



■ Choose your private pay billing partner wisely, says Bruce Gehring. See page 7.



■ **Product Spotlight:**  
This month we feature complex rehab products like the Tacache Mid-Wheel Drive from Dalton Medical. See page 18.



■ What's one thing you plan to do differently with your business in 2018? See results on page 22.

VOLUME 24 — NUMBER 2  
FEBRUARY 2018  
\$7.00

# HME News

THE BUSINESS NEWSPAPER FOR HOME MEDICAL EQUIPMENT PROVIDERS

## NEWS

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- Jeff Baird on ins and outs of subcontracting. PAGE 3
- VGM relies Congress. PAGE 4

## COMMENTARY

- It's imperative for businesses to adopt policies to protect themselves from litigation brought on by employees, says Bill Wilson. PAGE 7

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## Deadline hangs over Medicaid

Some states have decided to adopt Medicare rates

BY LIZ BEAULIEU, Editor

WASHINGTON — CMS on Jan. 4 gave state Medicaid directors more "open-ended guidance" for complying with a provision in the 21st Century Cures Act. Still, an increasing number of states, including Georgia, Indiana and Washington, are planning to adopt Medicare reimbursement for certain DME.



Karyn Estrella

to comply with the provision, which requires CMS to cap its contribution to Medicaid reimbursement for certain DME to Medicare reimbursement.

"We plan to go on the record with CMS and the administration about our concerns with not only the timeframe, but also the missing information," said Laura Willard, vice president of payer relations for AAHomecare.

CMS published a letter to state Medicaid directors on Dec. 27 outlining two options for demonstrating compliance:

DEADLINE PAGE 4

## AUTO ADAPTIVE

## Missing: Standards for mods

BY LIZ BEAULIEU, Editor

WASHINGTON — The clock is ticking for Veterans Affairs to establish quality and safety standards for adaptive equipment and vehicles.

Per the Veterans Mobility Safety Act, which was signed into law on Dec. 14, 2016, the VA had one year to establish standards.

"They were supposed to update their handbook within a year of enactment, and we're a little beyond a year," said Seth Johnson, vice president of government affairs for Pride Mobility Products. "Those deadlines have been known to slide from time to

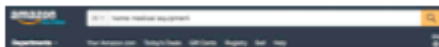
STANDARDS PAGE 15

## ENTER AMAZON? PROVIDERS SHUDDER AT THE THOUGHT

BY THERESA FLAHERTY, Managing Editor

UNUSUALLY, A large majority of providers fear the "Amazon effect" on the DME market, according to the results of a recent HME Newpoll.

While Amazon already offers basic DME, the retail giant has reportedly applied for wholesale distribution licenses in more than a dozen states for "durable medical equipment distribution, medical gas distribution, or both," according to multiple news reports.



AMAZON HAS APPLIED for wholesale distribution licenses in more than a dozen states for DME and medical gas distribution.

"I don't like things such as oxygen being offered by companies with no clinical teams," said David Chesnut, president of Penryn Home Medical.

About 82% of poll respondents, like Chesnut, say they view the possibility of Amazon growing its presence in the DME market as a

negative. It's one thing to buy canes and walkers online, but certain DME like oxygen equipment can really only be provided locally, say poll respondents.

"What happens to the patient that is on oxygen and can't live

ENTER AMAZON PAGE 12

## GF takes increasingly global outlook

BY LIZ BEAULIEU, Editor

ATLANTA — A 35% increase in its international business in the past two years has fueled two recent announcements at GF Health Products, says company exec

Ken Spett.

The company announced in December that it was buying Intensa, a healthcare furniture manufacturer based in High Point, N.C., in a move that

GLOBAL GF PAGE 21



A MOCK-UP of Graham-Field's new corporate headquarters.



# Vendors

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Graham-Field sees double-digit global growth ..... 1  
Travel CPAPs dominated headlines in 2017 ..... 20  
Q&A: Jordan Flowers of Vintage Vehicles ..... 20  
Permobil buys MAX Mobility ..... 21

■ Mick Farrell  
commented ResMedians  
for their part in the  
company's top corporate  
citizen award. See brief  
below.



