

# CareLine

December 1993

The Newsletter of Olsten Kimberly QualityCare

## One-on-One with the President: Bob Fusco Talks About Olsten Kimberly QualityCare

It's been a busy few months since the official merger between Olsten HealthCare and Kimberly Quality Care. Many questions have come up about the forthcoming changes and their effect on the business. *CareLine* asked Bob Fusco for the answers.

*C: What prompted Olsten to acquire Lifetime?*

BF: Initially we weren't even interested. Then we read several articles about how a California-based company had tried unsuccessfully to buy Lifetime. We looked at the numbers and said why not give it a shot? We realized it would make us the largest home health care company in North America. And with health care reform right around the corner, we needed to create a critical mass in a large geographic area to be competitive. Furthermore, Lifetime was a company in many ways complementary to our own.

*C: How long until the whole transition is completed?*

BF: It'll be about 18 to 24 months before we're completely done. The key will be for us to remain flexible. Never before in the home care industry has there been a merger of this size and complexity. We're really blazing new trails. I know it's slow going, but we're moving as fast as we can.

*C: How much overlap is there between the two companies? Will any offices close?*

BF: There are now 30 to 40 locations where we have offices operating at a

loss. In those cases the smaller office will be merged into the bigger one, so we can be more efficient in that market. One example is Atlanta, where Olsten HealthCare's \$1.5 million business is being merged into Kimberly Quality Care's \$20 million operation. But it goes both ways; sometimes it may be a Kimberly Quality Care office that's merged into Olsten. Elsewhere the process may take more time. Over the next three to six months we'll analyze each market. But employees should not assume that it's always a choice of one office or the other. We're looking for

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President Bob Fusco

## Home Care to Benefit from Clinton Reform Plan

As Olsten Kimberly QualityCare president Bob Fusco points out in this issue of *CareLine*, the American Health Security Act of 1993, recently presented to the U.S. Congress, was a driving force behind the merger of Olsten and Kimberly Quality Care. "Our larger size and critical mass gives us a competitive edge as the health care system evolves over the next few years."

The six basic principles of Clinton's health care reform plan—security, simplicity, savings, quality, choice, and responsibility—offer additional opportunities for Olsten to become the number-one provider of home health care

services. Looking at each one, the implications for the company are apparent.

**Security.** The President wants every American to have comprehensive health benefits that can never be taken away. For Olsten Kimberly QualityCare, it means increased coverage for home health care.

**Simplicity.** The President wants to reduce frustrating and wasteful paperwork for all Americans. For Olsten, it means a commitment to less bureaucracy and the opportunity to set an example.

**Savings.** The President wants to give

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## Reform Plan

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groups of consumers and small businesses the same buying clout as large employers. For Olsten Kimberly QualityCare, it means demonstrating to case managers, discharge planners, and other decision-makers who make up these new alliances that home care is usually less costly care.

**Quality.** The President wants to improve what is already the highest quality health care in the world. For Olsten it means reaffirming a commitment to training and accreditation, and to providing top-quality service. This principle is grounded in the company's history, name and in the "Excellence Through Olsten People" initiative.

**Choice.** The President wants to preserve a patient's right to choose the doctors and health plans of his/her choice. For Olsten, it means helping decision-makers make smart choices by positioning home health care as the quality alternative to institutionalized care.

**Responsibility.** The President asks

every employer and employee to contribute to the cost of health care, and asks Americans to be responsible for obtaining preventive care. For Olsten it means a responsibility to help decision-makers become more knowledgeable about the benefits of home health care.

### Home Health Care Coverage Expanded

Clinton's proposal calls for up to 60 days of home health care in lieu of inpatient hospital care; after the initial 60 days, coverage is reassessed. Medicare patients will continue to receive all current benefits, with expanding financial support for long-term care for disabled people of all ages. In 1996, Medicare patients will be covered for outpatient prescription drugs. Also included is up to 60 days of outpatient physical, occupational, and speech therapy to restore function or minimize problems resulting from illness or injury, with additional coverage if the patient is improving. Finally, the establishment of national standards will improve the quality of long-term care insurance, while tax preferences will

encourage its purchase.

Regardless of what the final package looks like, if it gets Congressional approval, Clinton's proposal has already had an impact on the health care industry. "People are acting now," said Fusco. "Everyone's is trying to buddy up with someone else. Alliances are already being created." He stressed that whatever the outcome, Olsten Kimberly QualityCare comes out a winner.

## What's in a Name?

If you think naming a baby is tough, imagine what goes into naming an international company. Olsten HealthCare's acquisition of Kimberly Quality Care posed a thorny set of problems when it came to deciding what to call the newly merged corporation. "There's a significant risk in changing the name of a company," said Tom Bang, senior vice president of Marketing & Sales. "It can unleash lots of ambiguity in the marketplace."

