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■ Oventus Medical's pivot to telehealth has allowed the company to continue growth during the pandemic, says CEO Chris Hart. **See page 16.**



■ **Product Spotlight:** Check out the latest in respiratory therapy products like the Invacare Platinum 10L Oxygen Concentrator. **See page 14.**



■ Now that reimbursement rates have stabilized, do you plan to make investments in your business in 2021? **See results on page 19.**

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HME NEWS

THE BUSINESS NEWSPAPER FOR HOME MEDICAL EQUIPMENT PROVIDERS

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COMMENTARY



■ There is no other type of disease where "person-centered" care is more crucial than dementia. But how does a caregiver achieve it? Cloud Conrad has written a book that is a good resource for your caregiver customers. **PAGE 6**

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Will Round 2021 crack 'bedrock' of O&P care?

'My big concern is truly that there will be no qualified provider that is involved in the process'

BY THERESA FLAHERTY, Managing Editor

WASHINGTON - The majority of competitive bidding contracts for off-the-shelf back braces in Round 2021 went to less than two-dozen companies, including a few that

haven't traditionally provided them direct to consumer.

Companies with contracts include Hangar, a national provider of O&P; Medline, a distributor; and Breg, a manufacturer, which all won contracts

nationally. Other contracts went to regional providers, like Wright & Filippis, which won a contract for Michigan.

"Generally, this was a 'cover a region' or the entire U.S. attempt by the bigger players, which

O&P SEE PAGE 18

CRT update Medicaid worries, legislative hopes

BY LIZ BEAULIEU, Editor

STATE MEDICAID programs in November were keeping a close watch on the severity of COVID-19 pandemic and the progress of relief-related packages in Congress as they made their budget plans for 2021, says Don Clayback.

That's the takeaway that Clayback, the executive director of NCART, had after attending the virtual meeting of the National Association of Medicaid Directors in early November.

"With all of the COVID-19 expenses going on, along with the drop in revenues at the state level, the risk of state Medicaid cuts is significant," he said during a Nov. 12 webcast.

NAMD represents the leaders of state Medicaid programs across the country. Its mission:

COMPLEX REHAB SEE PAGE 11



Almost famous

The star of Quantum Rehab's new commercial is 20-year-old Bryson Foster, a brand ambassador for the company. See brief page 17.

rtNow connects dots with new HME On-Call

BY LIZ BEAULIEU, Editor

MINNEAPOLIS - rtNOW, which has offered tele-respiratory solutions to hospitals since 2016, has now launched HME On-Call to help HME providers better manage RT shortages that have only intensified during the COVID-19 pandemic.

With HME On-Call, providers can outsource everything from after-hours staffing to equipment setup on a per-call basis, plus an initial implementation fee.

"We're seeing an incredible amount of RT burnout," said Justin Hawley, chief communications officer for rtNow. "With HME companies, in particular, we try to provide a pressure-



Curt Merriman



Justin Hawley

release valve, so they don't have RTs up and leaving. It's a real fear."

In addition to tele-respiratory, rtNow also offers more than 1,100 "boots on the ground" to providers across the country through its parent company, CORE Staffing.

Right now, rtNOW has two customers for HME On-Call: a

HME ON-CALL SEE PAGE 17

DEAL OF THE YEAR

Adapt buys AeroCare for \$2B

BY THERESA FLAHERTY, Managing Editor

PLYMOUTH MEETING, Pa. - After operating on parallel acquisition tracks for the past few years, AdaptHealth will acquire AeroCare Holdings for \$1.1 billion in cash and 31 million shares, for a total purchase price of about \$2 billion, in the biggest deal in HME in years.



Luke McGee

Both companies have made acquisitions a cornerstone of their growth plans: Since 2017, AdaptHealth has closed 64 transactions; AeroCare has closed 50. Since its inception, AeroCare has closed a total of 155 transactions, building a presence spanning 300 locations across 30 states.

The timing was right to combine the two companies, says Luke McGee, CEO of AdaptHealth.

"We watched what they've built over the last seven years and had off-and-on conversations," he said. "Rates have stabilized on the horizon, with competitive bidding postponed. The combined company will maintain a long-term strategy of delivering connected health

BIG DEAL SEE PAGE 18



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■ Stakeholders gear up to educate freshmen lawmakers on DMEPOS, says VGM's John Gallagher. See story this page.

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BRIEFS

AAHomecare asks feds to prioritize DMEPOS suppliers for vaccine

WASHINGTON - AAHomecare is asking government officials to include DMEPOS suppliers in the first group of health care professionals to get vaccinated for COVID-19. In letters to officials at the Department of Health and Human Services and leadership at Operation Warp Speed, AAHomecare stressed the close contact that suppliers have with patients in home-based settings and highlighted the important role the industry plays in meeting the challenges posed by the pandemic.

OMHA reduces ALJ backlog

WASHINGTON - The Office of Medicare Hearings and Appeals is back to operating at full capacity and is making its way through a backlog of appeals at the Administrative Law Judge level, AAHomecare reports. As of Oct. 31, 2020, there are about 85,000 DMEPOS appeals pending at the ALJ, a decrease of 51% compared to nearly 173,000 in 2019. OMHA also reported that the average wait time for an ALJ hearing is still four years, but it believes that should decrease as judges work their way through the backlog.

Do you know your financial score?

WASHINGTON - HME providers that submitted bids for Round 2021 of competitive bidding now have the ability to view their financial score in Connexion. As part of the bid process, the competitive bidding implementation contractor evaluated a bidder's financial health by reviewing financial documents and calculating a financial score. The financial score is available to all bidders, even those that bid on the 13 product categories that were recently removed from the bid program. AAHomecare encourages providers to review their financial score to see how they performed during the bid process. "The financial score will also be helpful for bidders in submitting bids in future rounds," the association wrote in a recent bulletin.

Virginia budget passes with DME amendment

RICHMOND, Va. - Virginia Gov. Ralph Northam has signed into law a state budget that includes an amendment requiring Medicaid managed care organization to reimburse at no less than 90% of the state Medicaid fee schedule for DME. The Atlantic Coast Medical Equipment Services Association, VGM and AAHomecare worked on the effort for more than year. "Virginia providers stepped up to the plate when called upon to get the job done which is an illustration of the power of a state association at work," said Beth Bowen, ACMESA executive director. "What a great win for Virginia's DME community and the patients they serve." It's the latest win for providers across the country working to stabilize Medicaid rates, says David Chandler, director of payer relations for AAHomecare.

Stakeholders stay busy as year ends

Sequestration, budget neutrality, relationship building all on agenda

BY THERESA FLAHERTY, Managing Editor

WASHINGTON - At press time in December, stakeholders were making a final push to get H.R. 8158 included in an omnibus package that must pass before Congress convenes.

The bill, spearheaded by Reps. Cathy McMorris Rodgers, R-Wash., and Dave Loebsack, D-Iowa, would remove the budget neutrality requirement for home oxygen therapy in rural areas.

"We're doing our best to convince the committees of jurisdiction that this make sense and we are hearing good things about it," said Tom Ryan, president and CEO of AAHomecare.

In September, H.R. 8158 was approved by



Tom Ryan

the House Energy & Commerce Committee.

AAHomecare also joined a coalition of major medical groups, including the American Medical Association, asking Congress to extend the moratorium on the 2% Medicare sequestration cuts through the end of the COVID-19 public health emergency. They were set to expire at the end of the year.

"Republicans in the Senate had questions," said Ryan. "We are doing a focused grassroots effort so they understand how the cost of

AGENDA SEE PAGE 4

Round 2021: Providers vent, ponder their next moves

BY T. FLAHERTY, Managing Editor

INDUSTRY REACTIONS to CMS's plans not to move forward with the bulk of the competitive bidding program were a mixed bag, but a number of respondents to a recent HME Newspoll say they were disappointed that the agency plays by a "different set of rules."

In October, CMS announced that it had dropped 13 product categories

from Round 2021 because they did not achieve "expected savings."

"It did not impact us too much, except we were upset that CMS plays by a different set of rules when the bid would probably have paid out better for the suppliers," wrote one respondent.

"How does this work? They want their cake and eat it, too? Meanwhile, we as suppliers are struggling to keep

up with cost when setting up Medicare patients."

Round 2021 was the first round of bidding under a modified program that included lead-item pricing and other changes to make the process fairer.

For providers who had hoped to see a return to more sustainable reimbursement rates, it was a major blow.

"I had really hoped that this would be the round where we would see rates increase, which would have had a ripple effect across other payers, so

NEWSPOLL SEE PAGE 4



CMS softens safe harbors, exceptions

BY LIZ BEAULIEU, Editor

AMARILLO, Texas - CMS's recent reforms to the Anti-Kickback Statute and the Stark Law will benefit HME providers, but "not a whole lot," says healthcare attorney Jeff Baird.

The agency in late November published two final rules, culminating a years-long process of modernizing regulations to better support coordinated and value-based care, but they mostly impact physicians



Jeff Baird

and hospitals.

Baird, chairman of the Health Care Group at Brown & Fortunato, drilled down to how the reforms impact HME providers, specifically.

ANTI-KICKBACK STATUTE

One new safe harbor under the Anti-Kickback Statute that will impact HME providers is the

"care coordination" safe harbor, which now allows providers to receive or provide something of value to another provider without violating the Anti-Kickback Statute, if certain conditions are met, Baird says.

Other safe harbors that will impact HME providers, he says: the "cybersecurity" safe harbor, which now allows providers to donate certain technology and services "that are necessary" to referral sources; and the "personal services and

management contract" safe harbor, which now allows providers to set a methodology, but not necessarily a specific compensation, for contracts in advance.

"We've had this confluence of forces coming together, where value-based care, for that to be successful, providers have to work together," Baird said. "So you have value-based care pushing providers to work together, but at the

STARK LAW SEE PAGE 18

Mal Mixon: Master class in leadership

BY LIZ BEAULIEU, Editor

ELYRIA, Ohio - Mal Mixon, who passed away on Nov. 30 at the age of 80, will be remembered by many as the "face of HME" for guiding Invacare and, in many ways, the industry at large for more than three decades.



Mal Mixon

Mixon will be remembered for numerous contributions to the industry, but those who worked with him say his most significant contribution was a leadership style that helped to grow Invacare from \$19 million in revenues and 300 employees in 1979, when he led a leveraged buyout of the company, to more than \$1.4 billion in revenues and 6,000 employees at its peak.

"First and foremost, there was no better salesman," said Doug Harper, who worked at Invacare for 10 years. "He would do anything for the customer. If a customer was complimentary of a sales rep, the sales rep would get a call immediately."

While at Invacare, Mixon was infamous for tagging along on sales trips to visit Invacare's customers, covering the better part of the country over the course of any given year.

"He thought business was fun," said Cara Bachenheimer, who worked at Invacare for 13 years. "It wasn't work and a big reason why was the customers. The thing that amazed me was how he traveled with his sales force, visiting with customers one-on-one, getting to know their businesses."

Joel Marx, chairman of Medical Service Company, a provider based in Cleveland, remembers being a recipient of those

MAL MIXON SEE PAGE 5

Medtrade gets a new captain

BY TRACY ORZEL, Contributing Writer

ATLANTA - York Schwab has taken over the helm as Medtrade's new show director, replacing Mark Lind. HME News spoke to Schwab, who was previously the show's account executive for the likes of Pride Mobility and VGM, about

the future of Medtrade and what he brings to the table.