## MOST READ STORIES

- #1 RESMED PREPARES TO GROW DEMAND FOR TRAVEL CPAPS  
Company officials also address minimal growth in mask revenues
- #2 INVACARE SHIFTS INTO PHASE TWO OF TRANSPORTATION  
DRIVE DEVISS BOWS OUT OF MEDTRAD SPRING  
Company says it's rethinking its marketing strategy
- #4 INVACARE REDUCES WORKFORCE AGAIN  
Layoffs have occurred in each of the past four years
- #5 CPAP MANUFACTURERS GO SMALL TO GO BIG  
ResMed, Philips seek to unlock 'pent-up demand' for travel devices

## Retail, rebound, return?

BY LIZ BEAULIEU, Editor

**A** NEW PRODUCT category and a manufacturer in transition dominated the most read vendor stories in 2017.

**DREAMING ABOUT AIR**  
The AirMini, a travel CPAP from ResMed that launched in April 2017, was the subject of the No. 1 most read story for 2017. "ResMed prepares to grow demand for travel CPAPs." Soon after the AirMini hit the market, another travel CPAP, the DreamStation Go, this one from Royal Philips, launched. Travel CPAPs as a new prod-

uct category was the subject of the No. 5 most read story for 2017, "CPAP manufacturers go small to go big."

There are two reasons that stories about travel CPAPs floated to the top of the most read list for 2017. First, travel CPAPs represent some of the most recent and more interesting innovation in the HME industry. (We can thank CPAP manufacturers for other recent and interesting innovations: remote monitoring capabilities and patient engagement mobile apps. I can think of only one other space that has come close to this level of innovation:

Complex rehab manufacturers and their "smart" drive control systems for power wheelchairs.)

Secondly, travel CPAPs represent a retail opportunity for cash-starved providers. Both ResMed and Philips have emphasized the retail opportunities of travel CPAPs, particularly for online providers.

So these stories have that wow factor (cool new technology!) and that need factor (potential new business line!).

**REBUILD THEN...?**  
Invacare was the subject of two of the most read stories

MOST READ STORIES SEE NEXT PAGE



## Golden wins, gives

Golden Technologies has been voted among the Best Places to Work in Northeastern Pennsylvania, sponsored by the Times Leader Media Group. Employees raised \$3,000 for the American Red Cross and its hurricane relief efforts. Golden Technologies matched employee contributions. Pictured: Rich Golden (second from left) presented the donations to Bill Goldsworthy of Red Cross Northeastern Pennsylvania.

## 'It's the return of retail sales'

Jordan Flowers of Vintage Vehicles USA says a mobility provider with a Gatsby scooter in their showroom will 'knock people's socks off'

BY LIZ BEAULIEU, Editor

**WEST CHESTER, N.J.**—Jordan Flowers has grown up in the scooter business, working for four different family run, mobility related businesses over the years. His latest, Vintage Vehicles USA, which officially launched in January, combines his passions for function and aesthetics. Here's what Flowers had to say about why it's the right time for a company that sells nearly \$7,000 scooters that look like vintage vehicles.

**HME NEWS: How did Vintage Vehicles come to fruition?**

**Jordan Flowers:** I met Vinzenz Hohl of Rehabsys at an international trade show, where we were exhibiting for Active Controls (a manufacturer of drive controls for standard and complex power wheelchairs). He had a great concept that I had been thinking about for years—making scooters look like classic automobiles so they're more relevant to customers. We've become their U.S. distributor.

**HME: Why are scooters that look like vintage vehicles more relevant?**

**Flowers:** Baby boomers have an issue with getting old—they don't want to buy anything mobility related. That's why we changed the name of the

company from Vintage Mobility to Vintage Vehicles. These scooters are cool enough that we're marketing not only to people with disabilities



**THE GATSBY MODEL** is the first offering of Vintage Vehicles. Up next: a '57 Chevy pickup truck.

and people who are getting older, but also to people who live in retirement communities or who have large estates who just want a way to get around.