In devising a new name, Olsten first had to look closely at how to position the new company to important external groups. It meant considering the effect of a name change on case managers, discharge planners, managed care organizations, and the financial community. "We had to maintain a favorable identity among these very fragmented groups of decision-makers, so that they'd continue to feel comfortable with us," Bang said.

To make things even more complicated, this was a case of David purchasing Goliath. "When a \$400 million company buys a company worth \$800 million, we have a fiduciary responsibility to preserve the identity of the \$800 million entity," he added.

Several names were considered by a committee of seven managers from both the Health Care and Staffing sides of Olsten. Acting as consultant throughout the nearly three-month-long decision

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## Reform At A Glance

### Covered:

- Ambulance services
- Durable medical equipment, prosthetic, and orthotic devices
- Emergency services
- Health education classes
- Home health care and extended-care services
- Hospice care
- Hospital, doctor's services
- Lab tests, prescription drugs, biologicals
- Limited mental health care coverage
- Outpatient services, including diagnostic and rehabilitation services

- Pap tests, cholesterol screenings, mammograms
- Pregnancy-related services
- Preventive dental care and eyeglasses for children
- Vision and hearing care
- Well-baby care and immunizations

### Not covered initially:

- Adult dental care (may be covered in the year 2000)
- Cosmetic surgery
- Eyeglasses for adults
- Hearing aids

## Fusco

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ways to maintain each organization's market share. It may mean carving up a market geographically in order to preserve offices. We also want to keep our supplemental staffing offices autonomous. And remember, we didn't merge every Olsten and Upjohn operation when we acquired Upjohn HealthCare Services in 1990.

*C: How will the acquisition affect the sales force?*

BF: This is one area where we're definitely not scaling back. In fact, we'll be adding salespeople. We want to develop a highly focused and professional sales force that's even better than Olsten's and Kimberly Quality Care's were individually—because our goal is to increase our market share locally, regionally, and nationally.

*C: What kind of reaction have employees had to the acquisition?*

BF: Overall, they've been very optimistic and in favor of it. I've received many very complimentary phone calls. That's not to say there hasn't been some anxiety, especially in markets where there's overlap. Rest assured that Olsten senior management is confident things will only get better. After we resolve the field structure, I think a lot of anxiety will go away.

*C: What have you found to be the toughest part of this whole process?*

BF: Putting together the field organization. We're talking about people's lives and careers so it's tough—but necessary—to stay objective. That's why it takes so long.

*C: Are there any special areas with growth potential?*

BF: Yes. We have the potential to work with hospitals to form alliances whereby we manage their home care services. Hospitals have struggled to offer home care for years, and we have the expertise to help them do it. Whether the arrangement calls for a joint venture, management contract or exclusive referral situation, it's bound to be a win/win proposition.

*C: What are the benefits of the merger to employees and payors?*

BF: There are plenty. Over time, employees will find a more efficient company—one that offers increased opportunities for career advancement and development. We're streamlining operations and automating a lot of what we do. Soon we'll all have one standardized approach. Payors will find that we're even more customer service-oriented, more cost competitive, more efficient, and more broadly focused. We're truly positioned for the 90's—a decade that will be marked by health care reform and more cost-conscious decision-makers. Olsten and Kimberly Quality Care can finally stop competing with each other and instead concentrate on pulling away from the pack.



**Olsten  
Kimberly  
QualityCare™**

## Name

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process was the New York-based marketing and advertising agency, TA\_G, which has worked closely with Olsten in the past. Before settling on the new moniker, a variety of names were looked at, including keeping "Kimberly QualityCare" or "Olsten HealthCare," or the combination "Olsten QualityCare."

The word "quality" eventually won out over "health," as the new organization provides more than just home health care. "Our strategy continues to be a movement toward total quality management, and our new name reinforces that," emphasized Bang, noting that a long-range view is important. The committee ultimately decided that combining the two names was best.

Developing a new logo was also part of the job. By drawing on elements of both Kimberly Quality Care's and Olsten HealthCare's former logos, the familiar-looking yet new design will communicate continuity to decision-makers. The decision to use a graphic of three silhouetted individuals standing together was also deliberate, explained Bang. "Individually they represent the patient, the decision-maker, and Olsten Kimberly QualityCare. Together they represent teamwork."

So far reaction to the new name has been positive. Olsten chairman and CEO Frank Liguori and the Olsten Board of Directors approved the new name and logo "enthusiastically," according to Bang. Reaction from everyone else seems to be equally positive. "You know you picked the right name if people use it; clearly we picked the right name."

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CareLine is the official marketing newsletter of Olsten Kimberly QualityCare. Its purpose is to keep staff informed of news throughout the company, build understanding of company programs, and develop dialogue between Olsten field and corporate staffs.

CareLine is not for public distribution or reprinting.

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