- **Provider Perspective**
  - Retention of staff and understanding contract profitability are the biggest operational challenges for the providers
  - Providers perceive responsiveness and ability to offer greater transparency and case visibility to the buyers as the weakest part of their service
  - Transformation and growth are happening within the OH business requiring a greater degree of process efficiency, client transparency and robust management information
  - For a majority of providers, their average IT spend does not support the transformational change occurring within the industry

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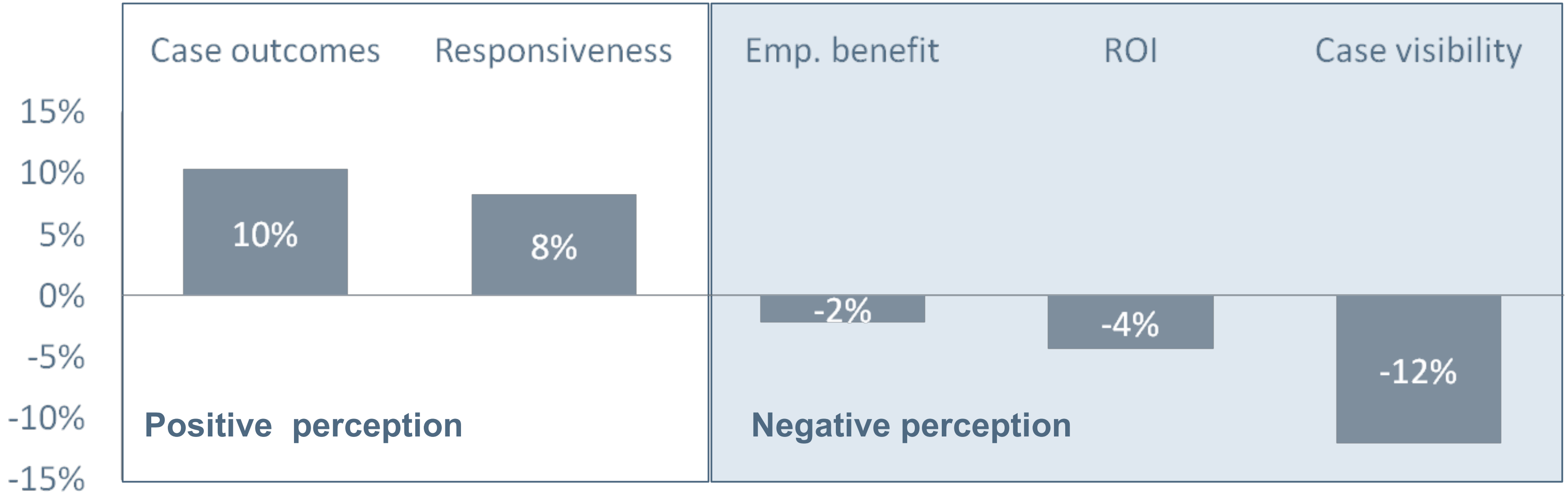
Key finding: Perception gap in service delivery

Difference between relative buyer and provider perception of quality of service



- Buyers on average rate their perception of 'Case Outcomes' and 'Provider Responsiveness' 5-10% higher than providers themselves
- Providers can enhance the buyer experience by focusing their efforts on providing better 'Case Visibility' and 'ROI'

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Part I: The Buyers' Perspective

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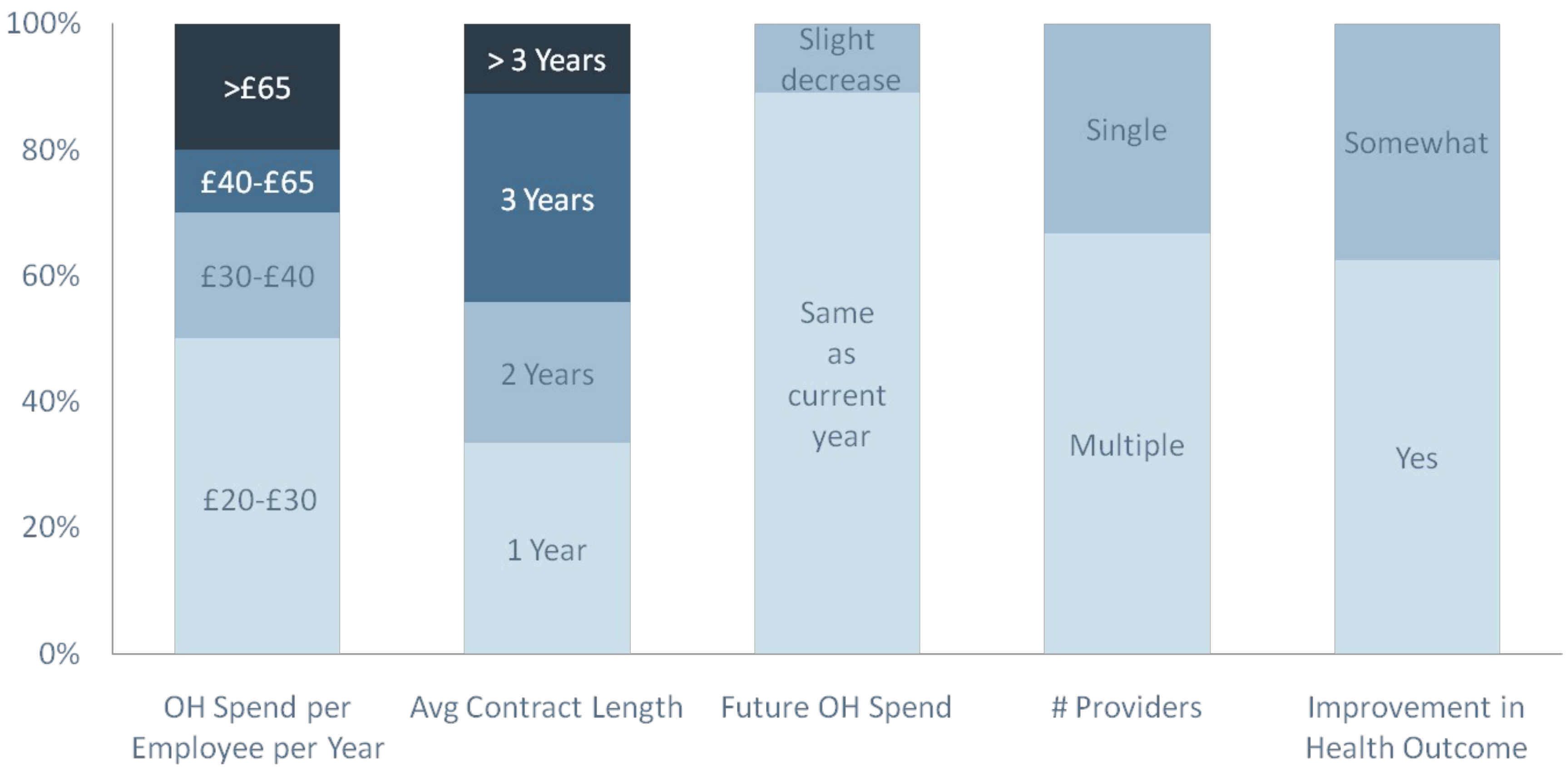
Buyers’ purchasing trends and views

