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Commentary

Technology paves way to business success

BY BERNARD LAMBRESE

In his bestseller, "The World is Flat," Thomas Friedman writes about the impact of effectively using new technology by stating, "Make no mistake about one thing: Wal-Mart became number one because this little hick company from north-west Arkansas was smarter and faster about adopting new technology than any of its competitors. And it still is."

As HME providers walk the Medtrade show floor, they should keep this in mind. With reimbursement cuts coming fast and furious, those who don't embrace technological advancements in equipment, billing, inventory tracking, etc., may not be in this industry for long. Just as you no longer perform office work on typewriters and hand-held calculators (at least I hope you're using computers), providers must adopt technology—even if the acquisition cost is more, sometimes much more, than what they are used to paying for less sophisticated items—to become more efficient and to lower the overall cost of running a business.

For example, medical equipment dealers now have the opportunity to embrace new technology for servicing their home oxygen patients. Transfilling systems and portable concentrators that enable patients to generate their own ambulatory oxygen have improved



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both clinical outcomes for patients and financial outcomes for providers. COPD patients with lightweight portable cylinders, filled with gas or liquid oxygen, are much more likely to ambulate often—an important factor in improving their health status.

HMEs that provide this state-of-the-art equipment are quickly becoming preferred providers for physicians, discharge planning nurses and respiratory therapists. I say this as the former owner of a very successful home respiratory company. The more effectively and consistently providers convey this message to referral sources, the faster they will increase their patient census—and many of their competitors that adhere to old procedures and equipment may become as obsolete as Wal-Mart's competitors. By investing in technology that increases efficiency, providers can more effectively control their destiny, and not have profits and cash flow be so dependent on world events. They will build equity in their equipment, rather than being a victim of increased operating expenses due to fuel, payroll, health insurance, etc. Medical equipment dealers that refuse to change will soon realize that the excellence of the status quo is a sentimental illusion, and that they will



THE TIMES DEMAND that providers adopt a new standard of care, Lambrese says.

need to work much harder to maintain profit margins and customer satisfaction.

Many providers are interested in building a company of value with the goal of selling the business in the future. Using equipment that reduces operating costs and improves earnings will favorably impact pricing.

Providers that intend to stay in the business for the long term will realize a tremendous impact on cash flow as leases mature and minimal operating costs remain. All dealers will benefit from the non-delivery model for

home oxygen patients when the concentrator or liquid unit title transfers to the patient.

The old standard of care in the home respiratory industry involved frequent patient deliveries—an expense to the provider and an inconvenience to the patient. The new standard involves greater patient independence and reduced operating costs, the ultimate win-win proposition. **HME**

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