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## Grow - continued

- ◆ Annuities
- ◆ Relationships
  - ◆ Patients
  - ◆ Referrals
  - ◆ Payers
- ◆ Opportunities
  - ◆ IoMT



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## Best Practices - Collect

- ◆ RCM
  - ◆ Definition
  - ◆ Alignment
  - ◆ Training
    - Staff
    - Patients
    - Referrals
- ◆ Compliance
  - ◆ “You ask for more than anyone else”
    - Note - Kelly Grabovac is speaking @ 2:45
    - Note - Medicare Updates @ 10:15 5/7



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## Best Practices - Control

- ◆ Efficiency
  - ◆ Technology
  - ◆ Reinforcements
  - ◆ Cross Selling
- ◆ Cyber
  - ◆ Not “if” but “when”
    - Note - Brian Boulanger @ 4PM 5/7



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## Future State

- ◆ Operating Climate
- ◆ Labor Pool
- ◆ Technology/AI Impact
- ◆ Health Care Environment
  - ◆ Reimbursement Models
- ◆ Positioning



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## Operating Climate

- ◆ Blend of FFS and “At Risk” Reimbursement Models
- ◆ Growing Demand
- ◆ Shrinking Labor Pool
- ◆ Increased Accountability



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## Labor Pool

- ◆ Wages for clerical roles are expected to grow at a 3.7% rate for 2025<sup>(1)</sup> and grew 3.8% in 2024<sup>(2)</sup>.
- ◆ More people are turning 65 every day, 10k<sup>(3)</sup>, versus entering the workforce, 6.2k<sup>(4)</sup>.

(1) WTW. (2024, December 18). U.S. employers project 3.7% salary increase budgets for 2025. WorldatWork. [worldatwork.org](https://www.worldatwork.org)  
(2) WorldatWork. (2024, December 19). Budgets for 2025. WorldatWork. [worldatwork.org](https://www.worldatwork.org)  
(3) U.S. Census Bureau. (2023, May 25). Older population and aging. [census.gov](https://www.census.gov)  
(4) U.S. Bureau of Labor Statistics. (2025). Current employment statistics - CES (National). [bls.gov](https://www.bls.gov)



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## Technology/AI Impact

- ◆ What will be available for our patients?
  - ◆ Internet of Medical Things (IoMT)
- ◆ What type of impact can AI have?
- ◆ Innovation vs early adoption (aka bleeding vs leading edge)
- ◆ Cautious vs laggard



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## Health Care Environment

- ◆ Where will patients be treated?
- ◆ What types of conditions will be prevalent in 5 years?
  - ◆ According to the National Library of Medicine, chronic diseases are among the most prevalent and costly health issues in the U.S<sup>(1)</sup>. Approximately 85% of adults aged 65 and older have at least one chronic condition, while 60% are managing two or more<sup>(2)</sup>.
- ◆ Who will be your competitors?
  - ◆ Payers
  - ◆ Health Systems
  - ◆ Retailers

(1) Superstaff. (2024, December 27). Durable medical equipment industry in 2025: Trends to watch. Superstaff. [superstaff.com](https://superstaff.com)

(2) Henry Ford Health. (2024, October 8). Rewriting the rules of value-based care. Populace. [populace.com](https://populace.com)



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## Terminology

- ◆ QALY (\$50-100K)<sup>(1)(2)</sup>
- ◆ VBC
- ◆ Capitation/At Risk
- ◆ Throughput

(1) The value of a Quality-Adjusted Life Year (QALY) in the United States typically ranges between \$50,000 and \$100,000 (Source: Health Economics Research, 2025)

(2) CELforPharma. (2024). Do you know what a QALY is, and how to calculate it? CELforPharma. [celforpharma.com](https://celforpharma.com)



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## Reimbursement Models

- ◆ Universal Payer
- ◆ PBM Model
- ◆ Higher Deductibles
  - ◆ The Mark Cuban Effect
- ◆ Bundles



13

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## Reimbursement Models

- ◆ Hospital @ Home
- ◆ Capitation
  - ◆ TEAM<sup>(1)</sup> (Transforming Episode Accountability Model)
    - When – 2026-2030 (Reward & Risk Levels Escalate)
    - Where – 25% (of Core-Based Statistical Areas)
    - What – 5 Procedures
    - Who – Most Services, Including DME

(1)Centers for Medicare & Medicaid Services. (2023). Transforming Episode Accountability Model (TEAM). Retrieved from CMS.gov



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## Positioning

- ◆ What Is Your Unique Value Proposition In A VBC World? ◆
- ◆ Why Should An “At Risk” Provider/Payer/System use you?
- ◆ Are You:
  - ◆ Timely?
  - ◆ In The Right Spot?
  - ◆ Reliable and Consistent?
  - ◆ Aligned?
  - ◆ Easy To Use?



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## One Company's Outlook – (According to AI)

The future of value-based care in the Durable Medical Equipment (DME) industry is likely to focus on improving patient outcomes while controlling costs. ABC Medical Equipment's philosophy emphasizes providing value-based, progressive care and outcome-driven quality service, indicating a commitment to these principles. This approach suggests that the industry will continue to prioritize patient satisfaction, efficiency, and the effectiveness of care.

Value-based care models in the DME industry will likely involve:

- 1. **Enhanced Patient Care:** Ensuring that patients receive high-quality, personalized care that meets their specific needs.
- 2. **Cost Efficiency:** Implementing strategies to reduce unnecessary expenditures and improve the cost-effectiveness of care.
- 3. **Community Support:** Continuing to contribute to and support local communities, aligning with Hart's commitment to community involvement.
- 4. **Team Collaboration:** Fostering a team-oriented approach to healthcare delivery, which is essential for achieving the desired outcomes in value-based care.

In summary, the future of value-based care in the DME industry will likely revolve around delivering high-quality, efficient, and patient-centered care while maintaining a strong community presence and collaborative work environment.



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## Remember

- ◆ Don't take on loss leaders if they don't lead anywhere worth going.
- ◆ If you're good at something.....
- ◆ Culture eats change.....
- ◆ Sprint, marathon or relay?
- ◆ What is your "why"?<sup>(1)</sup>

(1) Sinek, S. (2009). Start with Why – How Great Leaders Inspire Action. TEDxPugetSound. Retrieved from TED.com



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# The End



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