HME NEWS: What have you learned during your four years as an account executive?

York Schwab: That you have to provide an experience that's worthwhile for everyone. I've worked with large and very small,

single-owner companies, and they come to the show for the community, but they also come to grow their businesses.

HME: How did this year's virtual Medtrade go?

Schwab: The sessions have been viewed well over 1,000 times and several of the sessions had dou-

ble the amount of views that you would get in an in-person event, so the ability to cast a wider net is showing some real potential.

HME: How might Medtrade change in future?

Schwab: In-person is clearly our way forward, but I do think we're going to have to really examine providing that content in a way that everyone can access if they're not comfortable traveling or for budgetary reasons, but they still

want the most up-to-date information. I think it's something we'll certainly look in to.

HME: How will you put your mark on the shows?

Schwab: I think I bring a different perspective, having worked so closely with exhibitors over the last four years. I'm looking at it a little differently than maybe some people from the past. I think I'm going to bring a perspective of, driving the show in ways that benefit our exhibitors, but also the people coming to the show. My goal is for everyone to win. **HME**

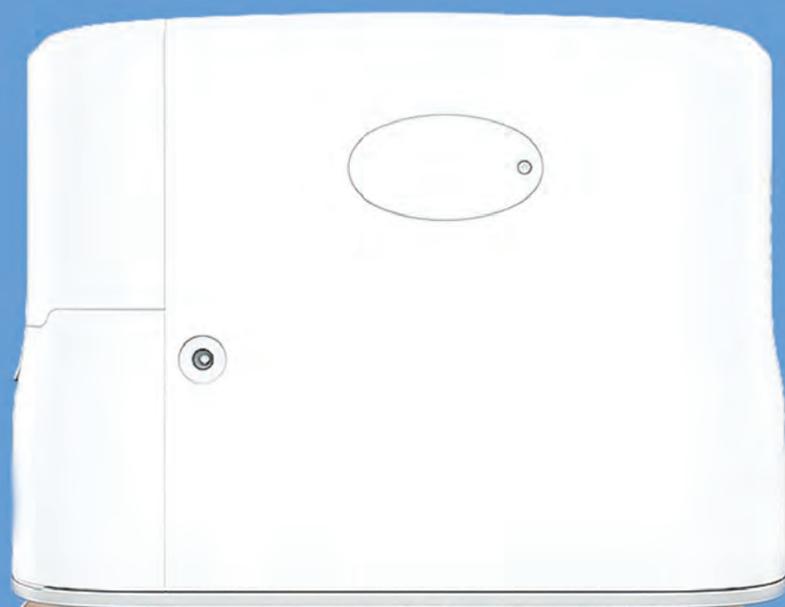


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NEWSPOLL

CONTINUED FROM PAGE 3

many of which have rates tied to Medicare," wrote one respondent.

Looking forward, respondents were evenly split on whether the announcement would have an impact on their strategic plans for 2021. With bid contracts off the table, some are deciding whether they want to stay in the Medicare business.

"We had categories that we were planning on exiting in competitive bid areas, if we did not receive bids," wrote one respondent. "Now we are reassessing what we are going to do in those categories. It also solidifies our shift away from competitive bid areas and toward rural areas."

At the end of the day, it's access to HME that will continue to suffer, say respondents.

"All the money spent on this program, all they did was limit access for beneficiaries," wrote one respondent. "We field calls all the time with beneficiaries at their wit's end." **HME**

AGENDA

CONTINUED FROM PAGE 3

doing business has increased. Now is not the time to take money away."

Stakeholders have also begun to look ahead to January when more than 60 new members of Congress take their seats.

"We'll have to get in there and educate them on the DMEPOS world before CMS does," said John Gallagher, vice president of government relations for VGM.

Committee assignments are also being shuffled, with industry champion McMorris Rodgers becoming the ranking chair on the Energy and Commerce Committee and Sen. Mike Crapo, R-Idaho, replacing Sen. Chuck Grassley, R-Iowa, as chair of the Senate Finance Committee.

"We've got a good relationship with his office," said Gallagher. **HME**

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MAL MIXON

CONTINUED FROM PAGE 3

visits in the early days, when Mixon was still familiarizing himself with the industry.

“When he bought the company, he lived only a couple of miles from my office, and he would stop in and say, ‘I have this wheelchair and I want to sell it to you,’” he said. “That’s how he learned the industry and made friends in the industry. And the thing is, he was a sales guy to the end – always out front, never behind a desk.”

Mixon’s leadership style also meant having the same attention to detail with his employees.

“He was the same Mal when he walked through the factory, talking to people there, as he was when he met the president of the United States, a U.S. senator or a governor,” said Lou Slangen, who worked closely with Mixon for 26 years at Invacare. “He never pretended to be anyone other than who he was.”

Another component of Mixon’s leadership style, those who worked with him say, was his emphasis on advocacy. Bachheimer remembers his close relationship with former U.S. Sen. George Voinovich, R-Ohio, for example, and how that relationship helped to play a role in implementing a 36-month instead of an 18-month cap on reimbursement for home oxygen therapy in 2009.

“No one had known about the move to a cap – it was one of those, let’s do it late at night things,” she said. “Sen. Voinovich called Mal and he told Mal, ‘I wouldn’t leave until they promised to get it up to 36 months.’ Mal was one of the first to understand how important it was to be neck-deep in what was going on in D.C.”

Mixon’s leadership style also involved giving back – he was generous with both his time and money. Stuart Cohen, who has worked at Invacare since 1999, remembers Mixon traveling for the day to Kentucky, just to speak at a state association meeting, and his early support of the National Veterans Wheelchair Games. Invacare has been a major sponsor of the games since their inception in 1981.

“He was passionate about supporting veterans,” said Cohen, senior national sales manager for the government channel at Invacare. “When I would tell him, ‘I went to a VA hospital and helped a vet get a chair,’ he would just light up. Knowing that our products were helping veterans be independent and participate in sports – he’d never say no to that.” **HME**

Gov’t takes down scheme involving kickbacks

NEWARK, N.J. - The owner of a group of DME companies has admitted his role in a conspiracy to pay kickbacks in exchange for DME, the U.S. Attorney’s Office for the District of New Jersey has announced.

Albert Davydov, 28, of Rego

Park, N.Y., has pled guilty by videoconference before a U.S. district judge to an indictment charging him with conspiring to violate the Anti-Kickback statute.

Davydov, the owner of nine DME companies, participated in a scheme to pay kickbacks in

exchange for orders from doctors for medical unnecessary orthotic braces.

Once Davydov and his conspirators received the completed orders, they billed Medicare and other federal and private health care benefit programs for the

braces. Davydov concealed his ownership of the DME companies by falsely reporting to Medicare that various straw owners owned the companies.

As part of his plea agreement, Davydov has agreed to pay back more than \$16 million. **HME**



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Prial's prediction

SHELLY PRIAL will be remembered for a number of things, including being the “show ambassador” for Medtrade. I’ll remember him for his bow ties – and his passion for telehealth. When he was still with us, I fielded calls from Prial, sometimes weekly, about how telehealth was the wave of the future and how HME providers needed to carve out a niche for themselves in this new market.

This is from a Q&A we did with Prial way back in 2006:

HME News: Where can HME providers find opportunity in telemedicine?

Shelly Prial: The market is a big cherry waiting to be plucked. HME providers are in a perfect position to be the purveyor of telemedicine equipment. They sit in the center of the health care network between the manufacturers, medical professionals and patients. They know which patients have COPD, CHF and diabetes; they know the family, the caregivers, home health nurses and physicians. The idea is to lease the equipment from the manufacturer and furnish it to the medical professionals who use the equipment.

At the time, Prial predicted there would be “established relations” between HME providers and manufacturers of telehealth equipment in six months to one year, but that never really happened.

There were too many questions in the minds of providers, the biggest one being, how am I going to get paid for this? Plus, this was before Medicare’s competitive bidding program wreaked havoc on the industry, when the business models that providers had were working just fine,



LIZ BEAULIEU

thank you very much.

I’ve been thinking about Prial’s passion for telehealth again in recent months, since the COVID-19 pandemic thrust the technology to the forefront of health care.

Much of the expansion of telehealth during the pandemic more directly impacts physicians, but it also indirectly impacts providers.

The more telehealth has freed up physicians to continue “seeing” patients, and therefore prescribing them treatment, the more providers have seen their referral streams return.

But it’s not just that – Prial wouldn’t have been happy with just that.

We’re also seeing arrangements starting to take shape that are similar to what

Prial predicted 14 years ago. Take Verustat, a new company that pays providers management fees for introducing their company and their remote patient monitoring solution to physicians, and helping the company facilitate those relationships. Or rtNow’s new service, HME On-Call, that remotely sets up equipment like oxygen concentrators and CPAP devices on behalf of their provider customers.

I’m not the only one who has been thinking about Prial. Provider Doug Crana emailed me a short note recently: “I don’t know if you remember Shelly Prial. He was an important advocate of the DME industry in the past. I think it is worth noting that HME News did an article about Shelly back in 2006. He had the foresight that telemedicine would one day be a reality.”

And here we are, Shelly, finally! **HME**



RESOURCE FOR YOUR CUSTOMERS

A caregiver compass for dementia

MERCIFULLY, THE concept of “person-centered” care is gaining momentum in the unique realm of caregiving for those with dementia. All life-threatening diseases assault the ill physically, and many exact emotional tolls, as well. But no other type of disease taxes relationships as powerfully as Alzheimer’s and other dementias.

There is no other type of disease wherein “person-centered” care is more crucial. But what does it mean, and how does a dementia caregiver achieve it? I developed the “Dementia Caregiver Compass” to help dementia caregivers navigate their way in the pursuit of person-centered care.

A directional compass helps us reach a defined destination successfully and efficiently. The “Dementia Caregiver Compass” helps caregivers find their orientation and maintain their course, even when the destination falls out of view.

Just as a field compass has four main points, so does the “Dementia Caregiver Compass.” The corresponding initials are the same (N-E-W-S), helping to keep the points in focus at

all times.

NEEDS: As humans, we are bound by five universal, essential needs to both survive and thrive. Safety and sustenance are basic needs. To belong, to feel valued, and to have purpose are more complex, emotionally-based needs. None of these needs will diminish with age or with dementia.

EMOTIONS: All needs have emotions associated with them. When our needs are met, we experience happy emotions – comfort, satisfaction, joy. But if left unfulfilled, negative emotions surface. Unmet needs produce feelings of distress, fear, abandonment, hopelessness and uselessness.

WILL: Instincts drive humans to meet our needs autonomously. But will alone is not enough. One must have power and ability, as well. But with dementia, power and ability decline, creating uncertainty that the need will be met. When will, power and ability become imbalanced, situations can quickly



CLOUD CONRAD

escalate.

SYMPTOMS: Without power and ability, will invites the symptoms that cause these escalations. The person living with dementia depends on caregivers to fulfill the unmet needs, yet over time he or she is less and less capable of communicating needs to caregivers. If not fulfilled, the unmet need will trigger escalations.

Symptom-related behaviors reflect the limited and shrinking options available to the person with dementia as he or she seeks need fulfillment. When caregivers distinguish symptom-related behaviors from personality-driven behaviors, it becomes so much easier to focus on the need, not the symptom.

