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**Respiratory Today**

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**Making Respiratory Disease Management Work**

by Roberta Domos, RRT

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HME providers build market share with COPD disease management.



The concept of decreasing the high cost of health care for patients with chronic illnesses through disease management continues to gain acceptance in the medical community. The most recent milestone in the evolution of proactive health care comes from the Centers for Medicare & Medicaid Services (CMS), which announced in mid February that it would begin a 3-year demonstration project for disease management of the chronically ill.

However, some HME providers are a step ahead of CMS, having already found ways to make disease management pay off for patients, health care providers, and payors.

While lack of reimbursement has limited HME providers from offering disease management programs on a wholesale basis to large segments of the chronically ill patient populations they serve, a number of respiratory care providers have succeeded in building market share by providing chronic obstructive pulmonary disease (COPD) management programs for a niche population of patients.

These providers have taken note of the gaps in the availability of proactive health care solutions for their patients who suffer from chronic lung-related illnesses, and have implemented programs to meet the needs of those who either lack insurance coverage to pay the cost of a traditional pulmonary rehabilitation program, or lack accessibility to traditional pulmonary rehabilitation clinics. In addition, HME providers offering COPD disease management programs as part of their services for their oxygen and respiratory medication dependent patients provide the one solution that seems key to determining the long-term cost-effectiveness for the payors of pulmonary rehabilitation programs—consistent and prolonged patient follow-up and monitoring.

"We can be an integral player here," says Anne Guarini, corporate director of patient services for American Homecare Supply of Conshohocken, Pa, whose Genox Homecare, Denmark's Home Medical Equipment, and Young's Medical divisions offer COPD disease management to their HME patients. "Our clinicians are already in the home providing oxygen therapy, nebulizer therapy, respiratory medications, enteral nutrition, and the like."

**Respiratory News**

**Respironics Finalizes Novamatrix Acquisition**

Respironics, Pittsburgh, has completed its acquisition of Novamatrix Medical Systems, Wallingford, Conn, a company that specializes in cardiorespiratory monitoring. The tax-free, stock-for-stock transaction was worth \$85 million, according to Respironics.

The exchange ratio has been determined using the weighted average selling price of Respironics' stock during the 20-day trading period from March 11 to April 8, which was \$31.48. Details of the agreement indicate that Novamatrix stockholders will receive Respironics common stock in an amount equal to \$8 per share, or 0.25 shares. The acquisition gives Respironics a combined annual revenue of \$502 million.

**Supreme Court Decision Relieves Respiratory Pharmacies**

An April 29 Supreme Court ruling favored a retail pharmacist's right to advertise and promote the availability of compounded drugs. The 5-4 ruling lifted the ban outlined in a provision of the 1997 Food and Drug Administration Modernization Act (FDAMA), which Congress passed in order to stop the introduction of drugs without full FDA approval.

The FDAMA limited the ability of home respiratory pharmacies to advertise that they could compound drugs. The current decision now permits pharmacies to promote their ability to compound in addition to the specific drug products to be compounded, including product strengths and delivery methods.

**Academy of Pediatrics Recommends Screening Children for Sleep Apnea**

The American Academy of Pediatrics (AAP), Elk Grove Village, Ill, recently released new clinical guidelines for obstructive sleep apnea syndrome (OSAS), a common childhood condition that often includes nighttime snoring.

OSAS is linked to breathing difficulties during sleep and can cause sleep disturbances and learning and

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behavior problems. AAP recommends that pediatricians screen all children for snoring. The preferred diagnostic test for OSAS is nocturnal polysomnography.

#### Research Links Smog to Asthma

According to the American Lung Association of California recent studies confirm that ozone, or smog, can lead to asthma among children.

Over a 5-year period, researchers from the University of Southern California studied more than 3,500 athletic children in 12 Southern California communities to evaluate the potential health problems caused by polluted air. They found that the children in the six communities studied with higher than normal ozone levels developed asthma at a rate three times higher than those in the six communities studied with below average ozone levels.

The ongoing study is funded by the California Environmental Protection Agency.

The desire to offer something to patients and referral sources that differentiates their HME company from the competition has inspired some providers to think outside of the box and offer COPD disease management. But because reimbursement is still difficult or nonexistent, these innovative providers have been challenged to offer programs that are both cost-effective and that result in patient outcomes that promote referral source loyalty. Given the large number of highly qualified respiratory care practitioners employed by companies like Genox, Denmarks, and Young's Medical who routinely participate in providing care for HME patients with chronic lung disease, it seems obvious that HME providers can deliver disease management in a particularly cost-competitive manner.

Possibly because HME providers can provide one-on-one patient education and dedicated follow-up in the home environment, they seem to have no trouble effecting excellent outcomes with their COPD disease management programs. Although the patient sample size is still small at this point, a Santa Barbara, Calif-based company that provides computerized COPD patient outcomes and benchmarking software to HME providers has collected data showing that the average COPD disease management patient experienced an 84% improvement in the number of hospitalizations, and a 73% improvement in the number of emergent or unplanned physician visits over the course of a year. Outcome indicators that track improvement in patient-perceived health status also show impressive results.

Sam Helmick, owner of Home Health Care Services, an HME provider in Charleston, WV, collects data manually on his company's disease management program with the assistance of Clinical Director Shannon Dunlap and sees similar results. Using the same basic health care utilization outcome measures, Home Health Care Services patients had an average 78% decrease in hospitalizations and an 87% decrease in emergent or unplanned physician visits. In addition, the average patient nearly doubled the distance they were able to walk in 6 minutes, and all patients claimed improvement in feelings of fatigue and shortness of breath associated with activities of daily living.