Percent of Buyers



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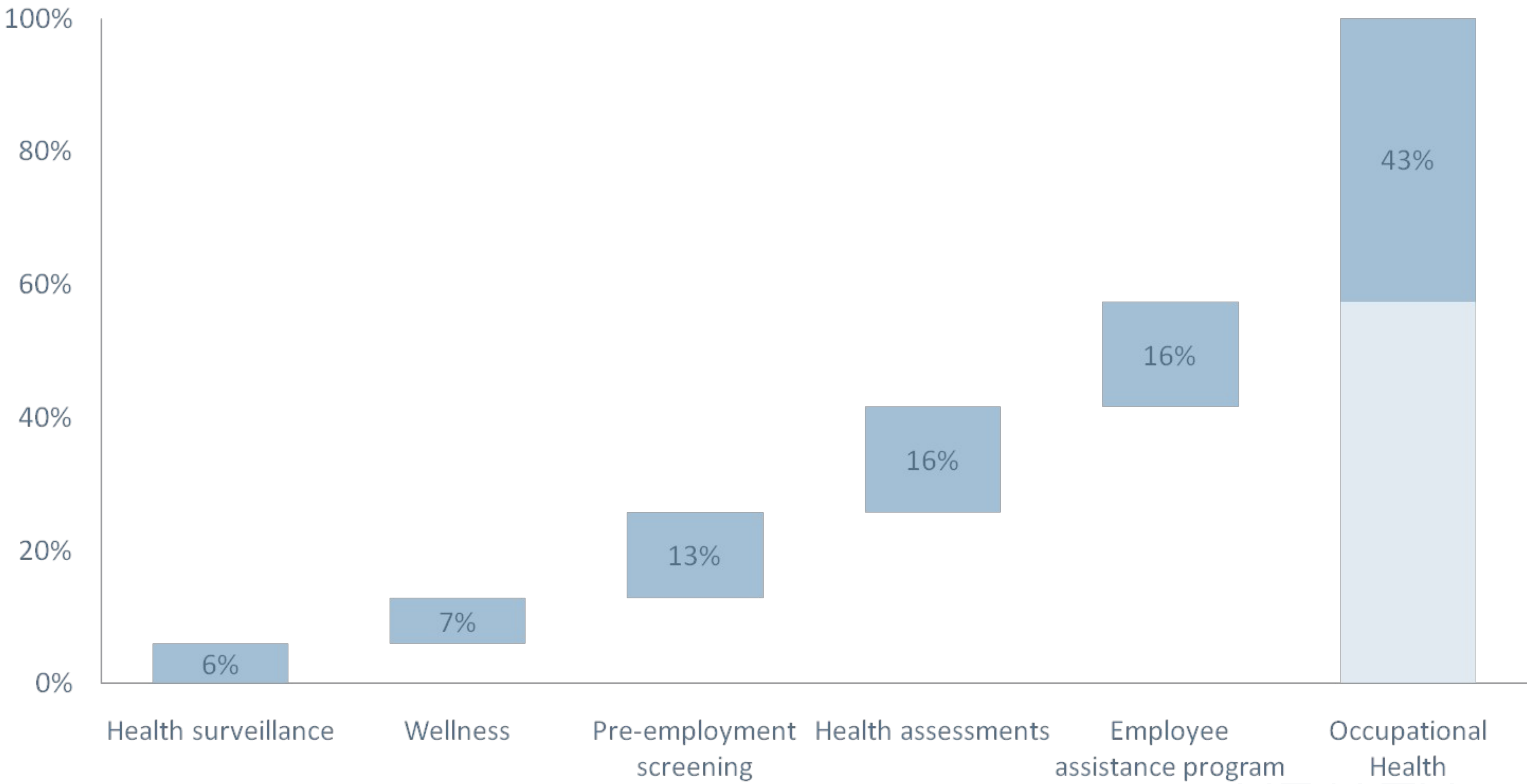
Occupational Health constitutes the biggest spend in health management services