Apply the “Dementia Caregiver Compass” as a valuable tool to overcome the escalation of symptom-driven behavior we know as “sun downing” – a common occurrence in the late afternoon or early evening (hence the name).

When sun downing occurs, what **NEEDS**

COMPASS SEE NEXT PAGE

HME News

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LEADERSHIP



Understand the signs

BY SARAH HANNA

Q. How do I combat burnout and stay motivated after experiencing the challenges of 2020?

A. During stressful and uncertain times, burnout in the workplace hits an all-time high. Understanding burnout and steps to move

through it is key to improving your motivation. First let's identify some common signs of burnout: reduced efficiency and energy; increased errors and frustration; suspiciousness; fatigue and headaches; more time spent working with less being accomplished.

Moving from burnout to engagement begins with self-care. Develop a healthy eating regimen. Get a minimum of eight hours of sleep per night. Exercise. Take a walk and get some fresh air. Take some time off if you are experiencing impairment.

After taking steps to improve your self-care, focus on work strategies that help you

become more inspired. Find ways to rediscover your purpose in your career. Why do you do what you do? Be a mentor to others in the organization. Like the saying goes, "It's better to give than receive." Giving to others provides a sense of purpose and meaning in your work, as well as making you feel good. Simple acts of kindness make big strides in improving your attitude. Manage your time and set priorities on your "To Do" list. Gaining a sense of control helps you to feel accomplished rather than overwhelmed. Educate yourself on stress management. Refer to books, podcasts, and people who you see

and admire who handle stress in a manner you admire. You will be surprised how individuals are willing to share and help.

Acknowledging and understanding the signs of burnout, while intentionally making and sticking to a plan to help your situation, will increase your success in overcoming the feeling of stress, and open the door to being happier and motivated as you kick off 2021. **HME**

Sarah Hanna is CEO of ECS North. Reach her at sarahanna@ecsbillingnorth.com, 419-448-5332 ext. 102.

M&A



Assess your timing

BY SAMANTHA LINCOLN

Q. Is the timing right to sell my business?

A. This question sparked my interest because on the night of Dec. 21, 2020, the winter solstice, Jupiter and Saturn will form the "Great Conjunction." They will be in alignment closer together – just 0.1 degree apart – than they have been in nearly 800 years. (They align

every 20 years or so, but this is the closest.)

Only you and your adviser can assess your specific timing, but several "planets" are definitely aligned right now to make for good timing in 2021.

HUNGRY EQUITY

There is more than \$150 billion of private equity dollars on the sidelines – record levels – that need to be put to work. Where many sectors have suffered this year, home care has not. It has become an attractive target for new platform companies and add-ons, driving up both activity and valuations.

CHEAP DEBT

Buyers of any stripe leverage debt capital for

acquisitions, and the cost of debt capital is cheap relative to historical rates in both the public and private markets. Companies are eager to take advantage through acquisition, the fastest route to scale.

ACTIVE STRATEGICS

M&A activity in many home care sub-sectors continues to have a record year, as national and regional operators are actively consolidating still fragmented markets.

TAX-INCENTED SELLERS

Many sellers seek to affect a deal before any (potential) tax legislation affects long-term capital gains rates. The overall activity volume is creating an active market with multiple

offers, and greater comfort around achieving a full and fair market "clearing" price. So where is my particular planet in this alignment? Consider your business growth, stability and profitability; any specific headwinds or tailwinds; and your personal objectives from a transaction. In this frothy market, any personal objective can be accommodated, from full cash-out to earn-outs, partial exit with growth capital (representing two bites at the apple), and everything in between. **HME**

Samantha Lincoln is a managing director at Paragon Ventures. Reach her at 415-786-8153 or slincoln@paragonventures.com.

RESUPPLY PROGRAMS



Measure it to manage it

BY MARK BOARDMAN

Q. How well is my CPAP compliance and resupply program performing compared to other HME providers?

A. Perhaps one of the more useful statements pertaining to business excellence is, "If it can't be measured, it can't be managed." Applying this to key aspects of our businesses is critical if growth and improvement objectives are going to be achieved. If a business goal or objective is to become a leader in CPAP compliance and resupply, it is essential to know industry benchmarks to develop and implement a strategy to become a top performer.

BENCHMARKS

The metrics most commonly used include patient compliance, patient connection rates,

patient conversion rates, patient orders per year, and patient retention. Each of these components is necessary to measure and manage if your goal is to establish a top-performing program.

ANALYSIS

An analysis of your compliance and resupply program should be completed. This analysis will reveal to you what areas are underperforming compared to other leading programs. It will also begin to provide what is needed strategically to develop a top-performing program. Most importantly, and what we find to be most exciting when we do an analysis for an HME provider, is determining program ROI. Most are pleasantly surprised how much their resupply revenue will increase by implementing a plan that takes them to top-performing status. **HME**

Mark Boardman is the CEO of Sleep Coaches, experts in CPAP program management. You can reach him at mark@sleepcoaches.com or 612-384-5973.

ties appropriate to his or her level of ability. Even simple acts like drying dishes or sorting out the button box, although boring for caregivers, may be quite rewarding for a person with dementia – boosting a sense of drive, accomplishment, and/or contribution.

Once essential physical and emotional needs are met, symptom-related behaviors will subside. Using "The Compass" will help dementia caregivers navigate toward the calm, comfort and confidence you both experience when the person in your care endures no unmet needs.

Learn how to apply the "Dementia Caregiver Compass" to a broad variety of situations in caregiving, along with many other tools and techniques for dementia caregivers, in my new book, "The Dementia Field Guide." Visit newstreetcompass.com/caregiver-manual for more information. **HME**

Cloud Conrad is a dementia caregiver trainer, mentor, speak and author.

COMPASS

CONTINUED FROM PREVIOUS PAGE

may be unmet? In the late afternoon, unmet physical needs are not unusual. Several hours after lunch and several hours into the day, a person with dementia may be both hungry and tired, creating negative EMOTIONS (being "hangry" is a signal of unmet basic needs.) A nap or a snack is an easy solution.

The constant battle to accommodate a WILL unsupported by power and ability grows old by late afternoon. Unmet emotional needs are laid bare, atop the person's hunger and/or exhaustion. SYMPTOMS may include verbal or physical outbursts. Being attentive to the higher order needs also helps minimize sun downing. Has the person in your care engaged in meaningful activity today? Does your person feel isolated, literally or figuratively, by dementia? Has he or she lost a sense of feeling valued? Reverse escalations in sun downing by meeting these needs through daily physical and social activi-



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FINANCIAL RESULTS

Great Elm experiences growth, offset by declines

New setups have not yet rebounded to pre-COVID levels

BY THERESA FLAHERTY, Managing Editor

WALTHAM, Mass. - Great Elm DME gained momentum during its first fiscal quarter 2021, but it hasn't yet rebounded to pre-COVID levels, company execs said on a recent earnings call.

The company reported net revenue of \$14.6 million, an increase of 10.4% year-over-year and 5% sequentially.

While Great Elm saw "strong" growth in CPAP resupplies, that growth was offset by a decline of 24.7% year over year in new patient setups and only an increase of 2.8% sequentially, said CEO Peter Reed.

"During the quarter, physician referrals in new setups were periodically disrupted," he said.

"They have not yet rebounded to pre-COVID levels."

Looking ahead, the company is focused on increasing its DME revenues, both through organic growth and through acquisitions, and advancing its margins, while also reducing corporate overhead, said Reed.

"(Great Elm's) DME (business) has resumed its search for attractive add-on acquisitions," he said. "It is looking for complementary product lines in our existing or tangential geographic markets."

Also from the call:

Great Elm reported a net loss for DME of \$500,000 vs. \$800,000 year over year, and an adjusted EBITDA of \$2.8 million vs. \$3 million year over year.

The company is also focused on exploring ways to lower the DME division's cost of capital and obtaining additional funds for potential future acquisitions. **HME**

Steve Griggs on next steps: Integration, improvement

BY THERESA FLAHERTY, Managing Editor

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Griggs credits the company's employees and its willingness to embrace technology for his success.

"Any company that has success has to have great employees



Steve Griggs

and fortunately, over the years we've been able to attract and keep fantastic employees," he said. "Reimbursement cuts come and it's tough but that's when you have to double down on employees and technology."

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STEVE GRIGGS SEE NEXT PAGE

Hospice Source bulks up in Calif.

BY TRACY ORZEL, Contributing Writer

CARROLLTON, Texas - Hospice Source has deepened its presence in the California hospice market with the acquisition of Marinez, Calif.-based Superior Healthcare.

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full-service DME to hospice providers from its 62 locations in 13 states.

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J. Gundersen

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HME NEWS: Many providers, including HME, are in the home already. How does that improve the patient experience?

Dr. Jasen Gundersen: Those providers that are already working in the home understand the nuances—you are in someone's home—and how to work in those environments. You get (information) that you can't gather in an office. Seeing someone doing physical therapy and walking around their home rather than in a controlled environment—they are able to respond (to that). We are seeing more and more evidence on how much of a factor social determinants play.

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HME: Is reimbursement catching up?

CARECENTRIX SEE NEXT PAGE

BRIEFS

Sullivan Health buys Progress Mobility

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STEVE GRIGGS

CONTINUED FROM PREVIOUS PAGE

the benefit of joining them and accessing those resources.

HME: What are some immediate tasks on your to-do list?

Griggs: The next steps are integrating the technology—taking the best of what they did and the best of what we did and combining that. Improving the 500-plus HME locations—that will be our task.

HME: Do you think the HME industry is adopting technology at a more rapid pace?

Griggs: There's no question the business has changed significantly. It's incredible what's happened and it's all around technology. The advances create efficiencies that allow us to take care of more patients. Patients want it, referrals, payers—everybody wants it.

HME: The industry has weathered a turbulent few years. Is the future brighter?

Griggs: We were poised even with the bidding program for a more reasonable and stable reimbursement system after the dramatic stuff in 2016 and before. With this delay of bidding until at least 2024, everybody now can concentrate on improving their business.

HME: Your relationship with AdaptHealth grew through your participation in industry associations and meetings. Why is it so important to participate?

Griggs: We are proud members of both AAH and VGM. I think everybody in the business should be participating in at least one, as well as their state organization, so they get their message out there and their voice heard that somebody is taking care of patients. We've certainly done it during the pandemic, but there are also natural disasters every year and the home care industry comes to the forefront and helps. Those stories need to get out. **HME**

HOSPICE

CONTINUED FROM PREVIOUS PAGE

Source gives its partners a leg up is through its HMS software, which offers consolidated billing, real-time visibility into utilizations and centralized ordering, but that's not the core of its business.

"We call it every patient, every time," said Hooten. "Quality has to be paramount because as a DME provider we're not caring for patients, but we're very much an ambassador of the hospice."

When it comes to further expansion, it's all about timing and like-minded values.

"We certainly want to grow and if that comes organically great, if that comes through acquisitions great, but there's nothing on the horizon so far," said Hooten. **HME**

CARECENTRIX

CONTINUED FROM PREVIOUS PAGE

Gundersen: It's in development across the board. If you look at the payer side, 95% of payers say it's more cost-effective than treatment in long-term care facilities. COVID quickly moved that. How we land on that longer term—we need to see it play out over the next few years to figure out what is the optimal reimbursement. **HME**

AdaptHealth looks to raise \$500M

PLYMOUTH MEETING, Pa. - AdaptHealth has launched a \$500 million offering of aggregate principal amount of senior notes due 2029.

