



# Water-Cooler WELLNESS

Is an onsite  
health care clinic  
right for your  
business?

PHOTO ILLUSTRATION BY LINDSEY JOHNSON / S&B

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# The Doctor is in ... the office

BY DONNA J. TUTTLE

**T**he giant elephant not only is in the room. It is sitting on the laps of CEOs who haven't outlined a plan to meet the requirements of the Affordable Care Act that will go into effect in 2014.

Here in San Antonio, many large companies have been tweaking health benefits for years to find the balance between affordable and quality care. For some, the answer is a combination of direct primary care services and self-funded insurance plans.

Valero Energy Corp., the city's largest public company, has crafted a model that includes onsite clinics at its headquarters and refineries. Health By Design, a San Antonio firm founded by Dr. David Player, provides the guidance, the physicians and the care in the clinics.

Valero employees have free access to a board-certified physician, who offices onsite. The model has saved Valero between 20 percent and 25 percent on overall health costs, company officials say.

This week's special report on Health Care takes an in-depth look at Health By Design, its onsite clinic at Valero and more.

JULIAN CORDERO / SABJ



## Health By Design:

Reducing costs, increasing workforce wellness

BY JENNY HALPIN

Photography by Lyndsey Johnson / SABJ  
Design by Cathy De La Garza



Gayla Watley, a Valero Energy crude scheduler, meets with Health By Design nurse Anita Taylor to talk about healthy snacks and portions.

It was a busy day at Valero Energy Corp. in 2011. Gayla Watley, a crude scheduler for the world's largest independent refiner, wasn't feeling well, but pushed through the morning. By early afternoon, the fatigue and chest pain were extreme.

She headed downstairs to Valero's in-house medical clinic. The diagnosis: Watley's symptoms were screaming heart attack. Initially resistant to go to the hospital, Watley was coerced by clinic staff. The hospital admitted her immediately.

As it turns out, sometimes the corporate doctor knows best.

"I would not have [taken the time] to drive across town to see my regular doctor," says Watley.

Indeed, employer-sponsored, onsite clinics — like the one at Valero operated by San Antonio-

based Health By Design — are saving lives, creating healthier workforces and reducing costs for all parties involved. Also known as concierge medicine or direct primary care, this health care model is disrupting the traditional one that revolved around insurance-based benefit plans.

With The Affordable Care Act implementation looming, onsite clinics are on the rise. In fact, the percentage of large U.S. employers offering an onsite clinic has risen from 37 percent to 46 percent in the last year, according to the National Business Group on Health.

## Health By Design

San Antonio's largest public company — Valero Energy — is a big believer in the onsite clinic model.

The company was an early-adopter of the model and opened its first Health By Design clinic in corporate headquarters in 2001.

What employees got:

- Free access to a primary care, board-certified physician in their office within an hour of contact. The convenience of not having to leave work.

- Free health care services ranging from general-care exams to allergy shots, the treatment of chronic and acute conditions and minor procedures such as stitches.

- Onsite, one-on-one educational programs to promote better health habits and take control of health risks such as obesity, diabetes or smoking.

What Valero got:

- Employee appreciation for a convenient, immediate health support.

- A healthier workforce and a lower rate of absenteeism.

- Health care cost savings of about 20 percent to 25 percent.

Health By Design founder, David Player, M.D. "is a visionary," says Bill Klesse, chairman and CEO of Valero. "When he put the plan together,



Bill Klesse, chairman and CEO of Valero Energy Corp., says Health By Design Founder David Player, M.D. is a "visionary."

he was on the cutting-edge at the time."

The annual wellness exams, which help employees evaluate their overall care, make a difference. The visits are designed to be extremely thorough, and doctors spend significant face-to-face time with the patient.

Employee Watley, for example, decided to tackle her weight after the wake-up call of the heart episode and complete health analysis at the Valero clinic. A combination of Health By Design's wellness classes, a gastric bypass (not part of the Health By Design program) and personal training in Valero's gym allowed Watley to shed 155 pounds over the last year-and-a-half.