Percent of total health management spend by services



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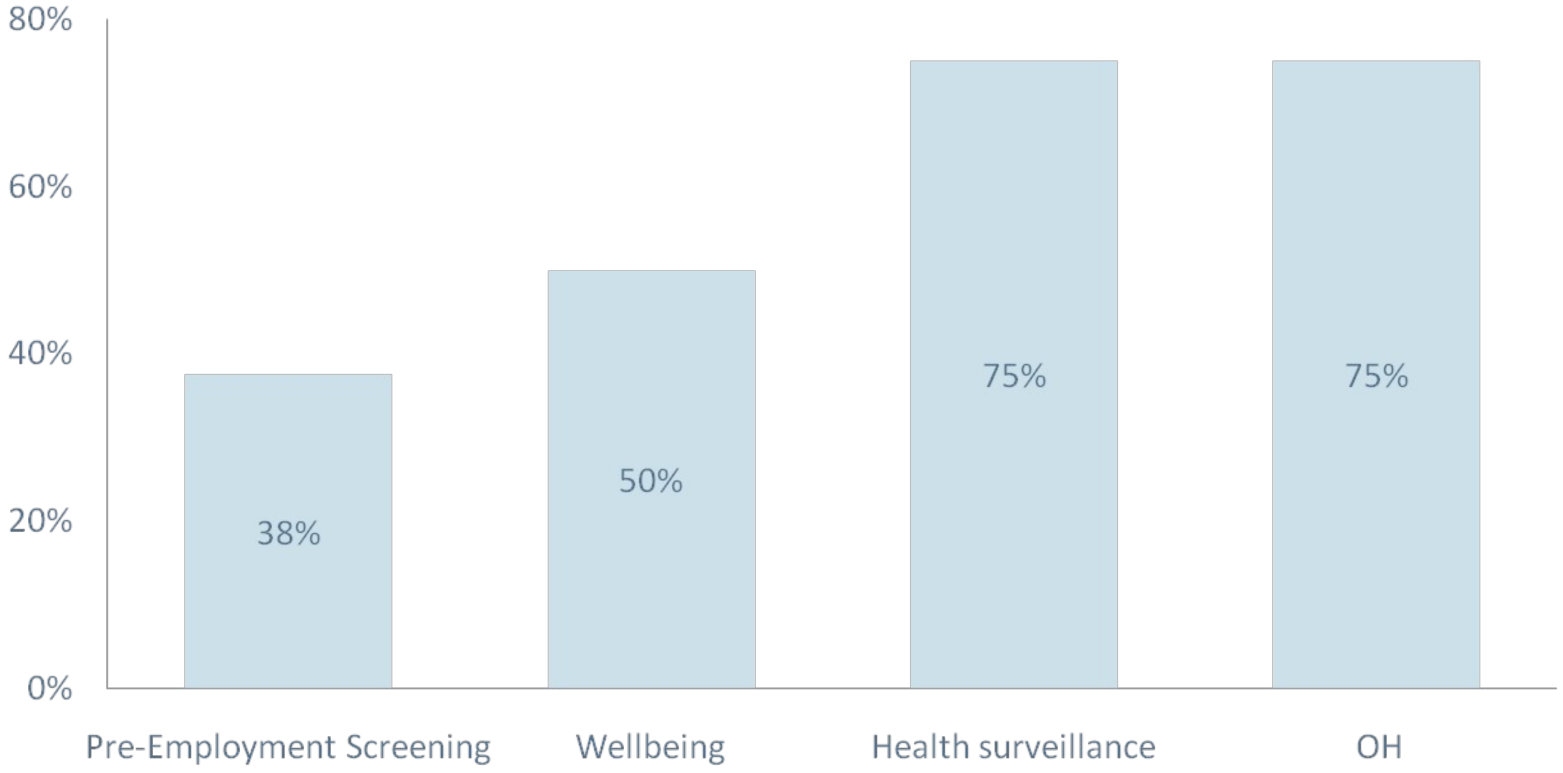
Health Surveillance and OH spend is likely to increase

