

BY JOE REILLY, JOE REILLY & ASSOCIATES, INC

# GETTING INTO THE BUSINESS— PART TWO

In a previous issue of *DATIA focus*, I discussed the initial steps of getting into the drug testing business. ➡

Many folks might start out as a collector and/or a Breath Alcohol Technician (BAT), providing specimen collections and alcohol testing to various employers and on behalf of Third Party Administrators (TPA's) and/or Laboratories. This can be a home-based business or it can be a brick and mortar facility—a collection site.

At this point in your business your day might begin with a check of your appointments. You and your staff might gather your equipment and testing supplies and meet your clients at their offices, homes, or schools. You collect specimens from employees or other individuals and travel back to your office to ship samples to the laboratory. You might also take calls throughout the day and schedule testing appointments with employers and families.

As your business evolves, you might want to expand your services to employers and manage their entire drug-testing program. This type of business is commonly referred to as a Third Party Administrator (TPA). The United States Department of Transportation (DOT) calls this type of business a Consortium/Third-Party Administrator (C/TPA). DOT defines a C/TPA as “a service agent that provides or coordinates the provision of a variety of drug and alcohol testing services to employers. C/TPAs typically perform administrative tasks concerning the operation of an employer’s drug and alcohol testing programs.” A TPA coordinates or combines the various services provided by service agents in the drug testing process.

Remember, a good business plan should include: a description of what you are selling, who the prospective customers are, how you plan to promote the business, how much money is needed for start-up costs, and what your projections are for revenue and expenses. It may be time to revise, update and expand your business plan.

As a TPA you may have a variety of types of customers, but primarily both DOT regulated and non-DOT regulated employers. The learning curve for you to evolve



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your business from a collector/BAT to a TPA is steep—there are regulations and guidelines that you must learn; there is a great deal of knowledge to acquire. Your success will depend on your ability to provide services to your customers that are in compliance with a variety of federal and state laws. It will take a great deal of learning, reading, attending training sessions and workshops, and attending industry conferences for you to acquire the appropriate knowledge you will need to be a TPA.

A TPA performs a variety of services for an employer, mostly revolving around the concept of a drug free workplace. It is important to know that a drug free workplace is a comprehensive program with five major components—a Substance Abuse Policy, Supervisor Training, Employee Education, Employee Assistance Programs and Drug Testing.

So where do you start? I recommend some specific reading materials that are listed in the box on the right. It is important that you take the learning process very seriously and remember it is ongoing. I learn new information all the time, whether I am training people or if I am myself in a training program or workshop. Employers will rely on your knowledge as part of the service they are purchasing, and if you have this knowledge you will retain your clients.

At a basic level you will need to know the difference between DOT and non-DOT drug testing programs; often called regulated and non-regulated testing. Workers that fall under U.S. Department of Transportation (DOT) regulations must be given a specific type of drug test required for employment drug screening. It is a five-panel test often referred to simply as a “DOT drug screen,” and the custody and control form (CCF) used must be a federal form. There are a variety of other rules that apply to the DOT drug & alcohol testing programs required

of the employers that are subject to these DOT regulations and you must read 49 CFR Part 40 to learn these.

Workers employed in positions that do not require drug screening under DOT regulations are given non-DOT tests if their companies have drug-testing policies in place. Companies have flexibility in establishing non-DOT policies and procedures for drug testing, including what substances to check for and how often drug tests are required. It is important for these non-DOT employers to work within the guidelines of the state laws that might apply to them.

Becoming a successful TPA is rewarding and challenging. Keep learning as you continue to grow your business. Go beyond the basics. It is very important. Take advantage of a great learning opportunity specific to your business. DATIA offers the Advanced Drug Testing Management Course. This course provides the training on how to professionally manage and administer successful drug & alcohol testing programs for Consortia/Third Party Administrator (C/TPA) organizations. Obtain a comprehensive set of guidelines that comply with all regulations and insight into the best practices for drug and alcohol testing program management. You will not be disappointed and you will walk away with a clear understanding of strict standards in areas of professional competency and conduct, procedural administration, confidentiality of records, testing administration and reporting, accountability and client services. This is a unique one of a kind course to teach you how to operate a TPA business.