"I praise Valero for bringing Health By Design," says Watley. "They were the angel in my corner."

Last year, the Valero clinic logged more than

10,000 office visits by 2,000 employees. The company has added clinics at refineries in Corpus Christi, Port Arthur, Texas City and has plans to roll out one in St. Charles, La. in the fall. "Some of the union refineries were worried about confidentiality," says Klesse. "We got past that hurdle and they love the convenience."

The bottom line: "If we have a healthier workforce, they're happier and more productive," Klesse says. "It has very little downside."

## The business model

Other local CEOs are following suit. Companies such as NuStar Energy LP and United Healthcare have opened onsite clinics. In total, Health By Design runs seven onsite clinics and is working on building three more.

So how does the business model work? Companies pay a direct primary care membership (usually monthly) to companies such as Health By Design and purchase a lower-cost, higher-deductible wrap-around insurance policy. Employees get free access to the clinic, and pay a reduced amount for insurance to cover emergency room visits, hospitalizations, etc.

"Onsite clinics only make sense for self-funded insurance plan companies, which means the company pays for its actual medical claims with companies such as Aetna or Blue Cross simply serving as a third party administrator," says Mike Sharrow, executive vice president of Health By Design (HBD).

Over time, the cost of that wrap-around insurance "gets reduced as the onsite clinic intervenes with the population," Sharrow says.

For Valero, the average cost to the company per clinic visit is \$120 to \$130 — compared to \$150 to \$200 per office visit by other health care providers, says Ruth Piña, vice-president of Valero's Human Resources.

She estimates Valero saves an average of nearly



Health By Design Nurse Taylor talks with Valero's Ruth Piña, who is holding a model of one pound of fat.

25 percent in health care costs with the HBD clinic — a return of two times the company's investment.

"Onsite clinic providers aren't incentivized by convoluted health reimbursement models that reward the most expensive care possible. Both DPC and onsite clinic models are rewarded for value and outcomes, rather than mere activity," Dave Chase, CEO of Avado, a patient relationship management company, writes in a December 2011 Huffington Post article.

Company executives must factor in the upfront cost of creating the brick-and-mortar clinic, which can range between \$15,000 to \$150,000 depending on size, equipment, number of employees and other variables, Health By Design's Sharrow says.

"Corporate customers can elect to pay for start-up equipment or HBD can lease. Since we do a transparent pricing model it is cheaper for companies to just pay those costs direct," Sharrow says. "We simply bill customers for labor and supplies with administrative costs. No per-treatment cost. No per-visit cost."



Health By Design works out a predictable, monthly billing rate and then provides the medical staff and service. "We staff to demand in order to ensure a constantly positive ROI for our customers," Sharrow says. "So ongoing cost is a function of population, health, access, communication, etc. But that cost typically beats the current costs the company is already paying."

"Good health care does not cost more than bad or current health care," Sharrow says.

JENNY HALPIN is a San Antonio freelance writer.

# Slow and Steady:

## Health care firm finds success in patience

BY JENNY HALPIN & DONNA J. TUTTLE /  
PHOTOS BY LYNDSEY JOHNSON

Overnight success isn't a term that David Player, M.D., would use to describe Health By Design, the company he founded in 1982.

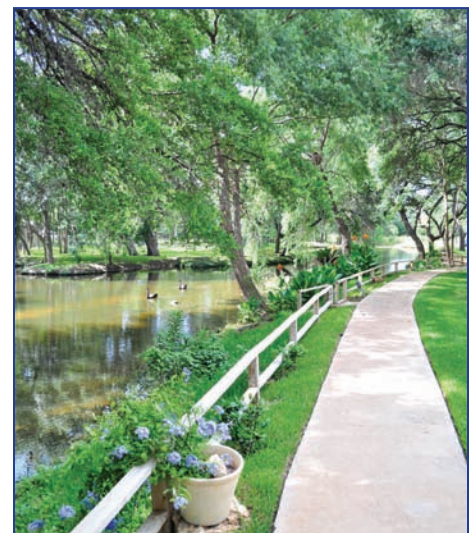
It's taken nearly three decades and two Chapter 7 bankruptcy liquidations before his concept of providing preventative, holistic health care — rather than reactionary medical intervention — started really paying off.