Percentage of buyers expecting an increase in spend by service line



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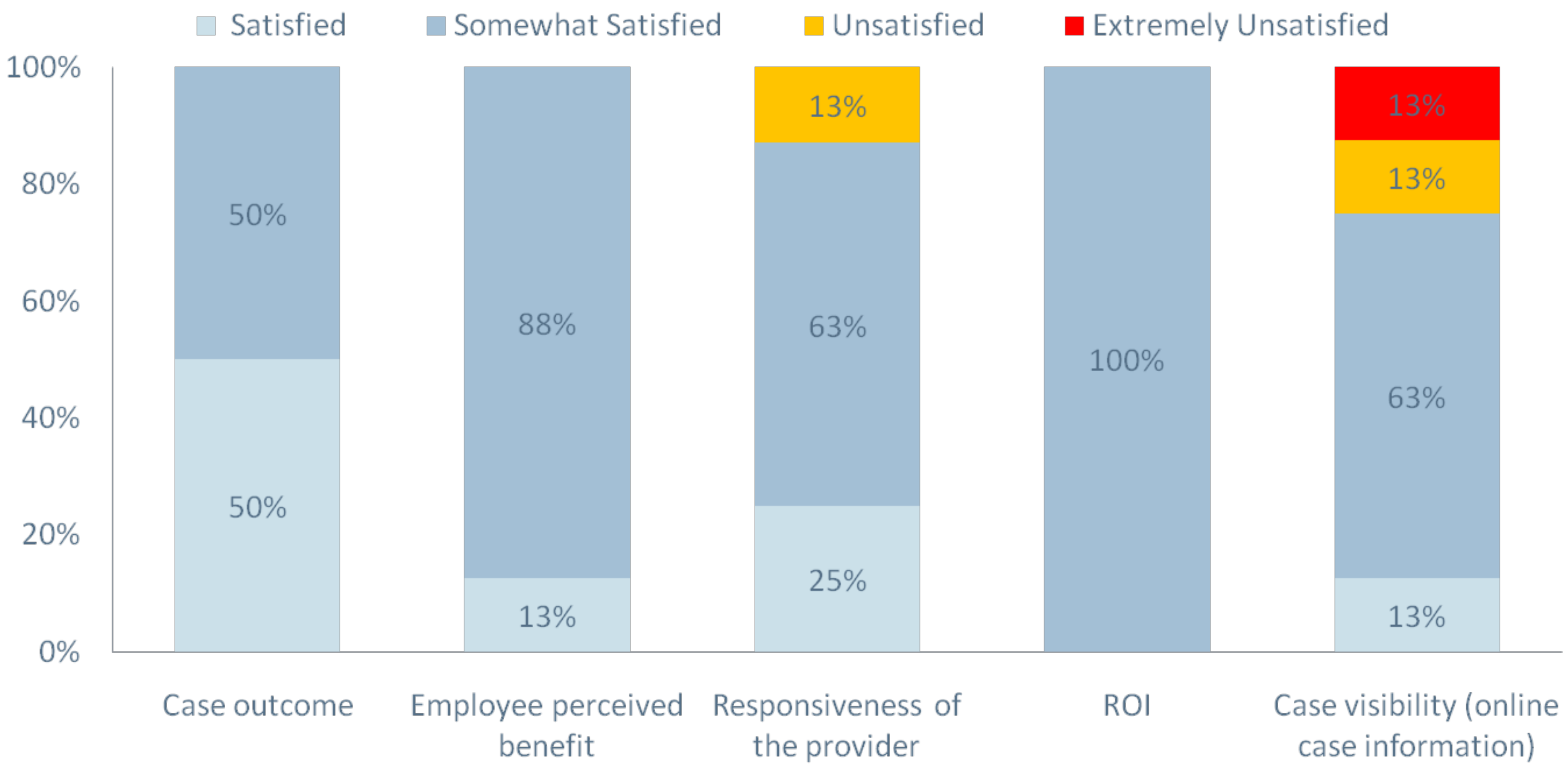
A significant portion of buyers are not satisfied by the case visibility offered by the current providers

Client satisfaction of different aspects of service



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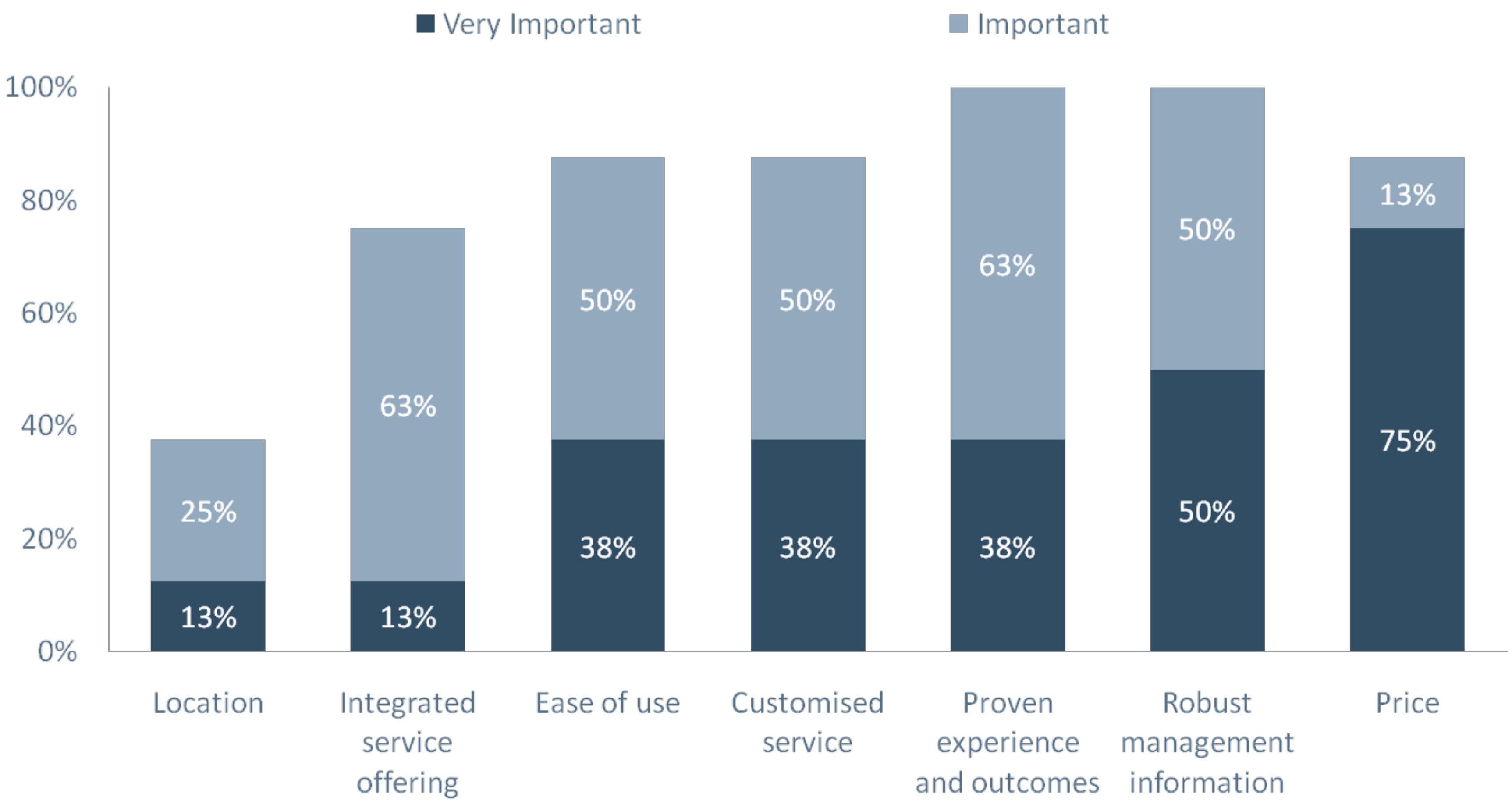
Price and solid management information are the most important purchase decision criteria for the buyers