**HME: You're selling the scooters through the HME provider channel? Flowers:** Yes, we're giving them the first crack at it. It's perfect timing, with the return of retail

sales to the HME industry. The whole industry is turning its back on Medicare and insurance, and least-expensive products. They're flipping back

JORDAN FLOWERS SEE NEXT PAGE

## Pedors shifts gears

BY LIZ BEAULIEU, Editor

**ROSWELL, Ga.**—Frustrated by the decreasing number of providers still willing to provide orthopedic shoes for Medicare beneficiaries, Pedors has turned its eyes to physical and occupational therapists.

The company recently launched a "Geriatric Footwear Program" that offers PTs and OTs in nursing homes discount codes they can share with their patients to help them offset the cost of therapeutic footwear.

"As a shoe company that specializes in orthopedics that was seeing a lot of our core customers drift away—the podiatrists and podiatrists—we needed to take a different approach," said Stephen O'Hare, president.

PEDORS SEE NEXT PAGE

## BRIEFS

### Medline nearly triples footprint in Maryland

**BALTIMORE**—Medline is nearly tripling its footprint in Maryland with the construction of a 1.1 million-square-foot distribution center in the Principio Business Park in Paryville. The new center, which will replace the company's current Havre de Grace facility, will be LEED-certified and is expected to create more than 200 new jobs over the next six years, according to a press release from the Maryland Department of Commerce. The center is one of 40 strategically located across the county, from which it distributes 350,000 medical devices.

### CHAP names new leader

**WASHINGTON**—The board of directors of Community Health Accreditation Partner has tapped Barbara McCann as president and CEO. McCann has served as interim president and CEO since July 2017. Her experience spans executive roles with national healthcare providers over the last two decades. "We are excited to have Barbara assume the position of CEO and president," said Maureen Spivack, chairwoman of the board. "Her national experience in quality management, combined with her vision and integrity, make her the perfect leader to take CHAP forward." McCann comes to CHAP from Interim Health, where she most recently served as the company's chief industry officer based in Washington, D.C.

### ResMed named top citizen

**SAN DIEGO**—ResMed has been named one of America's top 100 corporate citizens for the second straight year by Forbes and JUST Capital, a nonprofit that analyzes and ranks companies based on how they serve the priorities of the American people. ResMed ranked No. 76 among other large publicly traded U.S. companies and No. 2 in "Health Care Equipment & Services." Companies were compared on issues that included worker compensation and well-being, customer treatment, product impact, environmental impact, community support and job creation. "This honor acknowledges that, here at ResMed, we are fulfilling our commitment to best serve our patients, physicians, providers, communities and our 6,000 ResMedians serving people in 120 countries worldwide," said Mick Farrell, CEO.

### F&P files lawsuit in AU

**AUCKLAND, New Zealand**—Fisher & Paykel Healthcare filed patent infringement proceedings against ResMed in the Federal Court of Australia on Dec. 12, alleging that some of ResMed's products, including its AirSense 10 and Lumis non-invasive ventilators, infringe on four of its patents, according to news reports. F&P seeks damages and injunctions that would prevent ResMed from manufacturing and selling these products in Australia. F&P and ResMed have patent proceedings pending in a number of countries. Most recently, the English Patents Court sided with F&P, saying a ResMed patent for masks is invalid in the UK.



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## Permobil adds power assist to portfolio

LEBANON, Tenn. — Permobil has acquired MAX Mobility, the Nashville, Tenn.-based manufacturer of the SmartDrive power assist device.

MAX Mobility's most recent release, the SmartDrive MX2+ with PushTracker, works on virtually any manual wheelchair on the market.

"Almost three out of four manual wheelchair users have shoulder pain already," said Mark Richter, Ph.D., CEO

of MAX Mobility, who will join Permobil as senior group innovation advisor, working across the power, manual, and seating and positioning portfolios. "By becoming part of Permobil and adding power assist to the portfolio, we can expand our reach and reduce shoulder pain for users globally."

The SmartDrive device, which weighs just over 12 pounds, attaches to the back of the user's manual wheelchair and uses

a built-in battery to power the chair for miles on a single charge.

Larry Jackson, president of Permobil Business Region Americas, says SmartDrive "greatly expands our offering and will provide an independent mobility solution for our users globally."