Besides knowledge, you may now need more equipment and overhead for your business as it evolves from a collector to a TPA. Computers, printers, scanners, software, phone systems and more will become critical to the operation of your business. Don't skimp and purchase the cheapest stuff out there for home use,



as you need good equipment that works effectively. At a minimum you will need software to track your prospects and customers, software to receive and report drug test results, a program for random testing management, a professional web site, and a computerized bookkeeping system. You will need current technology and the effective use if it will help you to be more successful in this business.

So getting back to your TPA business, what specific services are you going to provide to clients? There are many and you will need to choose what you will provide. Many TPAs will want to provide at a minimum the following:

- Review or initial set up of the drug free workplace policy
- Supervisor training and employee education programs

## RECOMMENDED READING

### 49 CFR Part 40—Procedures for Transportation Workplace Drug and Alcohol Testing Programs

➞ [http://www.dot.gov/odapc/NEW\\_DOCS/part40.html](http://www.dot.gov/odapc/NEW_DOCS/part40.html)

### SAMHSA Drug-Free Workplace Kit

➞ <http://www.workplace.samhsa.gov/wpworkit/index.html>

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Keeping up to date with trends and current events will help you keep your business growing.

- Coordination of all drug testing and review/reporting of results by a Medical Review Officer
- Management of the random drug testing program
- Maintenance of program records

So you can see it is not just selling drug testing, there is a lot more involved. Your clients will need laboratory and MRO accounts, custody and control forms, and a method for receiving drug test results. Are you able to provide Supervisor Training or perhaps use online training programs that are available for you to resell? You will also become responsible for troubleshooting missing or abnormal results (fatal flaws, canceled tests, etc). And you will get many questions from your clients that you will be expected to answer and provide interpretations. Perhaps you will need an attorney on retainer or a good industry consultant for complicated issues that might arise.

You will need to develop policies and procedures for every aspect of your business. These should be written and should be updated on a regular basis. The use of standard operating procedures will greatly help you succeed, limit your exposure to liability, and prevent you from becoming married to your business. As you hire more employees, define their roles and responsibilities clearly. Put these job descriptions in writing and update them on a regular basis. Hire good people that you can trust to do the job; perhaps you have to pay a little more or offer good benefits to retain quality employees. Learn to delegate as you cannot do everything yourself. This is not easy—it is hard work. Delegating, as a coaching tool, is the act of assigning and entrusting assignments and responsibilities to others. Allow staff to take on juicy

or meaningful work—projects, duties, and other important assignments. This will give you time to focus on the “Big Picture” and grow your business even more; become the visionary not the task manager.

More opportunities will come your way as you grow your business. Other markets include judicial drug testing, athletic/academic testing, DNA paternity testing and even in some cases, state welfare drug testing. Keeping up to date with trends and current events will help you keep your business growing. Background screening is another opportunity that you can get involved with either by becoming a direct background check provider or partnering with a company that resells background checks.

So now you are in business and your business is expanding. Acquire the knowledge to be successful. It is hard work—don’t forget this. You can make it happen, be enthused with everyone you meet. Always remember to have a plan, for those who fail to plan—plan to fail. ■



Joe Reilly entered the world of drug testing in 1993, he is well known throughout the industry and considered an expert on workplace drug testing issues. Joe served for nine years on the DATIA Board of Directors and served as Chairman of the Board from 2004–2008. Joe sold his business Florida Drug Screening in 2007 to CBC Companies (Columbus, Ohio), he retired from the firm in 2009 and currently continues to invest in and manage both commercial and residential properties in Central Florida. He is also active in assisting buyers and sellers in the drug testing industry work through the merger and/or acquisition process.