Relative importance of different purchase criteria



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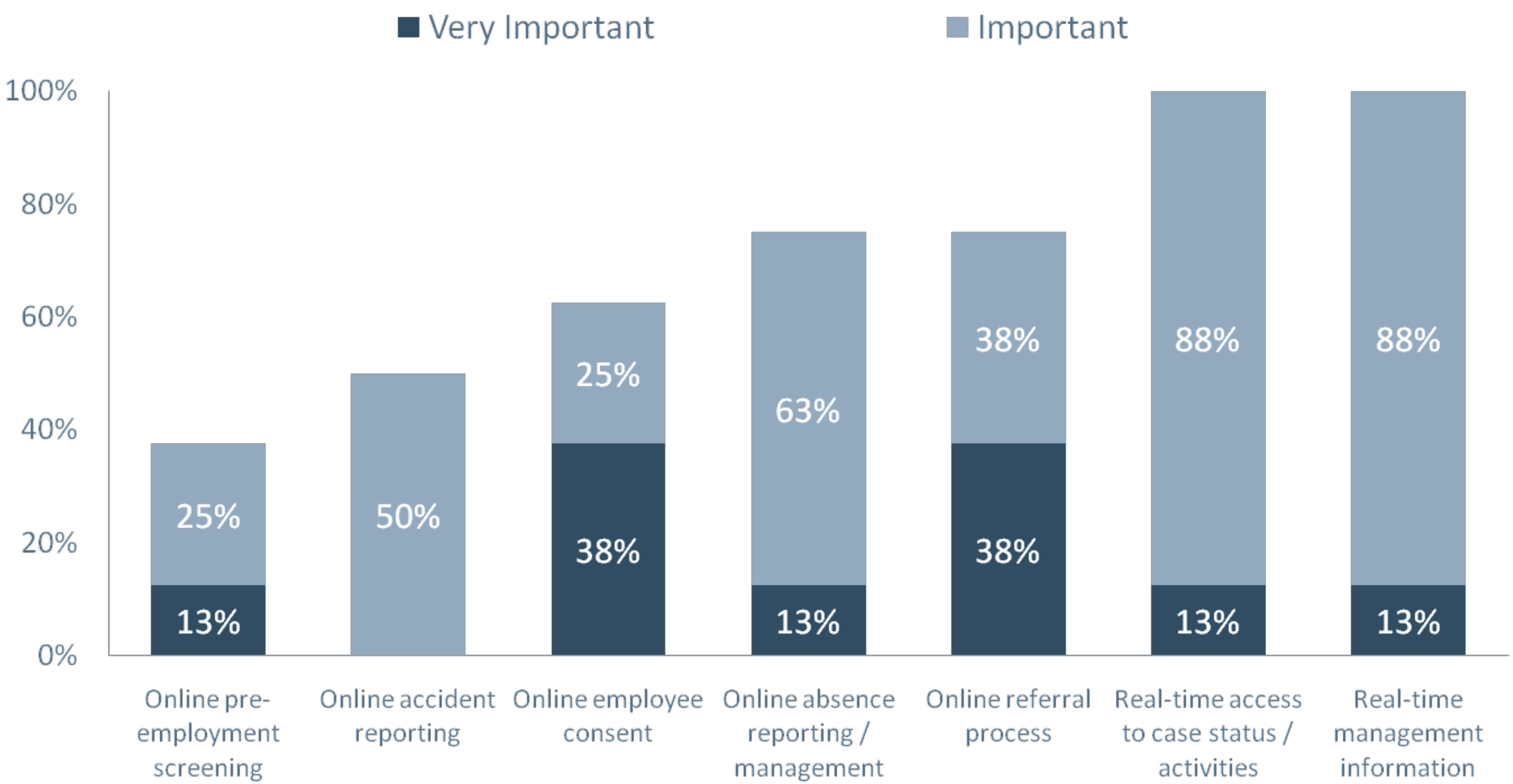
Buyers want their OH providers to provide better case visibility with access to real time case status and management information online

Relative importance of features of the provider software platform



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Key Quotes

"...Quality management information and better transparency is critical to us. We need to know what is happening and what the provider is doing to improving our health outcome..."