Clearly, patients and insurance payors stand to benefit from such programs, but with the cost of disease management running anywhere from \$685 to \$900 per patient over the course of their care, how do HME companies benefit from providing this service to their patients? Some have been able to leverage the provision of superior services to forge preferred provider relationships with hospitals. Others have pursued direct reimbursement from managed care organizations. All have appealed to physicians, discharge planners, and other providers to lend broad referral-source support to HME providers willing to fill the gap for patients with extraordinary needs who lack access to programs that are designed to help them manage their chronic lung disease.

Frank Jett, an owner of Medical Home Care in Birmingham, Ala, says his COPD disease management program is a part of demonstrating that his company is and always has been a very patient-oriented HME provider. "Our sales representative is out there selling it everyday and he does a tremendous job in getting the message across," Jett says. His referral sources are listening. Oxygen and respiratory medication referrals have tripled over the past year since he began offering COPD disease management to his company's patients. Jett has not pursued preferred provider status with any area hospitals, but he has not ruled it out. Right now, he is focused on handling the current business growth, he says.

#### Respiratory Insider



*"The very first time I was introduced to respiratory care was with inhalation therapy in 1970," says Larry Murdock, vice president, marketing, for the California-based Respiratory Technologies Division (SensorMedics, Jaeger, and SpiroTech) at VIASYS Healthcare Inc, Conshohocken, Pa. "At that time, we primarily went around hospitals checking oxygen tanks and humidifiers. There has been an amazing change in the scope of what respiratory care practitioners do today."*

*Recently Murdock spoke about the technological advances within the respiratory field and how products and legislation will affect both VIASYS and its consumers.*

**Q** What is the Vmax Spectra Non-Invasive Diagnostic System?

**A** The Spectra is a continuation of the original Vmax introduced in 1995. In the last 6 years, there has been an incredible change in available sensor technology. The Spectra takes advantage of these changes. The main focus of the instrument was to develop a modular configuration for more testing capabilities at a lower cost operation. Spectra adds a series of quality assurance sensor applications to monitor data for added accuracy and precision. The two sensor changes are in the analyzer and the flow meter. We have a new patent-pending molar mass flow sensor that is relatively insensitive to pressure and humidity changes, and a new "Kelvin-Sensing" technology, which dynamically compensates for the effect of any temperature variations in the room or patient's exhaled volume.

Spectra includes our new warranty program, Total Life Care, which is designed so our customers can accurately determine how much they will spend over the life of the instrument. The Spectra is designed to

be connected through the [a] network port so it can be directly linked to our Internet. Users can download files and new programs, have a support specialist check their analyzers, and troubleshoot the instrument. The program includes an optional business partner's agreement to fulfill the requirements of the Health Insurance Portability and Accountability Act. We are very excited about the product.

**Q** How do you see the respiratory field changing in the next couple of years?

**A** In lung function and sleep medicine, I see therapists moving into more diagnostic roles. When sleep testing began, it was mainly a neurology and EEG-technician business. In the last 5 years, more than 80%, in our estimate, of the people now applying the technology are respiratory care practitioners.

**Q** What does VIASYS have planned for 2002?

**A** In the Respiratory Technologies Division, we have exciting plans for 2002. The sleep diagnostic business that SensorMedics, Jaeger, and Nicolet ran separately is transitioning into one powerful product line using the best technology of the three. Jaeger's excellent Cephalo amplifier technology meshes perfectly with SensorMedics' Alpha software, and with Nicolet's tremendous experience in neurology, our EEG package is going to be very well received. Customers will find a lot of instrument compatibility with what they already have and a strong VIASYS Healthcare customer service team to support them. We are also releasing a revolutionary new testing device for nutritional assessment. Similar to what was done in spirometry over the last 10 years, we took indirect calorimetry and made it pocket-sized.

American Homecare Supply tracks oxygen referrals diligently, and Guarini reports a similar success story with its divisions that offer COPD disease management. Genox Homecare has provided disease management for nearly a year and reports monthly increases in oxygen referrals that range from 33% to well over 100% when compared to the same period during the year prior to offering the service. Overall, Genox Homecare's referrals for oxygen have increased by a rewarding 57%. Denmark's Home Medical and Young's Medical have only recently begun to offer COPD disease management services, but they have already increased oxygen referrals by 13%, Guarini says.

Matt Kneeland, owner of Care Medical, an HME provider in Visalia, Calif, offers details of less tangible rewards. "We had one patient in particular that was a great example of why these programs are needed," he says. "Jayne Cornelius, our director of clinical services, arrived at the patient's home for the first disease management session and the patient was hunched over the couch, breathing very rapidly and in a complete state of panic. There were at least six family members around the patient trying to get her to settle down. Jayne skipped directly to the session on relaxation techniques and began working with the patient and family. She instructed on pursed-lip breathing, controlled breathing, and some visualization techniques. She also did simple things such as putting the patient back on oxygen. Within 10 minutes this patient was completely under emotional control. The family was absolutely amazed."

These providers are convinced that patients and payors alike stand to gain huge benefits as a result of proactive health care programs such as theirs. As the outcomes show, HME providers have what it takes to make a difference in the lives of patients with chronic lung disease and to reduce the incidence of costly hospitalizations and emergent care for this population. The only question is when they will receive the recognition they deserve in the form of widespread reimbursement that will allow them to duplicate their successes with a larger population of patients with chronic lung disease.

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