The gross proceeds from the offering will be deposited into a segregated escrow account pending completion of the company's previously announced acquisition of AeroCare Holdings. At the closing

of the acquisition, the net proceeds from the offering will be released from escrow and, together with term loan borrowings and cash on hand, will be used to finance the cash portion of the consideration for the AeroCare acquisition.

The gross proceeds from the offering will replace the outstanding bridge commitment in place

with Jefferies Finance.

The AeroCare acquisition is expected to close in the first quarter of 2021. If it's not completed by May 31, the issuer will be required to redeem the senior notes at a redemption price equal to 100% of the principal amount of the senior notes, plus accrued and unpaid interest. **HME**



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- **Christian Carloni**
President, Trust Care

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RESNA

DiGiovine readies to 'guide ship'

BY TRACY ORZEL, Contributing Writer

RESNA HAS spoken and Carmen DiGiovine, PhD, ATP/SMS, RET, has been named its new president-elect. HME News spoke to DiGiovine, who will serve two years as president-elect before becoming president, about what kind of leader he will be and how many paths there are to specializing in rehab engineering.

HME News: What sparked your interest in rehab engineering?

Carmen DiGiovine: When I went into engineering, I didn't know which field I wanted



C. DiGiovine

to go into exactly and I got connected with the wheelchair racing team at the University of Illinois. I was doing an engineering project for them and thought, hey this rehab engineering stuff seems to be pretty cool. It puts together people and technology, and I like that.

HME: What do you see as your role as president-elect?

DiGiovine: I feel like my role is to listen these first two years. And then moving forward, it's to take a look at what members want and to guide the ship. As president, you may want a lot of change and you may want to do it yourself, but really the best way to get things done is to listen to what everybody wants to do in the organization and then figure out a way to be strategic about it.

HME: You're an associate professor at Ohio State University. What are your thoughts on the next generations of ATPs and SMSs?

DIGIOVINE SEE NEXT PAGE

VGM Live at Home tries to standardize home access

Members of new program all have at least one master certified environmental access consultant

BY LIZ BEAULIEU, Editor

WATERLOO, Iowa - VGM Live at Home has developed a select member program to help standardize the process of connecting home access companies with insurers and other organizations.

The program provides insurers and other organizations with home access companies that all provide a certain set of services and that all have at least one master certified environmental access consultant on staff.

"In talking with our members, one of the things that became clear to us was, when you look at home access companies, they're all doing different things," said Jim Grestorex, vice president of VGM Live at Home. "It's hard for (insurers and other organizations) to wrap their heads around that."

Right now, there are about 35 home access companies in the VGM Live at Home select



Jim Grestorex

member program, with more expected.

The set of services provided – each with its own certification – are residential ramps, stairway lifts, vertical platform lifts, grab bars and handrails, bath remodel products, and transfer products.

"These companies may provide other services, but we know they all provide these services," Grestorex said. "It gives us a platform that we can then promote nationally."

VGM Live at Home has secured contracts for companies in the program with the National Association of Rural Letter Carriers, the American Legion and others.

"We're also working on our relationships with Medicare Advantage plans," Grestorex said. "That will be key going forward. These plans try to differentiate themselves with services to get people to come onto their plans."

The private-pay market, though, is still where Grestorex sees the most growth and "the most fun," he says.

LIVE AT HOME SEE NEXT PAGE

Coalition pushes for tax incentive

WASHINGTON - The HomesRenewed Coalition is calling on the 117th Congress to include tax and other incentives in legislation to allow Americans to upgrade their homes for safety and to meet changing needs, as well as to help the economy with construction jobs. HomesRenewed Coalition, founded by Louis Tenenbaum, is mobilizing the leaders of the home renovation, home care, technology and other segments serving older Americans. Major supporters of the campaign include VGM Live at Home, Lifewise Clinical Home Modifications, Accessible Systems, HandyPro, Age Safe America and Legal Eagle Contractors. [HME](#)

Medicare Advantage & complex rehab: Ask yourself, is it too good to be true?

BY LIZ BEAULIEU, Editor

WATERLOO, Iowa - In November, at the height of open enrollment season, U.S. Rehab's Dan Fedor warned complex rehab providers about the Medicare Advantage plans that were being promoted by celebrities in TV commercials.

The first thing providers need to know about these plans: what they're promising Medicare beneficiaries.

"A lot of (MA plans) are trying to lure (beneficiaries) from traditional Medicare to their MA plan," said Fedor, director of reimbursement and education for U.S. Rehab, during a Nov. 12 webcast. "They often state there are additional benefits that they give the patients,

and we all wonder, how can they provide all these benefits at these lower costs? They sometimes say no out-of-pocket-costs at all. You start thinking, it seems too good to be true."

Open enrollment started on Oct. 15 and ran through Dec. 7, with CMS touting the average monthly premium for MA plans expected to decrease 11% to \$21 in 2021.

One reason MA plans are able to tout lower premiums is because they're not providing the same services or timely and accurate reimbursement as Medicare – the second thing providers need to know about these plans, Fedor

says.

"Providers have to go through hoops and hurdles to receive payment for services," he said.



Dan Fedor

While MA plans often say they "follow" Medicare, they're not required to follow the traditional Medicare's fee schedules or rules, Fedor says. That may mean, for example, they don't have a purchase option on complex rehab power wheelchairs, just a rental option.

"While they're required to offer the same coverage criteria," he said, "they're actually not required to follow the

ADVANTAGE SEE NEXT PAGE

BRIEFS

NRRTS partners with Canadian association

LUBBOCK, Texas - NRRTS has partnered with the Canadian Assistive Devices Association to develop a Canadian standard for complex rehab technology services. "The complex rehabilitation technology industry in Canada is thriving and our partnership with NRRTS will enable us to ensure that we can provide the highest levels of service to our clients and partners while maintaining a level of professionalism and knowledge that having a NRRTS designation requires" said Erin Roberts, executive director, CADA. The program was formally introduced at the CADA AGM on Nov. 17. NRRTS provides a mechanism for consumers, clinicians and third-party payers to identify qualified suppliers who provide high-quality complex rehab technology and related services to people with physical disabilities. "NRRTS promotes the highest standard of ethical conduct by its registrants," said Weesie Walker, executive director of NRRTS. "We are extremely proud to be working with CADA on launching a Canadian standard that upholds these mutual beliefs."

Numotion grows in Texas

BRENTWOOD, Tenn. - Numotion has expanded into Amarillo, Texas, with the acquisition of the complex rehab division of BritKare. "Numotion is proud to continue to grow our reach in Texas with this investment in BritKare," said Mike Swinford, Numotion CEO. Founded in 1995, BritKare has been serving the mobility needs of customers in the areas surrounding Amarillo and Lubbock, Texas, for more than 25 years. The company's employees, including four assistive technology professionals, will join Numotion. BritKare represents the eighth branch for Numotion in Texas and only the most recent example of Numotion's growth in the region. It also recently acquired Northland Rehab Supply in Sioux Falls, S.D. Numotion's existing locations in Texas are in Fort Worth, Waco, Austin, San Antonio, Dallas and Athens.

Rehab Medical acquires Great Plains Medical

INDIANAPOLIS - Rehab Medical has acquired Bixby, Okla.-based Great Plains Medical, a supplier of incontinence supplies through its Advantage Program. The deal will further Rehab Medical's plans to become a national supplier. Gail Sheets, CEO Of Great Plains Medical who recently retired, approached Rehab Medical, knowing the provider would provide great care to its members. "We are excited as a company to continue to provide the best in class service and medical products to the patients of Great Plains Medical," said Tri Van Le, business unit director. "This acquisition is aligned with our immediate and long-term growth strategy to expand our company and brand nationally. We look forward to continuing utilizing our industry exclusive software technology and internal order processes to expedite orders and shipments to all our patients and improve their quality of life." In October, Rehab Medical expanded into Texas with its acquisition of San Antonio-based Wheelchairs Plus.

COMPLEX

CONTINUED FROM PAGE 1

to support directors in administering the program in cost-effective and efficient ways for more than 70 million Medicaid recipients.

Seth Johnson reported during the webcast that Congress had a goal of passing a relief package related to COVID-19 before members were set to adjourn in December – a development that would bode well for Medicaid programs.

“There is bi-partisan support to do something, but it looks like it will be significantly less than the \$1.9 trillion package that (Steven Mnuchin, secretary of the treasury, and Rep. Nancy Pelosi, D-Calif., speaker of the U.S. House of Representatives), had walked away from the table with in late October,” said Johnson, senior vice president of government affairs for Pride Mobility Products.

In addition to relief-related packages, complex rehab stakeholders in November were tracking the progress of end-of-the-year spending packages and trying to include in them a provision giving CMS the authority to permanently authorize PTs and OTs as telehealth practitioners and to use related PT and OT codes as telehealth services.

“That’s the primary vehicle that everyone’s looking to attach their legislative priority to,” Johnson said. “That’s a must-pass piece of legislation (before Dec. 11).”

When it comes to lobbying members of Congress, the recent election bodes mostly well for complex rehab stakeholders. A number of their champions in the House, including Reps. John Larson, D-Conn., and Lee Zeldin, were re-elected. They did, however, lose Rep. Jim Sensenbrenner, R-Wis., due to retirement.

“After 40 years in the House, he’s probably due retirement,” Johnson said. **HME**

ADVANTAGE

CONTINUED FROM PREVIOUS PAGE

same way they process claims.”

The third thing providers need to know about MA plans: Beneficiaries aren’t necessarily locked into them, Fedor says.

“If they get in a situation where they can’t access what they need, they can switch back (to traditional Medicare) until Feb. 14 for any reason,” he said. **HME**

LIVE AT HOME

CONTINUED FROM PREVIOUS PAGE

“We get contractors who run into a home access job because no one else will do it,” he said. “They’re used to a world where everyone complains about how much it costs and how long it takes, then they take this job and it’s all hugs, invitations to dinners and Christmas cards.” **HME**

Numotion snags LUCI distribution agreement

BRENTWOOD, Tenn. - A new national distribution agreement makes Numotion the first U.S. partner for LUCI’s smart technology. “LUCI is the most interesting, truly innovative CRT product to come to market for some time,” said Mike Swinford, CEO of Numotion. “This groundbreaking technology opens doors to independence for wheelchair users and parents/caregivers who have safety concerns regarding power mobility.” LUCI launched in July after three years of development. Its technology uses a patented sensor-fusion safety system to combine data from cameras, ultrasonics and radar into a single, 360-degree view. Numotion’s team of more than 500 ATPs will have access to LUCI educational materials, resources and expertise to help equip eligible users.

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HME News

DIGIOVINE

CONTINUED FROM PREVIOUS PAGE

DiGiovine: (There’s) the graduate level perspective and the undergraduate perspective, and then the fun part is, is there an opportunity at the community college level or through a professional organization? Is there a pathway for somebody who wants to get into this field with a high school degree or early on in their college career? I think that’s the exciting part about this field – that there’s opportunities no matter what path works best for you. **HME**

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■ There's a risk that there won't be qualified O&P fitters treating patients, says Todd Eagan. See story page 1.



