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# Modern Medical catches Major League Baseball

Premium content from Business First by Carrie Ghose, Staff reporter

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If **Detroit Tigers** outfielder **Magglio Ordonez** needs a prescription after his season-ending broken ankle, he'll fill it using a drug card from a Central Ohio company.

Modern Medical Inc., which manages pharmacy programs and medical equipment orders for workers' compensation programs, has taken on the drug management portion for **Major League Baseball**. The contract includes the 30 MLB teams, about 180 minor-league clubs and non-player employees who get injured on the job.

"It's like taking on 250 employers," said **Tony Pasco**, Modern Medical's vice president of sales and marketing.

## Individualized attention

Lewis Center-based Modern Medical won the job from a handful of finalists because it could customize preferred drug lists and management to the club level, meeting preferences of owners and trainers.

"They seemed to be the most flexible," said **Anthony Avitabile**, MLB's director of industry risk management. "One-size-fits-all doesn't work for us."

Avitabile said the league office, rather than controlling individual clubs, serves them.

"Whenever we're rolling anything out across the board," he said, "it's going to be more difficult than a typical corporate-to-subsidary rollout."

The 25-year-old Modern Medical has larger clients, such as Seattle-based retailer **Nordstrom Inc.** and San Ramon, Calif.-based oil company **Chevron Corp.**, but few are flashier than Major League Baseball. Pasco hopes the complicated structure of the baseball deal will make other prospective clients reconsider the 100-employee company, which is hiring about five workers to accommodate the added work.

"They look at Modern Medical as a small company in Ohio and they don't think we can handle their business," he said.

Among Modern Medical's competitors is the 500-employee **Progressive Medical Inc.** in Westerville.

### **Managing the DL**

Major League Baseball started shifting its workers' compensation to a "loss-sensitive model" in 2002, Avitabile said. Because it operates in many states and Canada, it has a hybrid structure with some clubs that are self-insured – such as the **Cleveland Indians** – and others that buy into the MLB program in which their payments are related directly to claims, so there's a financial incentive to keep players off the DL.

The outside company managing the medical claims had used different pharmacy managers, but MLB decided to take it over directly, seeking bids last fall.

"We thought there were savings to be had," Avitabile said.

As a whole, baseball has lower drug costs per injury than other industries because teams are motivated to get players reactivated quickly. Each player gets a drug card, and pharmacies bill Modern Medical directly. It pays a negotiated rate, or the state's maximum price under workers' compensation laws, and takes a cut. The company does not disclose its annual revenue.

Modern Medical can customize preferred drug lists by trainer and team physician preference – some want herbal remedies, some eschew narcotics – and can review league-wide statistics to find patterns that could lead to savings, such as overuse of antibiotics, Pasco said. The biggest drug category, understandably, is non-steroid anti-inflammatory drugs, such as ibuprofen.

"It's a business. They're trying to make money, too," Pasco said. "Everybody's struggling out there."

Carrie Ghose covers health care and medicine, higher education, technology and business services for Business First.