



■ Now is the time to review, prepare for face-to-face rule, says Jamie Loper. **See page 13.**



■ **Product Spotlight:** This month we feature wheelchairs, as well as accessories like the AL500 Universal Power Chair Lift from Harmar. **See page 29.**



■ What has been the experience of non-contract and contract suppliers in Round 2 areas? **See results on page 34.**

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HME News

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SMART TALK

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COMMENTARY



■ While the home medical equipment industry gets mired in the latest crisis du jour, it is losing the value debate, says Michael Reinemer. It's time for providers to gather hard data on cost savings to prove they are worth every penny. **PAGE 13**

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Philips offers Lifeline

Richard Overton, who, at 107, is the oldest recorded living U.S. veteran, was presented with the Philips Lifeline with AutoAlert service on June 5 in Austin, Texas. The service, which will help protect Overton as he continues to remain independent in his home, was provided free of charge for the rest of his life in appreciation for his service to the country. Overton served in the Army in the Pacific during World War II.

PHOTO CREDIT: JACK FLANNETT

Waiting in the wings?

With an auction date set for Aug. 6, speculation is rampant on potential buyer for The Scooter Store

BY ELIZABETH DEPREY, Associate Editor

NEW BRAUNFELS, Texas — Stalking horse protection and breakup fees were two of the details finalized during a June 24 hearing for The Scooter Store's Chapter 11 auction.

The fact that The Scooter Store requested a specific breakup fee—2.5% of the purchase price plus \$500,000—means the company is likely in negotiations with at least one potential buyer, says bankruptcy attorney Joe Marshall.

"Sometimes, a buyer won't agree to step into the stalking horse position until they know what protections will be approved by the court," said Marshall, a partner in the Restructuring Group at Munsch Hardt in Dallas. As part of the hearing, U.S. Bankruptcy Judge Peter J. Walsh also set the auction date for Aug. 6, with a closing by Aug. 13. Those dates are a couple of weeks later than The Scooter Store requested, but Marshall says that's

AUCTION SEE PAGE 23

PRICING WARS

Delay efforts have not ended

BY THERESA FLAHERTY, Managing Editor

WASHINGTON — After the failure of an 11th hour attempt to delay the July 1 start date of Round 2 of competitive bidding, HME industry stakeholders have set their sights on the coming weeks.

A federal judge on June 27 denied a request for a temporary restraining order (TRO) that would have prevented Kathleen Sebelius, secretary of the Department of Health and Human Services (DHHS), from implementing Round 2. The TRO request

was made by AAHomecare and Home MediService. The two parties on June 19 also filed a lawsuit against Sebelius asking her to stop the expansion of the program due to "licensing irregularities."

"We need to keep working Congress," said Cara Bachheimer, senior vice president of government relations for Invacare. "We know this is a flawed program and we expect major problems."

With the TRO out of the picture, the next best bet for relief is

DELAY SEE PAGE 8

Disqualifications set precedent
See story page 3

Contract suppliers speak out
See story page 8

Other shoe drops

BY LIZ BEAULIEU, Editor

IN THE wake of steep reimbursement cuts by Medicare, there have been reports of private payers and Medicaid programs looking to slash pricing. Now it looks like it's officially happening and on a much bigger scale.

Health insurance giant Humana on May 30 notified providers via a notice on its



Jay Witter

website that it will follow Medicare's lead and, starting July 1, pay for DME and mail-order diabetes supplies in 91 cities using pricing from Round 2 for its Medicare Advantage (MA) plans. Humana also notified members of those plans by mail.

The notice on Humana's website was down for some time but has been re-posted. Stakeholders had thought maybe Humana was having second thoughts.

HUMANA SEE PAGE 19

Mediware makes homecare play

BY LIZ BEAULIEU, Editor

LENEXA, Kan. — Mediware Information Systems has nearly doubled its customer base in the HME, home infusion and home health

markets by acquiring Plainview, N.Y.-based Fastrack Healthcare Systems.

Mediware now has 700 customers, with the addition of Fastrack's 300.

"We've had a strategy of being in the alternate care solutions business for four years now," said Kelly Mann, president and CEO. "We like this space—we

MEDIWARE SEE PAGE 33