ORTHOTICS

Navigate lead gen safely

With new contracts for knee and back braces starting, due diligence is important

BY THERESA FLAHERTY, Managing Editor

ATLANTA - Wayne van Halem gets contacted "all the time" by providers that are having issues with audits. A common factor? Lead-generating companies, he says.

These are providers that are new to the industry and those that are well established, he says.

"(Some lead-generating companies) will convince people that they can make them a lot of money," said van Halem, president of The van Halem Group. "They get told, 'We'll do all the work and the paperwork, and all you have to do is submit the claim.'"

That's not to say all lead-generating companies are bad, says van Halem. But with new contracts for off-the-shelf back and knee braces set to take effect Jan. 1, it's important for companies to separate the good from the bad, he says.

READ THE FINE PRINT

Providers considering a lead-generation arrangement must do their due diligence, including reading all contracts, and verifying all their processes and procedures, says van Halem.

"Understand how they develop their leads, look at their marketing material, understand the whole



W. van Halem

process," he said. "The way you pay for leads generated by Medicare differs than commercial plans. You can't pay per lead, for example."

It's a good idea, in general, to have an independent attorney review everything, says van Halem.

KNOW WHERE THEY'RE BASED

Numerous lead-generating companies are overseas now, says van Halem.

"That's not necessarily bad," he said. "Make sure they are legit, and they understand the rules in our country."

BE AWARE

Operation Brace Yourself, in which the federal government in 2019 took down a \$1.2 billion scheme involving illegal kickbacks and bribes by DME companies in exchange for referrals of Medicare beneficiaries, has increased awareness of the potential landmines of contracting with lead-generating companies, van Halem says.

"My concern is some companies that have never

LEAD GEN SEE NEXT PAGE

A 'bigger seat at table' for Pinnacle

BY THERESA FLAHERTY, Managing Editor

CHICAGO - With the diabetes management industry growing by leaps and bounds, Frank Brumfield, CEO and owner of FSB Companies, a private investment firm, knew it was time to sell Pinnacle Medical Solutions, a company he's been involved with since 2006.



F. Brumfield

"We're excited to plug in the patient-focus model that The

PINNACLE SEE NEXT PAGE

BRIEFS

OIG provides latest pricing update on Part B drugs

WASHINGTON - Seven codes for Medicare Part B drugs met CMS's price substitution criteria by exceeding the 5% threshold for two consecutive quarters or three of the previous four quarters, according to a new report from the Office of Inspector General. The OIG is providing the seven codes to CMS for its review. It says CMS should review this information to determine whether or not to pursue price substitutions that would limit excessive payments for Part B drugs. The OIG conducted its study by obtaining second quarter ASP and AMP data for Part B drugs, and calculating the volume-weighted AMP for each drug, consistent with CMS's methodology for calculating volume-weighted ASPs. It then compared the volume-weighted ASPs and AMPs, and identified all drugs with complete data for which the ASPs exceeded the AMPs by at least 5%.

DarioHealth hits milestone in B2B market

NEW YORK - DarioHealth has signed a contract to provide its digital therapeutics solution to eligible employees of a Fortune 500 technology company. Dario will be available to eligible employees and dependents effective Jan. 1, 2021. "This contract, awarded through an RFP process that included Dario's largest competitors, represents an important milestone in our strategic shift toward the business-to-business-to-consumer market comprised of self-insured employers, health care provider networks and insurance plans," said Rick Anderson, president and GM of North America. Dario says employees will benefit from a therapeutic approach that delivers adaptive, personalized experiences designed to drive behavior change through intuitive, clinically proven digital tools and coaching.

180 Medical names scholarship recipient

OKLAHOMA CITY, Okla. - 180 Medical, a provider of intermittent catheters, incontinence products and ostomy supplies, has announced that Yousra Mohamed has become the first student to receive their new Caregiver Scholarship. The scholarship aims to help college students who are currently unpaid caregivers of a family member or loved one with a chronic disability. "We're so proud to be able to assist Yousra with her goals through our new Caregiver Scholarship program," said Mark Jassey, chief commercial officer. "We're sure her experience as a caregiver from such an early age will influence her dedication to care and compassion both at school, among her peers, and in her future career." Mohamed began her freshman year at the University of Southern California this fall with the help of the 180 Medical Ron Howell Caregiver Scholarship of \$1,000. The scholarship is named after 180 Medical's former president, Ron Howell, who retired from the company after nearly 15 years.



IN TEXAS, pediatrics is a top priority, "an important component as we determine where we can serve," says CEO Cameo Zehnder.

PHS gains ground in attractive Texas

BY THERESA FLAHERTY, Managing Editor

ROSEVILLE, Minn. - Pediatric Home Service has partnered with San Antonio-based Alliance Medical Supply to expand its presence in Texas, a state where pediatric care is a top priority, says CEO Cameo Zehnder.

"What we are really looking at is the presence of medical technology, what is the presence of home-based services for this unique population," she said. "In Texas, they have great medical care, wonderful

children's hospitals. We look to that as an important component as we determine where we can best serve."

Texas is playing a big part in PHS's plans, since partnering with InTandem Capital Partners, a healthcare services-focused private equity firm in 2018, to create a national platform. In January 2020, PHS acquired Care Group, which has locations in Houston and Dallas. The company also has locations in Minnesota,

PHS SEE NEXT PAGE

Sleepplay seeks 'luxury' status

BY TRACY ORZEL, Contributing Writer

MIAMI - Sleepplay, a new online shop, believes success in sleep therapy is about more than the right CPAP device and mask.

"We want to be a luxury supermarket in the sleep area, because we know that it's not only CPAP—that you need other equipment and items to be comfortable," said Liliane Fuhrman, owner. "We accompany people on the first 90 days and it's not easy to use these (products), so if you have other items that will help you be successful, we want to offer them."

Launched earlier this year, Sleepplay offers hundreds of products for those with and without sleep apnea, including travel-size CPAP machines, CPAP cleaners, eye masks, weighted blankets and travel pillows. The company also offers financing, a diagnostics quiz, equipment troubleshooting, products recommendations and digital prescription uploads.

Sleep apnea caught Liliane Fuhrman's attention five years

ago when she became president of Fort Lauderdale-based American HomeCare Equipment.

"As our society continues to embrace this 24/7, 'always on' mindset, I think the importance of sleep is more critical than ever," she said. "If you don't get quality sleep, everything else will suffer."

It was the COVID-19 pandemic, however, that motivated Fuhrman to hang out her own shingle in the sleep market.

"It made us think out of the box and gave me the impulse to find a better way to approach this huge population," she said. "It's very challenging, but we thought it was a good moment to launch the company so we can help more people remotely and take care of them—without spreading the virus."

Though Sleepplay is an online shop, it's not just a delivery company, says Fuhrman.

"We don't just leave a box of equipment and 'goodbye,'" she said. "We want people to understand how to use it and we make sure this treatment is successful." HME

PINNACLE

CONTINUED FROM PREVIOUS PAGE

FSB Companies and the Pinnacle management team had built over the years into a much broader platform," he said. "We wanted to be able to continue to scale along with the industry."

So in December, he sold the Southaven, Miss.-based provider of insulin pumps and continuous glucose monitors to AdaptHealth.

Brumfield spoke recently with HME News about how Pinnacle is primed to accelerate AdaptHealth's presence in the diabetes market and beyond.

HME NEWS: Why did you want to sell to AdaptHealth?

Frank Brumfield: The DME space has long been fragmented and it will continue to consolidate quite a bit. Adapt is a group I wanted Pinnacle to be a part of. I think it could be a one-stop shop for patients. (They might need) CPAP or incontinence supplies, along with an insulin pump and CGM supplies. That's where Adapt is going, and this gives Pinnacle a bigger seat at the table.

HME: What does Pinnacle bring to that table?

Brumfield: We take care of patients and provide them with the best pump or CGM, along with making it easy to reorder their monthly supplies. With our custom technology and our people and processes, we are able to get someone a pump in five days. The industry standard is 35.

HME: Is technology a part of your success?

Brumfield: The diabetes space has evolved from test strips to really cutting-edge technology with CGMs. Our technology was important during the sale process. It allows us to demonstrate how we can drive results. It's very important to us, but also to the doctors, the insurers, the manufacturers and the patients, but it's also important to Adapt. We're good at what we do. **HME**

PHS

CONTINUED FROM PREVIOUS PAGE

Wisconsin, Ohio, Indiana and Kentucky.

Partnering with PHS will allow Alliance Medical, which was founded by Howk Bethel in 2008, to expand its services to include home infusion therapy. The company has already launched a local co-branding campaign, reaching out to referral sources and foster homes to educate them on its partnership with PHS and how it will improve care for patients.

"At the end of the day, our patients deserved more than we were (providing)," said Howk, who will serve as general manager for all three Texas locations. **HME**

LEAD GEN

CONTINUED FROM PREVIOUS PAGE

done braces may not have been paying as much attention," he said. "These companies are relentless."

The latest scheme: COVID, says van Halem.

"Companies are calling beneficiaries and telling them President Trump has ordered all beneficiaries to be tested," he said. "Two weeks later, braces showed up." **HME**

BRIEFS

NorthShore offers free trial, discount for first responders

GREEN OAKS, ILL. - NorthShore Care Supply has launched a program for ICU nurses and other COVID-first responders in the U.S., including a free

trial of two bags of adult diapers, as well as a 20% discount on all absorbent adult diapers, protective underwear, bladder control pads and cleaning wipes available at its NorthShore.com website. "We want to show our appreciation for the dedication of our medical providers and their heroic work during this pandemic," said Adam Greenberg, president and founder, NorthShore Care Supply.

"We've been contacted by a number of ICU nurses this year treating COVID patients who are struggling to meet the needs of their patients during extended shifts while managing with overactive bladder or bladder or bowel incontinence." The free trial and discount program for ICU nurses and COVID-first responders is available through March 31, 2021, while supplies last.

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Respiratory market reframed by COVID-19

BY JOHN ANDREWS, Contributing Editor

BECAUSE COVID-19 is a virus that attacks the body's respiratory system, it has put home medical equipment providers on the front line for fighting the pandemic.

Manufacturers from across the respiratory spectrum are responding to this crisis by furnishing the equipment needed to assist those afflicted with the virulent pathogen, contributing to a joint effort with HME providers.

"COVID has caused an uptick in home oxygen equipment overall," said Doug Francis, president and CEO of St. Petersburg, Fla.-based Lifestyle Mobility Aids. "We are seeing huge growth in the utilization of oxygen equipment as it is being used to treat certain COVID patients. Specifically, the focus has been on stationary products and more specifically, oxygen concentrators."

To be sure, the most significant area of growth has been in stationary oxygen concentrators – especially 5- and 10-liter units – added Joseph Lewarski, senior vice president of global business for Port Washington, N.Y.-based Drive DeVilbiss Healthcare.

"Since the first wave of COVID-19 infections and hospitalizations in the spring, global demand for oxygen concentrators has grown significantly," he said. "Key drivers include the emergency use for hospital overflow, which was more significant at the start of the pandemic, along with the increased volume of patients discharged to home still requiring supplemental oxygen."

The virus has also increased the use of home oxygen therapy for patients without underlying lung disease who are still experiencing some level of hypoxemia at the time of discharge, Lewarski said.