Employee Relations Manager of a leading financial company

"...We are constantly looking at our return on investment regarding health. We want to make sure our finances are focused in the right areas to improve health outcomes. It's an investment that we need to show on our bottom-line..."

HR Director of a leading legal firm

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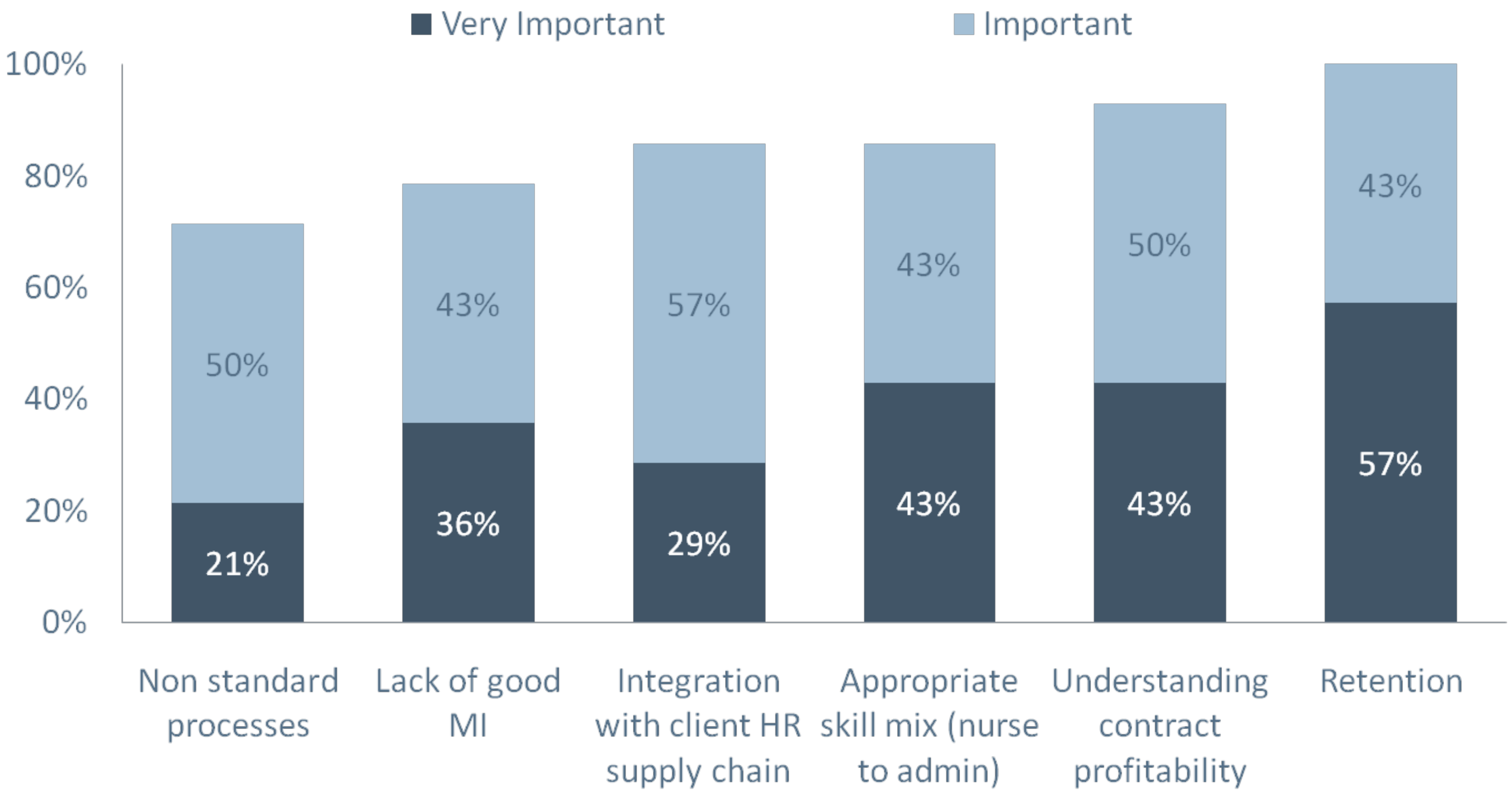
Part II: The Providers' Perspective

Retention of staff and understanding the contract profitability are the biggest operational challenges for the providers