MAX Mobility is only the most recent of a number of acquisitions for Permobil in 2017, including Comfort Company in October. **HME**

## MOST READ

CONTINUED FROM PREVIOUS PAGE

for 2017. The No. 2 most read story, "Invacare shifts into phase two of transformation," provided an update on the company's efforts to lift a consent decree with the U.S. Food and Drug Administration that limited its ability to design and manufacture products at its corporate headquarters and Taylor Street facility. In this story, published in early February, CEO Matt Monaghan called 2017 a rebuilding year for Invacare, something that certainly played out in the subsequent months and peaked in July, when the FDA lifted the decree.

The No. 4 most read story, "Invacare reduces workforce again," is representative of moves by the company, more than once in 2017, to align costs with reduced sales. Most recently, in December, the company announced another lay off of about 110 employees.

### DRIVE AS HARDINGER

Drive DeVilbiss snagged one of the most read stories again this year, with "Drive DeVilbiss bows out of Medtrade Spring." (The company was the subject of the No. 1 most read story for 2016 with its acquisition of DeVilbiss Healthcare.) The number of exhibitors and attendees at Medtrade and Medtrade Spring has long been used as the harbinger of the health of the HME industry and when one of the largest manufacturers decides to forgo one of those events, it's big news. Drive DeVilbiss was at Medtrade in the fall.

So, will travel CPAPs take off as a retail opportunity?

If 2017 was, as Monaghan said, a rebuilding year, will 2018 be Invacare's rebound year?

Will Drive DeVilbiss be back at Medtrade Spring?

Time will tell, and so will the most read stories for 2018. **HME**

## PEDORS SHIFTS

CONTINUED FROM PREVIOUS PAGE

Patients can buy footwear directly from Pedors and use the discount code to cover their shipping costs and, if necessary, their exchanges or returns.

Because footwear can help prevent slips and falls, which can lead to more costly complications, the PTs and OTs in nursing homes and long-term care facilities have a vested interest in the market, O'Hare says.

"They're frustrated by the lack of providers, too, but they're not interested in buying footwear or billing for it," he said. "This allows them to make a recommendation, but they're not involved. It simplifies the whole process."

O'Hare says he doesn't blame providers who are weary from insufficient reimbursement, nonstop audits and cutthroat competition online for leaving the footwear market. But Pedors had to do something to stem the tide.

"We've had a decline in sales," he said. While Pedors is no stranger to selling direct to consumer—it has had an e-commerce component to its website since the late 90s—historically it has relied on its B2B business for the bulk of its sales, O'Hare says.

"B2B was what this company was built on," he said. "We still want to support our wholesale customers. We're trying to provide a compromise by keeping their pricing in place."

Tom Fise, executive director of the American Orthotic and Prosthetics Association, says he hasn't seen a significant number of providers dropping footwear and inserts, but he wouldn't be surprised if their volumes of business were on the decline.

As for PTs and OTs in the market, "I would say they are a very small part of the marketplace right now, but that could change," he said. **HME**

## GLOBAL GF

CONTINUED FROM PAGE 1

increases its upholstery making capabilities by 40,000 square feet.

"We currently do upholstery in Georgia and that line is at capacity," said Spett, president and CEO. "The growth we've seen requires us to expand."

Spett chalks up Graham-Field's success overseas, where it has distributors in 84 different countries, with the high demand for largely U.S.-made, quality products.

"(Foreign providers) want the product you're making for the Mayo Clinics and the Johns Hopkins," he said. "Also, as more domestic providers move overseas—hospitals and groups are setting up joint operations—they carry a lot of weight."

With an international outlook in mind, Graham-Field also announced in October that it was expanding its global headquarters in Atlanta to serve as not only its main base but also its customer showroom, regional distribution center and cut-and-sew manufacturing facility. The address: 1 Graham-Field Way.

"We're leasing space for our regional distribution center and our cut-and-sew manufacturing facility, so it was time to make an investment," Spett said. "It's a show of commitment to the markets we're in, that we're not going anywhere anytime soon." **HME**

## FLOWERS

CONTINUED FROM PREVIOUS PAGE

to cash sales and to feature-rich and quality driven products. A mobility provider who has this scooter in his showroom—it knocks people's socks off.