"With hospitalizations now at the highest point in the U.S. since the start of the pandemic, we expect strong demand to continue through the winter," he said. "COVID, in conjunction with influenza, may deliver one of the worst respiratory seasons ever recorded."

But demand during the pandemic has not been limited to oxygen concentrators. Chris Southerland, general manager of

CATEGORY

Respiratory

COVID IMPACT #1

■ **Vent demand sags:** A glut of ventilators in hospitals was created based on early projections, but demand for vents in the home has been steady for patients transitioning out of the hospital.

COVID IMPACT #2

■ **Stationary O2 swells:** The most significant area of growth has been in stationary oxygen concentrators – especially 5- and 10-liter units.

COVID IMPACT #3

■ **Technology boost:** As person-to-person contact is discouraged, both providers and patients are embracing connectivity and telehealth solutions.

commercial operations for North Billerica, Mass.-based Breas Medical, said "the home life support ventilation business has remained strong, especially as it relates to COVID-19 patients transitioning from hospital to home care."

EMBRACING TECHNOLOGY

David Lyman, vice president of sales and VGM Respiratory for Waterloo, Iowa-based VGM & Associates, says COVID is impacting the industry in another way: by forcing HME providers to embrace technology – most notably telehealth and telecommunications technology.

"Providers had to turn to HIPAA-compliant software and virtual communication tools, such as Microsoft Teams or Zoom," he said. "Use of this technology will continue in the future, whether it is virtual setups or using cloud-based data from CPAP machines or ventilators."

Telehealth has shown a great leap forward, and while "it is not a technology that will work for everybody, it does have the potential to help limit exposure of the high-risk pulmonary patients to hospital and clinic visits," said Neal Smith, director of marketing and education for Austin, Texas-based International Biophysics. "One area we've been working

on is an airway clearance program that provides clinicians a structured tool set to use around the education of all different types of airway clearance techniques."

The growth in telehealth has been borne out of necessity, especially in protecting the vulnerable elderly, said Curt Merriman, chief sales officer for Frankenmuth, Mich.-based rtNOW.

"Prior to this pandemic many seniors were not willing to use telehealth options," he said. "However, necessity of mitigating exposure to COVID-19 has motivated those same patients to have their children and grandchildren assist them with the technology challenges."

At Coral Springs, Fla.-based VirtuOx, there has been a huge increase in demand of the company's sleep telemedicine solution DocViaWeb, a platform that allows sleep specialists to order home sleep apnea testing and prescribe CPAP equipment in coordination with HME providers, said Kyle Miko, vice president and chief marketing officer.

"We have also seen a huge increase in the need for disposable HSAT devices to help reduce the possible spread of COVID-19," he said.

EVOLVED THINKING

Scott Wilkinson, CEO of Goleta, Calif.-based Inogen, contends that the medical community has "learned a lot about how to properly treat COVID patients" since the pandemic began.

"The prevailing thought in the first quarter was that the majority of patients would be treated with a ventilator and we all know that early on there was a big stockpile of ventilators at hospitals at that time," he said. "But as we moved through the second quarter, we quickly learned that treating COVID patients with a ventilator could do more harm than good for most patients – only a relatively small fraction of COVID patients that progressed to a state of respiratory failure truly needed a ventilator. As a result, most home care companies and hospitals have more ventilators than they need today, and many have been put in storage."

Oxygen therapy emerged as a primary treatment for COVID patients, Wilkinson said, pointing out that home care companies began to purchase stationary oxygen concentrators "at a much higher rate than historical levels." Manufacturers increased production to meet the incremental demand, he said, adding that most vendors "have either a back-order or extended lead times for stationary oxygen concentrators."

In examining how COVID-19 has impacted the type of respiratory equipment used by providers, Tom Bannon, president of St. Louis-based Responsive Respiratory, said there is a transition from standard-flow to high-flow devices.

"Specifically, this applies to the increased usage of high-flow regulators and cannulas, as patients are requiring higher flow and prolonged oxygen usage due to the illness," he said.

As hospitals reach capacity status, HME providers need to support discharged patients increases exponentially, Bannon said.

"As such, there should be reimbursement increases to reflect the rising service levels and the value of the home health care provider to provide the support to hospitals," he said. "It is important that the home care providers and lobbying groups remind decision-makers of the support and rapid adaptation home care has provided."

Because they are on the front line, HME providers are serving a critical role in patients' transition from hospital to home, said Elliot Campbell, executive vice president and chief commercial officer for Whitmore Lake, Mich.-based Trace Medical. Therefore, he said it is imperative for HME providers to tout their value to referral sources.

"Not only do providers incur the costs, such as additional PPE and labor, they prevent readmissions into hospitals," Campbell said. "Under no circumstances is it cost-effective for a patient to be in an inpatient setting vs. a home setting. To collectively show our referral sources how partnering reduces readmissions, providers need to show them the data. It is all about the data." **HME**

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Vendors

WellSky, CarePort elevate PAC

BY LIZ BEAULIEU, Editor

OVERLAND PARK, Kan. - WellSky's acquisition of CarePort Health, a care coordination software company that connects acute and post-acute providers and payers, brings "science" to the discharge process, says Bill Miller.

CarePort Health's EHR-agnostic platform connects the discharge process with post-discharge care coordination, allowing providers and payers to track and manage patients throughout their care.

"What is the best place for a patient to receive care (when they leave an acute setting)," said Miller, CEO of WellSky. "How

WELLSKY SEE NEXT PAGE

Fisher & Paykel's 1st half: Stability and variability

Home care saw 5% increase, while hospital saw 93% increase

BY LIZ BEAULIEU, Editor

LAGUNA HILLS, Calif. - Fisher & Paykel Healthcare reported stable operating revenue for its homecare products group in the first half of the 2021 financial year, despite many sleep labs closing or operating at reduced capacity due to the COVID-19 pandemic.

The company reported \$226.2 million in operating revenue for the group, which includes products used to treat obstructive sleep apnea in the home, a 5% increase compared to the same period in the previous financial year.

"The first half was challenging for our sales team and obstructive sleep apnea," said Lewis Gradon, managing director and CEO, during a conference call in November to discuss the company's latest financial results. "Many sleep labs around the world were closed or operating at reduced



Lewis Gradon

capacity, and that resulted in a reduction in new patient diagnoses."

Company-wide, F&P reported operating revenue of \$910.2 million for the first half of the 2021 financial year, a 59% increase compared to the same period in the previous financial year. It reported a net profit after tax of \$225.5 million, an 86% increase.

Gradon noted that, regardless of the pandemic, customers have responded positively to new launches from the homecare product group, including the Evora and Vitera

masks.

"We're confident that these great products have yet to reach their full potential," he said.

The majority of F&P's growth in the first half came from the hospital product group, which saw a 93% increase in operating revenue, driven by increased demand for its Optiflow nasal high flow therapy as a treatment for COVID-19. Gradon largely declined, however, to project whether that demand would continue into the second half of the year.

"When we look back at the first half, we have massive variability from month to month in both our hardware and our consumable revenue," he said. "If we took the last three months and we tried to forecast the next three months on that, we'd be changing our forecast on a (regular) basis."

FISHER & PAYKEL SEE NEXT PAGE

What adds value? 3B's Royster knows

BY LIZ BEAULIEU, Editor

KATHERINE ROYSTER, 3B Medical's new vice president of sales and marketing, always has cost top of mind from her years working on the provider side of the HME industry.

"I'm always framing things in terms of what something costs the HME provider," said Royster, who previously worked for Classic SleepCare in California, now part of AdaptHealth. "I always have that questioning voice, 'Does it add value?' Sometimes manufacturers are just thinking about how it makes sense for them or how it's a great engineering feature, without it having much impact on providers."

Here's what Royster had to say about new technology and trends in the sleep and oxygen markets.

HME NEWS: What's an example

of how manufacturers have to balance the wow factor of new technology with the realities of day-to-day business?

Katherine Royster: Connected devices are a good example. It's great if you have WiFi, but what if a provider and their customer are in a rural area - how do we design a device that also meets the need of that provider and that customer? If we're going to drive up the cost of a device, it has to make sense.

HME: What trends are on 3B's radar?

Royster: Two come to mind. Providers are telling us they're more focused on CPAP resupply, so we're looking at companies to partner with that have AI technology for improving remote mask fittings. We think it's one of those things that will continue beyond the COVID-19 pandemic. Why would a patient who can get

ROYSTER SEE NEXT PAGE

CPAP ALTERNATIVES

Oventus rethinks model

BY LIZ BEAULIEU, Editor

BRISBANE, Australia - Oventus Medical's pivot to telehealth and a home care option has allowed the company to continue growth during the COVID-19 pandemic, says Dr. Chris Hart, CEO.

Due to closures, Oventus Medical has transitioned to online or phone conversations to complete the verifications needed for insurance coverage and to schedule scan appointments for its O2Vent Optima oral device.

"Out of adversity comes opportunity," he said during a recent investor briefing on the company's new marketing agreement with VGM & Associates. "It made us look at our clinical model. The introduction of telehealth and home care is going to be a huge boon for us."

Telehealth has allowed Oventus Medical to build



Chris Hart

a pipeline of appointments for its lab-in-lab sites - appointments that the sites can work through as they reopen. In December, the company had launched 31 sites, with 22 physically scanning patients.

If sites are closed for an extended period, Oventus Medical can now also send a clinician to the home to obtain the records required for the device.

"We do intake by telehealth - we verify insurance, obtain pre-authorization - and then schedule them for a scan on-site or deploy a home care process," Hart said. "We have a scalable model."

This more virtual model

OVENTUS SEE NEXT PAGE

BRIEFS

Baxter buys SleepGlad

COLUMBIA, Tenn. - Baxter Management has bought SleepGlad, a cloud-based CPAP mask fitting and initial CPAP management platform for HME providers. The technology, which only requires patients to take a "selfie," is manufacturer neutral, meaning providers can customize and add preferences from ResMed, Philips Respironics, Fisher & Paykel Healthcare or 3B Medical. The acquisition allows for a "complete and seamless" remote CPAP setup and replenishment through Baxter's sister company, S3 Resupply, according to a press release.

Stratice, Kno2 partner

CARMEL, Ind. - A new partnership connects Stratice Healthcare's eOrdersPlus with Kno2's Interoperability as a Service. Health care professionals will be able to seamlessly create and receive complete, compliant medical orders, enabling rapid fulfillment of orders and integrating those orders into patient charts. Additionally, Kno2's network will offer real-time access to millions of patient records, allowing for a complete order without the back and forth of phones and faxes.

Nonin recognized by Inc.

MINNEAPOLIS - Nonin Medical has been named to Inc.'s inaugural Best in Business list in the health products category. The list is meant to honor companies that have gone above and beyond to make a difference. "I couldn't be prouder of what the incredible employees at Nonin have done to address the needs of the health care industry during these trying times," said Dave Hemink, CEO of Nonin Medical, a manufacturer of pulse oximeters.

LUCI named 'Best Invention'

NASHVILLE - LUCI has been named to Time Magazine's annual list of the 100 Best Inventions. "This is an incredible honor, and one we would have never considered" said Barry Dean, CEO of LUCI. "The most exciting part of being included in this list is having the opportunity to bring more attention and, hopefully, more innovation to the world of power wheelchair users." For 2020's list, Time solicited nominations from its editors and correspondents around the world, and through an online application process. It then evaluated them on factors including originality, effectiveness, ambition and impact.