Provider key challenges in service delivery



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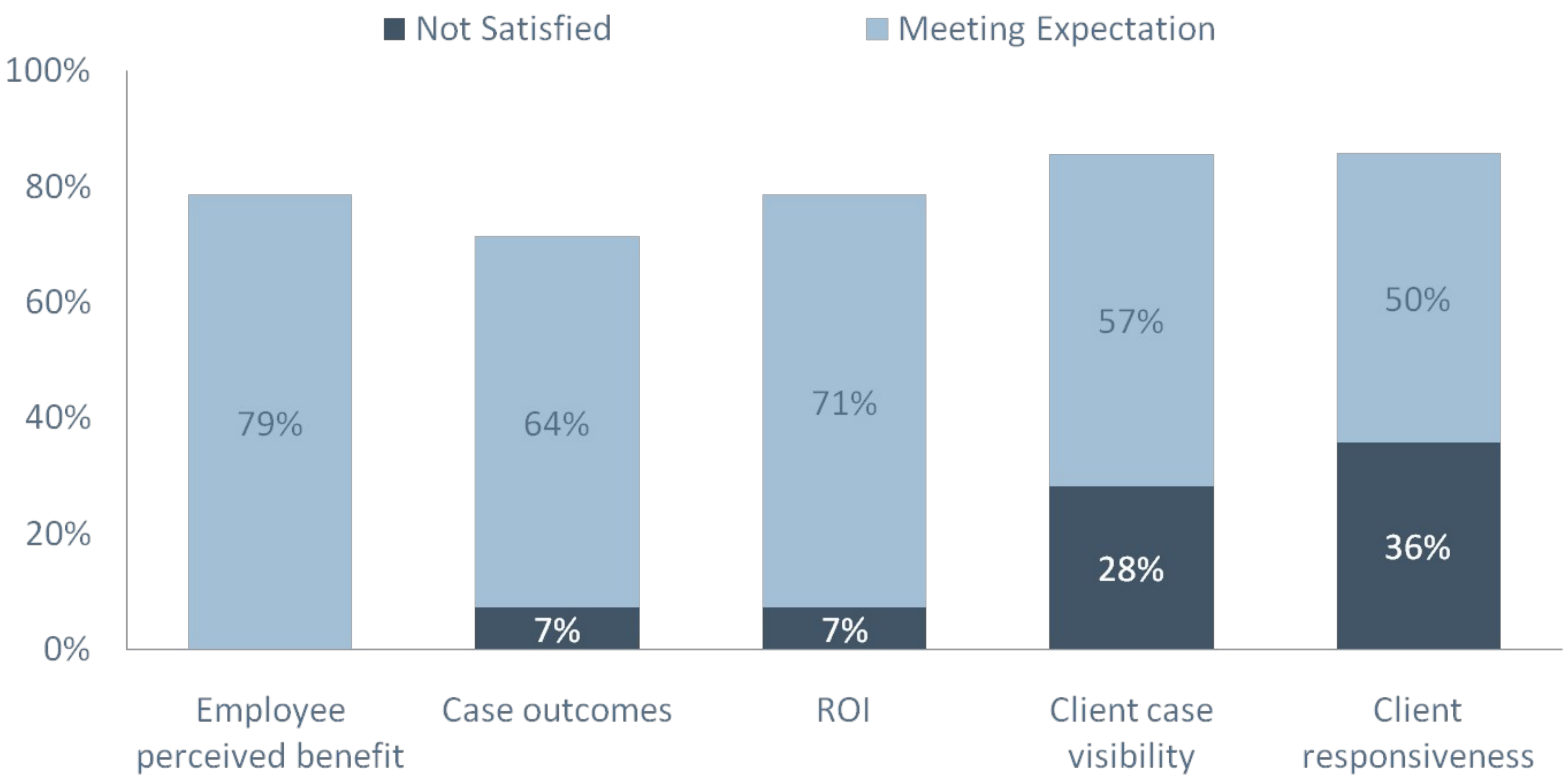
Providers are least satisfied by their responsiveness and ability to offer case visibility to the buyers

Provider satisfaction levels with the service areas



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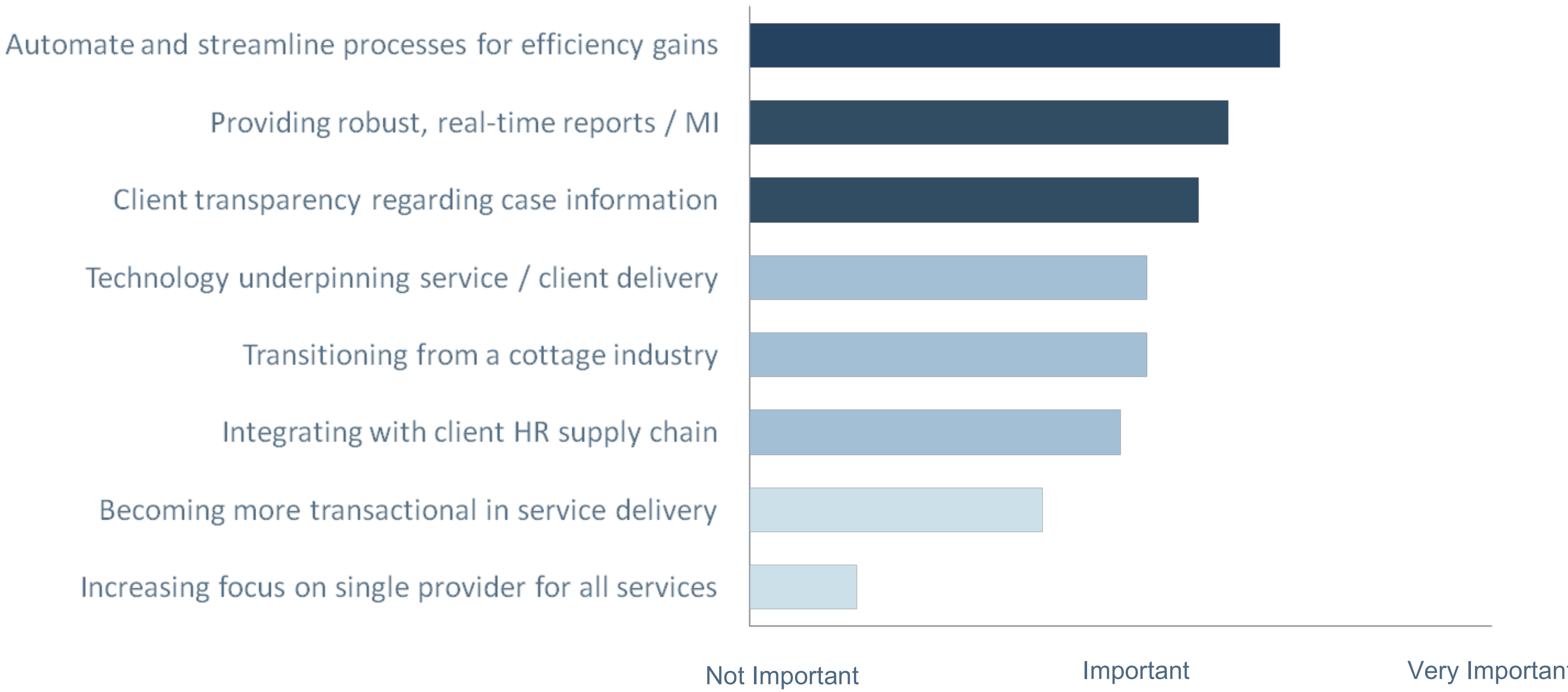
The service delivery model is changing, requiring greater process efficiency, client transparency and robust management information