Today, Health By Design, offers personalized and onsite health care services to many of San Antonio's leading corporations and executives.

"In the past eight years Health by Design has experienced more than a 700 percent growth in revenue and patient impact (number of people we get to minister to through various medical programs)," says Mike Sharrow, executive vice president of Health By Design.

### Business growth

Tucked away on a quaint, countryside-inspired campus on George Rd., Health By Design's headquarters are the antithesis of most sterile medical practices.



Health By Design's corporate campus on George Rd.

The office operates out of a charming, old home, surrounded by ponds, pigmy goats and donkeys.

By about the year 2000, Player's preventative mantra — a six-part model known as "Dave's Big 6" — caught on. The model is a combination of proper body composition, nutrition, fitness, healthy lifestyle, spirituality, and assessment. He began performing wellness exams for top executives at financial services giant USAA.

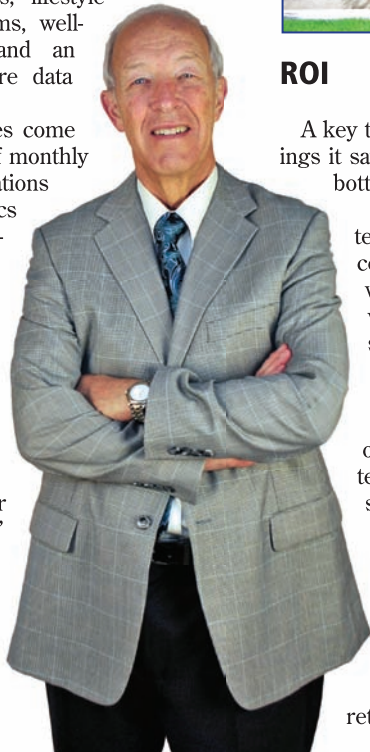
"Those executive exams spun off the relationships we now have with businesses," Player says.

The solo practice has since grown to a 65-employee operation, including 16 physicians and 30 nursing staff.

The full-service health care provider offers comprehensive executive exams, onsite clinics at large corporations, lifestyle management programs, wellness assessments and an integrated health care data program.

The firm's revenues come mostly in the form of monthly fees paid by corporations that have onsite clinics or offer Health By Design services for their executive staff.

"In 2012, our worksite clinics saw more than 21,000 patient visits while delivering Cadillac care — care unlike anything these employees have ever experienced before," Sharrow says. "The employers saved over \$4 million versus if those patients had been served in the normal system."



## ROI

A key to the company's growth is the savings it says good health delivers to a firm's bottom line.

"Our wellness screenings consistently find that 11 percent to 19 percent of employees are walking around with a critical health problem about which they are unaware. Many are simply treating the symptoms through unnecessary pain medication, over-the-counter drugs," Sharrow says.

This leads to absenteeism, fatigue or emergency room visits. "Early detection and intervention on the root issues not only avert a catastrophic medical expense and cut down on waste, but transform the life of an employee and their family as they begin to experience true health for the first time," Sharrow adds.

"Health By Design's primary care clinics onsite are seeing average return on investment of 1.93 to 2.92 year

Top: HBD headquarters. Left: Founder David Player, M.D. Bottom Left: Mike Sharrow, EVP of Health By Design, is also a patient at the firm. He consults with James W. Ogletree, M.D., CEO and medical director of the company. Bottom Right: Ogletree and a staff nurse consult with a patient.