Quality Biomedical launches supply program

BOULDER, Colo. - Quality Biomedical has developed an integrated supply chain management program for respiratory equipment across its eight warehouse facilities. Critical services available include pick-up and delivery, preventative and corrective maintenance, storage, cleaning, and same-day deployment using its web-based portal, Q-Connect.

Vendor tip: Build an educational sales method

MK Battery's Wayne Grau on the fine line for providers between informing and pitching products, services

BY JOHN ANDREWS, Contributing Editor

EVERY CONSTRUCTION project needs the proper tools to get off the ground. Building a successful HME retail program is no different, says Wayne Grau, director of business development for MK Battery.

Providers need to provide shoppers with the tools to make better decisions so they buy products related to their lifestyle goals.

"Generally speaking, HME consumers tend to be uninformed purchasers of

medical equipment," Grau said. "They frequently rely on their doctor, and I think we can all agree that physicians are not always aware of all the various products available to improve life for both patients and caregivers. Providers are essentially home medical equipment consultants who ask questions and listen for answers, and then make recommendations on what type of equipment that will improve their lifestyle."

One aspect of educating consumers is recognizing the fine line between offering constructive information and a bla-

tant sales pitch, Grau said.

"The key to avoiding the sales pitch is to ask questions, listen, demonstrate the products and then make a recommendation," he said. "This shows that we have the customers' best interest as our focus and not that we are merely trying to sell them something."

Up-selling and cross-selling in the HME industry is also about offering choice through education, Grau said.

"Uninformed HME consumers cannot always articulate what they want or need," he said. "Instead, they rely on

the expert to help them make a decision about what is best to meet their needs. By asking questions to identify the customer's specific needs, demonstrating the different product options and how various solutions might work for each situation, and then making a product recommendation, we are educating the consumer so they can make the very best purchasing decision. By employing the education sales method, you are giving customers the chance to buy what they truly want, rather than simply being sold something." **HME**

FISHER & PAYKEL

CONTINUED FROM PREVIOUS PAGE

Generally speaking, company officials believe the exposure that clinicians are getting to the company's nasal high flow therapy in hospitals and in the home during the pandemic will result in increased demand beyond the pandemic.

"What has been very helpful is that we've got a whole lot of new customers and they are gaining interest in Airvo and Optiflow," said Paul Shearer, senior vice president of sales and marketing, "and I think that bodes pretty well for the future."

"If we took the last three months and we tried to forecast the next three months on that, we'd be changing our forecast on a (regular) basis."

F&P reported a reduction in gross margin for the first half to 61.7% due to the increased use of and costs associated with air freight during the pandemic, but the company has no immediate plans to adjust its prices in response, officials say.

"The cost of air freight and expediting the supply of raw materials has been

significant, with the cost per cubic meter of air freight averaging four times to five times higher than normal," said Lyndal York, CFO. "However, we have opted not to increase prices to our customers. This has impacted our gross margin. Excluding the additional freight costs, gross margin was inline with the same period last year in constant currency." **HME**

OVENTUS

CONTINUED FROM PREVIOUS PAGE

was a big reason that Oventus Medical was able to seal a deal with VGM & Associates, Hart says. VGM has agreed to promote the O2Vent Optima to its 2,500-plus members so they have the option of transitioning patients to oral therapy when they're not "trending well" on CPAP therapy, he says.

"(CPAP manufacturers) will distribute their CPAPs to these members through VGM, and very excitingly, it's the first time an oral appliance has been offered through this same pathway on a large national scale," he said. **HME**

WELLSKY

CONTINUED FROM PREVIOUS PAGE

do we bring some science to it, because the way it's done right now is through the convenience of geography. And there's more pressure on health systems and post-acute care providers to get this right."

WellSky announced in October that it had entered into a definitive agreement to buy CarePort Health from Allscripts, a provider of EHR and EMR software, in a deal valued at \$1.35 billion.

With CarePort Health's platform and WellSky's analytics capabilities, the two companies can automate the discharge process, making it more efficient and effective, Miller says.

"In the absence of (these tools), it becomes, who can you find, who do you know, do they have any capacity?" he said.

The ability to add visibility into inventory management, in particular - something that's common in the hospitality industry but not the health care industry - will benefit HME providers, Miller says.

"Where we envision the future is, as part of the discharge process,

you see not only the best providers but also how to best equip patients and marrying those two needs and just-in-time inventory, so you meet the patient where they land," he said. "The first 24-48 hours of discharge determine the ultimate outcome in the short and long term. If there's a delay, it slows down (the process and the outcome)."

Investor-backed WellSky plans to "add a lot of capital" into CarePort Health's business, Miller says, helping to develop future iterations of the platform and strengthening capabilities like e-ordering.

"We buy companies to grow them, not to shrink them," he said. "This is a space that has been underfunded, the world is changing, and post-acute care is taking a front seat." **HME**

Q&A: 3B'S KATHERINE ROYSTER

CONTINUED FROM PREVIOUS PAGE

a good mask fit remotely bother to go into a DME location and get fit by an RT, if it works as well? We're watching that closely.

Second, it's been growing, but we still think there's a lot of growth left on the retail side of the industry. Our disinfection line, including our recently launched Lumin Wand, is a 100% cash-based opportunity for providers. With the pandemic, it's a great time to get in that space - and getting products from a well-established medical device company offers providers the credibility they're looking for.

HME: 3B also recently launched its Aer X por-

table oxygen concentrator, putting it officially in the oxygen, as well as sleep, market.

Royster: We were already going to companies for sleep - they know our name and our products, and they know they can get quality products with prices that are attractive to shrinking reimbursement. It seemed like an easy transition, with sleep and oxygen going hand in hand, to become more of an HME manufacturer, not just a sleep manufacturer. Most DME companies aren't pureplay sleep, so it also helps them streamline the number of manufacturers they're buying from. It concentrates their spending. **HME**

RTNOW LAUNCHES HME ON-CALL

CONTINUED FROM PAGE 1

manufacturer that has contracted with the company to review data captured from its wearable devices and to initiate phone calls when that data is outside of certain thresholds; and a national provider that has contracted with it to remotely set up HME, leveraging rtNow's HIPAA-compliant proprietary software.

"We hear people talking about remote setups and they're using Facebook," said Curt Merriman, chief sales officer for rtNOW and an RRT. "Under the current emergency situation, some requirements are being waived, but when the emergency is over, HIPAA is going to be at the forefront again. Are they going to be prepared?"

In most cases, HME providers will use HME On-Call as a "first line of defense" for stretched-thin RT staff, Hawley says.

"They've been out to enough homes to find out it was just, the machine wasn't plugged in," he said. "That's something that could easily be solved with tele-respiratory."

The pandemic has not only intensified the need for RTs and telehealth but also accelerated the importance of the home, putting HME On-Call and their HME customers in the middle of a perfect storm of opportunity, Hawley says.

"We believe HME has been a neglected part of health care and that's going to change," he said. "HME providers have that in-the-home relationship with a patient and that's becoming more and more important. Monitoring the home and accessing the home is going to help connect a lot of dots (in health care)." **HME**

Quantum launches commercial

DURVEA, Pa. - Quantum Rehab began airing a new commercial for its Stretto wheelchair base nationwide on Dec. 7. The company developed the commercial after learning from a focus group that consumers want more information about their options before meeting with their therapists and ATPs. The star of the commercial is 20-year-old Bryson Foster, a brand ambassador for Quantum, who describes what the Stretto can do and how it has given him more freedom. "When it comes to power chairs, I know what I want because I have been driving one my entire life," he explains in the commercial.



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Pepper Medical

Speaking Valves

Pepper Medical's new Speaking Valve for spontaneous breathing tracheostomy patients is intended to allow the patient to speak without the need for finger occlusion and is available both with and without an O2 port. The Speaking Valve allows for the use of an exchangeable filter to prevent coarse particles entering the respiratory system. Email or call for free samples and a price quote - savings may be substantial!

[WWW.PEPPERMEDICAL.COM](http://www.peppermedical.com)



Curtiss-Wright

Wi-Fi Dongle

Curtiss-Wright's Industrial Division announces the launch of R-net Wireless Programming, via its new "Wi-Fi Dongle." A key feature of this browser-based product is that there are no apps or software to install, so maintenance issues usually associated with updates to devices or their operating systems are negated. The Wi-Fi Dongle itself contains a local website that presents a programming interface and a Wi-Fi connection. This means that any device with a contemporary Internet browser, e.g. a smartphone or tablet, can be used as a convenient programming and diagnostics tool.

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Breas Medical

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EveryWare by Breas helps you manage your respiratory patients remotely with confidence. The web-based application connects Vivo ventilators in the home to health care providers via the iLink, a 4G cellular modem, which sends the data to a securely hosted cloud platform. EveryWare is designed to improve patient outcomes and demonstrate compliance by generating a more insightful approach to the care of respiratory patients at home.

[HTTPS://BREAS.US/PRODUCTS/EVERWARE/](https://breas.us/products/everaware/)



STARK LAW

CONTINUED FROM PAGE 3

same time, you have the Anti-Kickback Statute saying if you work together and share something of value, it's a kickback. That is a problem. You've got two opposing forces. Finally, they've come out and said, "OK, let's relax the statute."

STARK LAW

There are three new exceptions under the Stark Law and only one of them really applies to HME providers, Baird says. This exception allows providers to spend up to \$5,000 to a physician for services rendered in a 12-month period.

"It's important that (the services) can't be made up," he said. "But if XYZ wants to pay up to \$5,000 to Dr. Jones for legitimate services, there aren't going to be any questions. If XYZ pays

more than \$5,000, those may be questioned. There's a risk CMS may come in and say, 'Wait, why did you pay more than \$5,000,' and you'll need to justify what the physician has done for you. But basically, you've got real protection."

Baird noted that there is a modification to an existing exception that applies to HME providers. CMS has modified the definition of commercially reasonable to say that an arrangement between an HME company and a physician is commercially reasonable if it furthers the legitimate business purposes of those two entities, but it doesn't have to produce a profit.

"It can be at a loss for one or both parties, as long as patients are being taken care of," he said. "It used to be that you couldn't have a loss. You had to break even or make a profit." **HME**

BIG DEAL FOR ADAPT, AEROCARE

CONTINUED FROM PAGE 1

care in the home."

McGee and Steve Griggs, CEO of AeroCare, will jointly lead the company as co-CEOs, with McGee focused on the capital market side of the business and Griggs on the operational side of the business. Josh Parnes will continue to serve as president.

AeroCare is expected to contribute adjusted EBITDA of \$230 million to \$115 million in 2021, excluding cost synergies of approximately \$50 million on an annual basis. Those cost synergies include consolidating direct suppliers, renegotiating rebates and restructuring indirect spending, and centralizing core administrative functions.

Company officials also highlighted the technology strengths of AdaptHealth and

AeroCare as a key part of their strategy.

Company officials say growth, organic and through acquisitions, will continue. AdaptHealth has also announced acquisitions of two diabetes providers: New England Home Medical Equipment, a leading supplier of CGMs throughout the Northeast, with net revenues of \$31 million in 2019; and Pinnacle Medical Solutions in the Southeast. Additionally, it is acquiring the HME division of Allina Health in Minnesota.