**HME: You were at Medtrade in the fall of 2017. What was the reception there?**

**Flowers:** I knew we were a bit when we sold out all of our available demo units. This was before the first production units arrived in early December.

**HME: You currently offer a Gatsby model. What's next?**

**Flowers:** We're working with them on developing accessories for the market. At our request, they're working on a heavier duty version with a bigger battery and motor. Our next design is based on a '57 Chevy pickup truck.

**HME: What keeps you keep innovating, specifically in this industry?**

**Flowers:** It's fun. And you go to bed feeling good having helped someone continue to get around. I've had a passion for it my whole life, growing up in the business, riding scooters around. **HME**

## BRIEFS

### SoClean scales with investment backing

OXFORD, Mass. — SoClean, which makes CPAP sanitizing devices, has secured investment backing from DW Healthcare Partners. The funding will allow SoClean, which quadrupled sales in 2017, to scale the company, according to a press release. "DW Healthcare Partners is ideally suited to take us to the next level," said Robert Wilkins, CEO of SoClean. "Their seasoned healthcare investment team is dedicated to accelerating SoClean's growth to maximize our value. We are confident that the best is yet to come for SoClean in 2018 and beyond." Toronto-based DW Healthcare Partners is a healthcare-focused private equity firm that specializes in scaling mid-sized companies. "SoClean has revolutionized the way that CPAP machines are cleaned," said Andrew Carragher, co-founder and managing partner of DW Healthcare Partners. "We are excited to back a product that provides such substantial value to its users."

### ResMed debuts Mobi

SAN FRANCISCO — ResMed has formally introduced its first portable oxygen concentrator to the market. The company says Mobi will be available to U.S. patients through their HME providers later this quarter, and it is pursuing clearance to sell in other countries in 2018. "We have focused decades of patient-centered ResMed technology and design innovation into this POC," said ResMed CEO Mick Farrell. "We've achieved great mobility, comfort and therapy quality in sleep apnea treatment with AirMini, the world's smallest PAP device. Mobi offers that same great balance to the many millions of people who rely on supplemental oxygen to enjoy their highest quality of life." ResMed technically entered the home oxygen therapy market in 2016 when it bought Austin, Texas-based Inova Technologies, the manufacturer of the LifeChoice Activox, an ultra-light POC, and the Activox DUO2, an integrated stationary and POC system.

### Philips embeds telehealth services into solutions

AMSTERDAM and BOSTON — Royal Philips and American Well have signed a new strategic partnership to jointly deliver virtual care solutions around the world. The two companies will work to embed American Well's mobile telehealth services into an array of Philips solutions, spanning personal health and wellness, population health management and clinical programs. "Philips brings great consumer professional devices and programs, coupled with powerful analytics," said Ido Schoenberg, M.D., chairman and CEO of American Well. "With the addition of telehealth, they can now offer everything from data collection to care provision and clinical intervention." The first Philips solution to have American Well's mobile telehealth services embedded in it: the uGrow parenting app. American Well is the telehealth infrastructure behind the largest payers, hospitals and employers in the U.S., which collectively serve more than 150 million Americans, Philips says.

Periodicals postage paid at Yarmouth, ME and additional mailing office, HME News (ISSN 1091-3823) is published monthly by United Publications, Inc., 106 Lafayette St., PO Box 998, Yarmouth, ME 04096, 207-846-0600. Publisher assumes no responsibility for unsolicited material or prices quoted in the magazine. Contributors are responsible for proprietary classified information.

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Reprints may be obtained from The YGS Group at 717-905-9701, ext. 100. Back issues, when available, cost \$7 each within the past 12 months, \$12 each prior to the past 12 months. Back issue orders must be paid in advance either by check or card to American Express, Visa, or MasterCard.

HME News is distributed without charge in North America to qualified home medical equipment providers. Paid print subscriptions to those not qualified cost \$65 annually to the U.S. and Canada and \$150 to all other countries. All payments must be made in U.S. funds drawn on a U.S. bank.

For subscriber services, including subscription information, please call 800-689-6882. POSTMASTER: Send address changes to HME News, PO Box 1888, Cedar Rapids, IA 52406-1888.