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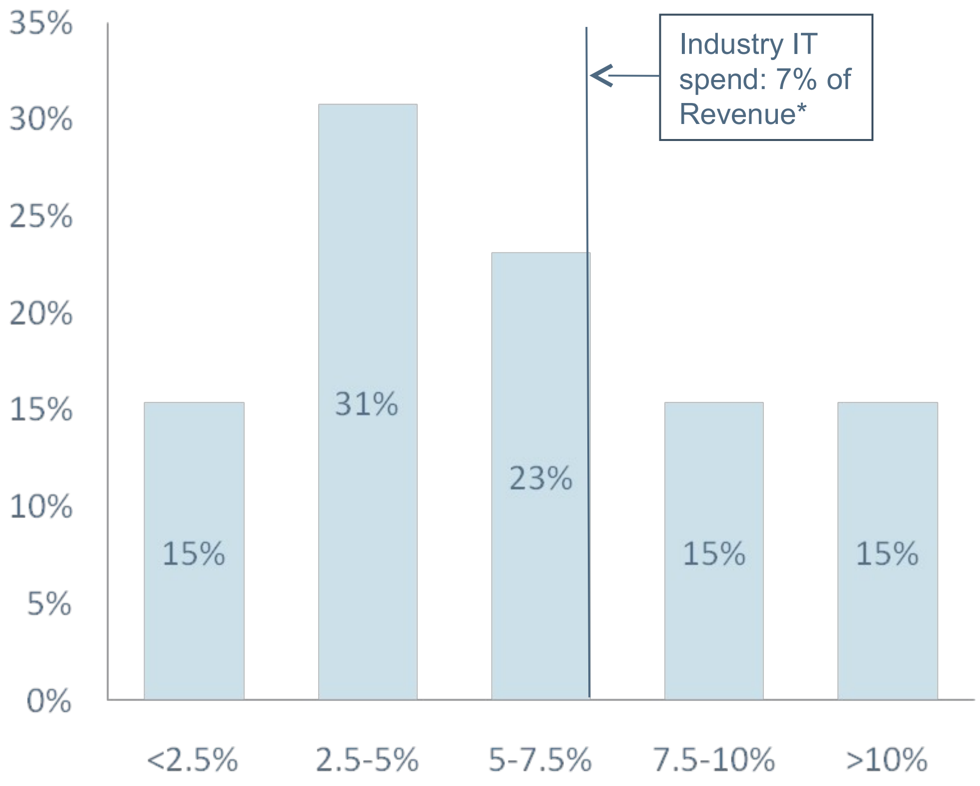
For the majority of providers, their average IT spend does not support transformational change occurring within the industry

Provider technology spend as a percent of revenue



- Current IT spend of the surveyed providers does not meet the industry benchmark
- As the OH area transitions into a more mature industry, there will be increased pressure on the providers to invest in systems that can meet buyer expectations
- Areas that require immediate technology investment include:
  - capturing internal and external MI
  - providing case visibility to buyers
  - being customizable to buyers' internal processes

Note: *Source=Gartner

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Key Quotes

"...Quality service delivery is our focus. Transparency is at the heart of what we are trying to achieve with our customers. This can be challenging, but better visibility of our activities and processes is incredibly important..."

Managing Director of an fast growing Rehabilitation Company

"...Our clients are demanding more. They want better information. Like any investment, you must show the return. We know we are improving outcomes. Now we must prove the ROI. It's all about the quality data..."

Service Director of a leading OH provider

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This survey was commissioned by psHealth, a leading provider of customised software to healthcare service providers in the UK and abroad.

psHealth
35 New Broad Street
London EC2M 1NH
0845 50 50 120

www.pshealth.co.uk

If you would like to discuss the survey results in more detail, please contact:
mindy.daeschner@pshealth.co.uk

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