"We're excited to partner with a leader in the industry," said Steve Griggs, CEO of AeroCare. "We are proud of our growth in key geographic markets. I'm confident growth will accelerate as a result of combining best practices." **HME**

O&P

CONTINUED FROM PAGE 1

included Hangar, and a few distributors that have PTAN numbers to bill direct," said Mark Higley, vice president of regulatory affairs for VGM, who conducted an analysis of the contracts.

Of the 2,878 contracts awarded in the product category, 1,908 (66%) went to 22 companies that received 30 or more contract offers.

As with previous rounds of the bid program for other product categories, numerous contracts were awarded to out-of-state companies with no local presence or companies with little previous experience in the product category, including in the Little Rock, Ark., area, says local provider Ted Oury.

"Even the two largest O&P companies in town are not on the list and they specialize," said Oury, operations manager for Diamond Medical Supply. "One small company on the list currently doesn't do braces."

One big surprise for the product category: a wide discrepancy in single payment amounts. For example, the SPA for Lo457, a lumbar support, is \$1,095.58 in Charlotte, N.C., compared to \$199.16 in Los Angeles, a difference of 82%, according to Higley's analysis.

"Those who have ended up with the lowest payments did not have the proper knowledge or education in terms of the formula and process being used to establish rates," said Todd Eagan, president of Orthotic Prosthetic Group of America, a division of VGM.

Those rates are especially concerning because private insurers typically follow Medicare rates, says Dennis Clark, a partner in Clark & Associates Prosthetics and Orthotics in Cedar Rapids, Iowa.

"The bedrock of O&P care that's out there is going to have a tough time competing in this bid universe," he said. **HME**

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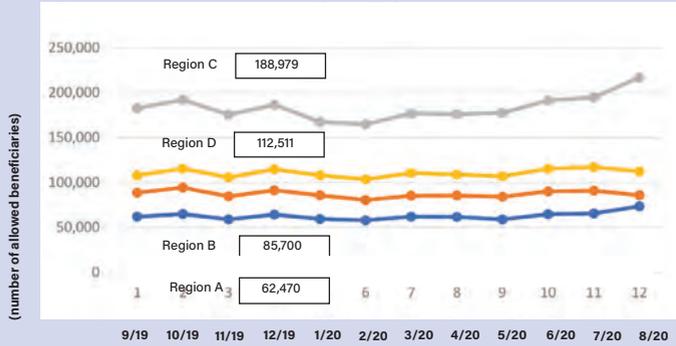
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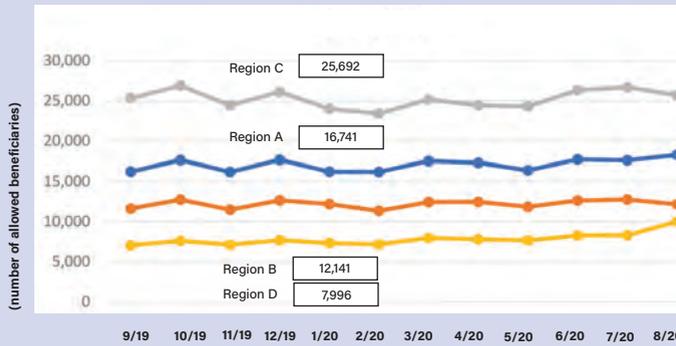
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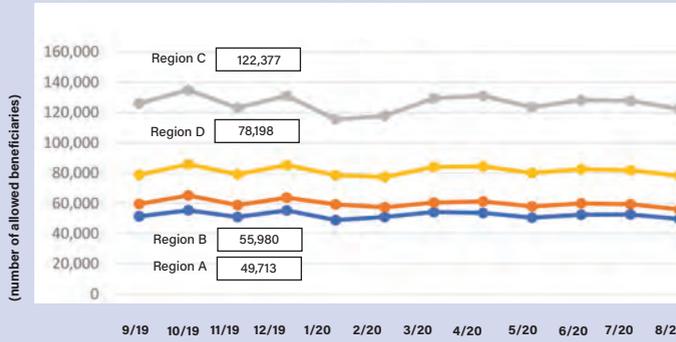
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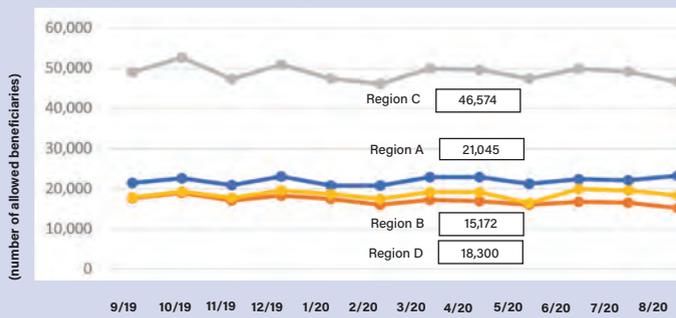
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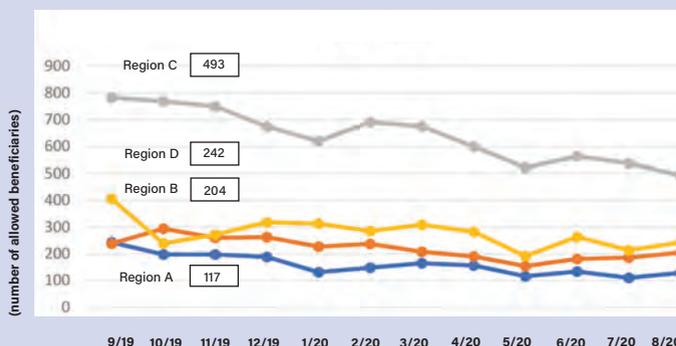
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K0823: POWER WHEELCHAIR**



**We are now tracking K0823 claims with certain modifiers (NU, UE or RR/KH) to better reflect the actual number of new allowed beneficiaries under the 13-month capped rental.

*The Medicare Market Marker provides a monthly look at the number of Medicare beneficiaries for whom the four MACs have allowed a claims payment.

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The HME DataBank has the latest Medicare reimbursement data for the top 1,000 HME providers nationally in 261 key product categories, as well as for all of the products in the NCB program. You can determine your market share, look for new product opportunities and check out your competition using the latest available Medicare data. Go to hmedatabank.com to learn more.



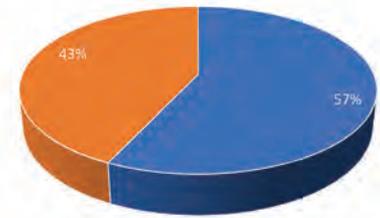
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HME NEWS POLL

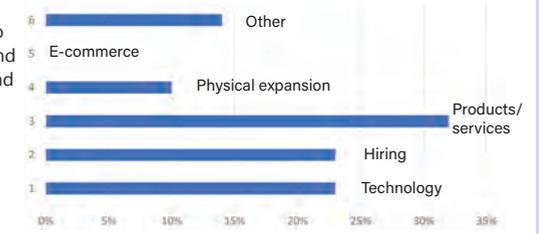
Now that rates have stabilized, do you plan to make investments in your business in 2021?



"The misconception is that the reimbursement rates have stabilized. There needs to be a topline strategy on the direction of reimbursement rates and the lack of access or poor access/service in these areas."
-Anonymous

"We will be ordering more equipment that we sell or rent every day, but will also be adding new products and new product lines to expand our new mom-to-geriatric offerings."
-Dorothy A. Nowik, president, Pacific Medical Systems, Inc., Bellevue Wash.

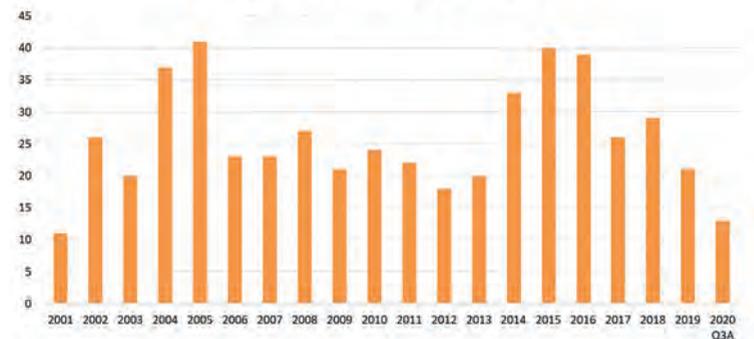
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News poll based on 30 respondents.

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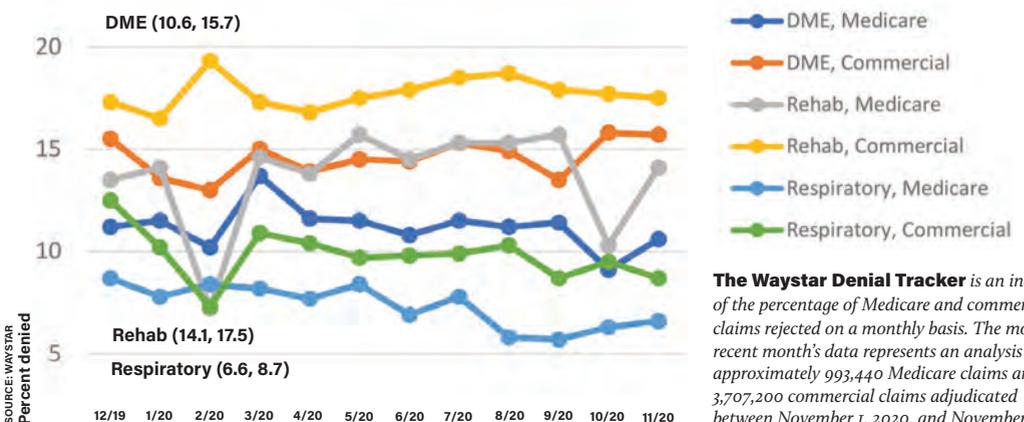
Health Care Staffing Deal Trends



This month, we examine a health care service sector that we believe is poised to take off as the new vaccines enable us to finally move beyond COVID-19-health care staffing. As the chart above illustrates, the health care staffing mergers and acquisitions market has been predictably cyclical over the past 20 years. Our best explanation for this is that hospitals routinely try to limit the added expense of retaining temporary staffing. So administration periodically clamps down on its utilization. When these efforts inevitably fail, leaving full-time staff overworked and patients at risk, they then turn back to staffing in a flurry to restore adequate coverage. Hence, an up and down cycle of utilization and acquisition interest in the space. If past is prologue, under normal circumstances we would have been poised to enter an upswing in 2021. But now add in the very real possibility that we will see an exodus of caregivers that have labored mightily to stave off the pandemic but are in desperate need of a break. At the same time, we anticipate an influx of elective and other "routine" patients that have steered clear during the outbreak. Combined, we have the makings of an unprecedented spike in demand for temporary staffing. And with this, we may well see smart money chase investment opportunities at the front end of this potential wave.

Source: The Braff Group, 412-833-5733.

The Waystar Denial Tracker



The Waystar Denial Tracker is an index of the percentage of Medicare and commercial claims rejected on a monthly basis. The most recent month's data represents an analysis of approximately 993,440 Medicare claims and 3,707,200 commercial claims adjudicated between November 1, 2020, and November 31, 2020. The index is a categorized and weighted analysis of claims filed by Waystar customers.

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