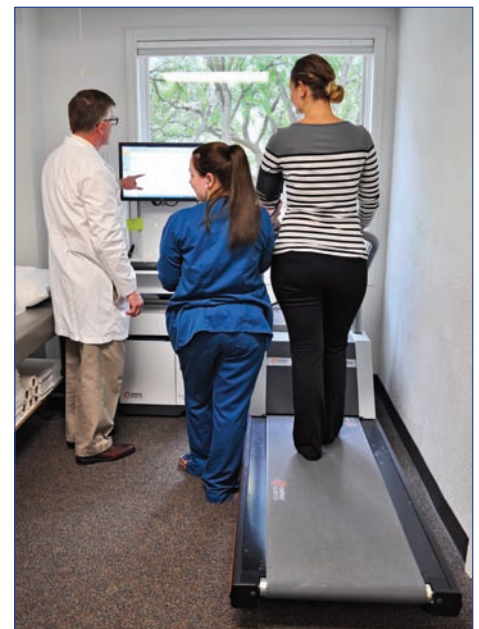
over year — just from the clinic operation (excluding savings from education, wellness programs, flu shots, etc). This means companies are able to create a private health care system for their employees, using health plan monies for less than they are already spending," Sharrow says.

"We believe good medicine means everybody must win," says Sharrow.

As for the future, Player says the ideal health model he's had in mind still hasn't been implemented.

"We'd have to have more assessment centers," says Player. "On an employee's birthday month each year, they would have an assessment exam, the best they can get."

Until then, there's more work to do in promoting and practicing good health.



# Personalized and guided health care can lead to lifelong wellness habits

BY JENNY HALPIN

Executives from Rackspace Hosting Inc., Valero Energy and the City of San Antonio might not have everyday industry issues in common. But when it comes to health care, many use the same physician practice — Health By Design (HBD).

You can also add Broadway Bank, Zachry Construction and USAA executives to that list.

“HBD has reinvented what medicine is and the relationship you have with your doctors,” Rackspace co-founder and Chairman Graham Weston says in a testimonial on HBD’s website. “Doctors

at HBD really see what they’re doing is their calling and that makes a big difference.”

With rockstar CEOs often being a huge chunk of a firm’s human capital, firms and their insurance companies often require executive exams.

Health By Design’s exec exams are about three hours long and include a medical history, health risk appraisal, nutritional analysis, personality profile, check for occult blood in the stool, pelvic exam, pap smear and breast exam, pulmonary function testing, hearing/vision tests, tonometry test, DEXA bone density scan, hologic body mass composition, and carotid ultrasound. After that, it’s the full lab workup and advanced cardiovascular testing.

## Lifetime members

After Ed Kelley moved to San Antonio from Dallas in 1980, one of his main goals was to find a place that would offer the most comprehensive preventative health care exam in San Antonio.

After much research, he found Health by Design.

Soon after, he became the CEO of USAA Real Estate Co., which — coincidentally — already had a wellness program in place with Health By Design for executives.

Kelley has since retired, but — all told — he’s had 25 wellness exams performed by David Player, M.D. and his team and hopes to have many more. “If something is creeping up on me or I’m short of a certain vitamin, they’d let me know,” says Kelley.

The annual exams have kept Kelley motivated to stay in shape. With more than 40,000 running miles under his belt, Kelley surely could unlace his sneakers and take a rest. “I’ve said maybe I’ll hang it up, but I know I’ll face Dr. Player and his team and I don’t want to disappoint,” says Kelley. Indeed, that one-on-one attention doesn’t motivate only C-suite executives.

At Valero Energy’s HBD clinic, Gayla Watley, a crude scheduler, found the support she needed for nutrition and exercise.

Once 300 pounds, Watley had gastric bypass surgery, followed the advice of the HBD staff and Valero’s gym trainers to lose 155 pounds and fit into a size 2. “Last year’s assessment showed that I’m the healthiest I’ve been since my early 20s,” Watley says.

— DONNA J. TUTTLE also contributed to this article.

