

TPA Best Practices

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Running a business is, of course, a full time job. Setting up policies, procedures and best practices can be time consuming and is often put off until tomorrow but, believe me, you will have a better quality of life, and a more successful business, if you tackle this task sooner rather than later.

The scope of this discussion will revolve around six key aspects of your involvement with the drug testing business. These include:

- **Compliance with Federal Regulations**—Do you provide services in compliance with federal regulations and do your clients operate in compliance with federal regulations?
- **Compliance with State Laws**—Where are you located? Where do you operate your business? A key best practice is to know the state laws on drug testing in the state or states in which you do business. If your state has a drug-free workplace program, you should know this inside and out.
- **Mitigate Liability**—Are you operating in a manner in which your company reduces exposure to liability and are you helping your customers reduce exposure to liability?
- **Increase Safety**—The # 1 reason for a drug testing program is safety. Are your customers operating their drug-free workplace in an effort to maintain a safe environment for their employees? Is this the goal of their drug testing program?
- **Program Efficiency**—Are you looking at all of the tasks you and your team members perform and making sure that the processes are efficient? One example of inefficiency is when a TPA receives drug tests results from an MRO, prints out the results, scans them back to the computer, and then emails the results out to the client. There is a much more efficient process to reporting drug test results and this process can be frilly automated.
- **Profitable Business**—You are in business to make a profit. Your operational methods can help you to recognize profits. You must also charge enough money to make a fair profit. Pricing that is too low will cause you to eventually go out of business.

A Third Party Administrator (TPA) in the drug testing industry is a company that provides a number of drug and alcohol services for employers or other end user customers.

It is not a bad idea to identify what kind of TPA you are, what services you provide, what services you don't provide, and perhaps, what services you will provide in the future. The DOT's 49 CFR Part 40 defines a 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 the employers' drug and alcohol testing programs. This term includes, but is not limited to, groups of employers who join together to administer, as a single entity, the DOT drug and alcohol testing programs of its members.

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Let's discuss the TPA business in terms of the players involved. We have the collection site, collector, BAT, SIT, lab, MRO, and SAP. All of these are service agents in the arena of drug and alcohol testing. Which player are you? Are you the TPA providing all of these services or perhaps just some of these services? What do you do as a TPA? Here is a list of potential services that a TPA might perform:

- Sell Drug Testing
- Set up Collection, Lab &
- MRO Accounts
- Order CCF Forms and Supplies
- Provide MRO—Report Results
- Combined Billing
- Coordinate Random Testing
- Provide Training and Education
- Provide DFW Policy
- Provide Reports, Records, MIS
- Coordinate Blind specimens
- Provide Customer Service

A best practice is to look at all of your general business practices and insure that you are up to speed in all of these areas. Are you licensed and insured? Do you have the proper insurance for general liability, professional liability, workers' compensation and auto liability?

Are you knowledgeable about your services and drug testing rules and regulations? Do you push back when your clients don't follow appropriate rules and regulations? The #1 best practice is to become the expert in your area; this requires ongoing, continuous education. A TPA must keep up with training and certifications, must be accountable, honest and have integrity. Business owners and managers must constantly review general business practices for their business. Change must take place as necessary. Review your service offerings often and discuss who in your organization is responsible for what. Do you provide the necessary tools for your employees to do their jobs, including the appropriate software applications?

A key best practice is to embrace technology. Drug testing software programs are evolving; are you using an outdated system or have you looked at what is currently available?

Electronic drug testing for non-DOT has come a long way. A drug test today can be ordered this morning and completed later this morning across the United States at an electronically enabled collection facility. Are you electronically enabled?

Sales, marketing and accounting are key functions of your business operation. What technologies are you using to operate efficient sales, marketing and accounting processes? A Customer Relationship Management (CRM) system is key in today's business environment. Years ago our CRM was a day timer and a bunch of index cards where prospect data was stored. Today's CRMs are powerful database systems for managing a company's interactions with current and future customers. CRMs involve using technology to organize and automate sales, marketing and customer service activities.

No discussion of best practices for business today would be complete without mentioning the Internet. A powerful information tool, the Internet is a source that has infinite uses to assist businesses in their quest for information and solutions. Use the Internet in your business, but remember that just because something is on the Internet, does not necessarily make it true—always trust, but verify, just like in drug testing.

Standard operating procedures are a best practice. Have your employees compose written procedures for all the business activities they perform. Then have supervisors or managers review and approve these procedures, and finally, owners should review and approve these procedures. These procedures should be reviewed and updated annually. In addition to procedures, have standardized client agreements, subcontractor agreements and carefully review all of your vendor agreements.

Best practice in managing DOT regulations involves an in-depth knowledge of the regulations with constant review. DATLA's Red Book of Federal Regulations and its subscription service is a great resource to help you stay current. If you are providing DOT-regulated drug and alcohol testing services to employers, clearly define in writing who is responsible for what. You do not want to run into an uncomfortable position when the employer has an audit and asks what happened to this part of the regulatory requirement? This was your responsibility. The services that are sometimes vulnerable and fall through the cracks include:

- Previous employer checks « Employee education and supervisor training « Proper management of random drug testing
- Post accident testing criteria
- Dealing with positive tests and refusals to test
- Recordkeeping as required by DOT and related DOT agencies

Additional best practices for DOT drug testing programs:

- Know the regulations for the services you are providing
- If you are new to the business, start with FMCSA
- When serving FTA clients, attend annual FTA drug and alcohol testing training
- Verify all specimen collectors are DOT qualified
- Best Practices for non-DOT Testing
- Know what rules apply for the employer and where they operate
- Know what panels you are testing for and what panels will accomplish the needs of the employer
- Review with the employer their official position on medical and recreational marijuana

- MRO review of all results—defensible result with all results reported equally and stored in one database
- Instant testing—is it allowed, are practices defensible? Is your confirmation process fair and equitable?

Operating a business as a TPA for drug and alcohol has many moving parts and can be fun and challenging. Something new can come along at any given time. Operating professionally and efficiently with best practices can help you to serve your clients well along with earning a fair profit as a business owner. Take the next step and take DATIAs online Advanced Drug Testing Management Course or the in-person Consortia/Third Party Administrator Best Practices Course. This high-level training will help you to achieve status as a business that is Nationally Accredited for Administration of Drug and Alcohol Testing programs.

Organizations that achieve NAADATP status are recognized for adhering to strict standards in areas of professional competency and conduct, procedural administration, confidentiality of records, testing administration and reporting, accountability, and client services. These organizations are recognized by potential clients and industry professionals as providing superior services in the field of drug and alcohol testing program management.



Joe Reilly entered the world of drug testing in 1993, he is well known throughout the industry and considered a leading 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 is currently again serving as a DATIA Board member and is also a Regional Certified Professional Collector Trainer (RCPCT) for DATIA and is available for DATIA CPC training in all areas of Florida. He is also active in assisting buyers and sellers in the drug testing industry, work through the merger and/or acquisition process and provides various other consulting and training services.