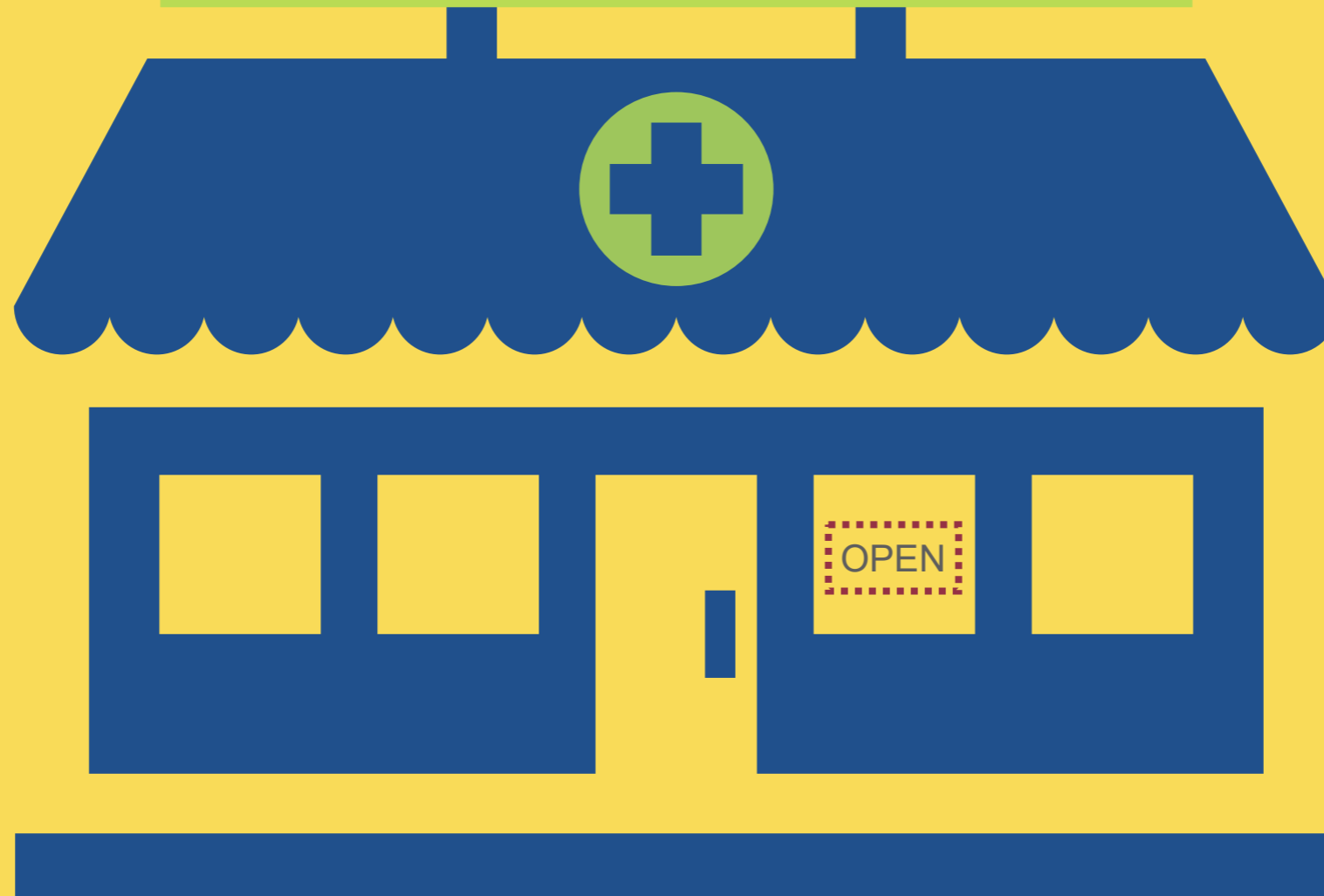


# Driving Front-End Success with HME

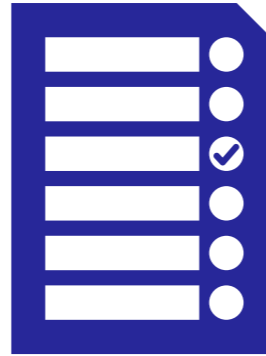
Prepared & Presented by:  
Sue Chen

ACPE # 0130-9999-23-323-L99-P&T

Home Medical Equipment  
**PHARMACY**



# Learning Objectives



- ☒ Identify the demographic changes that are expanding the customer base for home medical equipment

---
- ☒ Describe the growing home healthcare trends that are fueling demand for HME

---
- ☒ List reasons why independent pharmacies are ideally positioned to capitalize on growth in the HME market

---
- ☒ Explain how pharmacies can drive increased-front end revenue with HME sales

---
- ☒ Describe how to effectively display HME products in your store and market them in your community

---
- ☒ Describe the customer/patient profile for HME products and the most effective ways to overcome the challenges of denial, resistance and non-compliance.



 What is Home Health Care?

Google Search

I'm Feeling Lucky

# What's home health care?

## What's home health care?

---

Home health care is a wide range of health care services that can be given in your home for an illness or injury. Home health care is usually less expensive, more convenient, and just as effective as care you get in a hospital or skilled nursing facility (SNF).

### Examples of skilled home health services include:

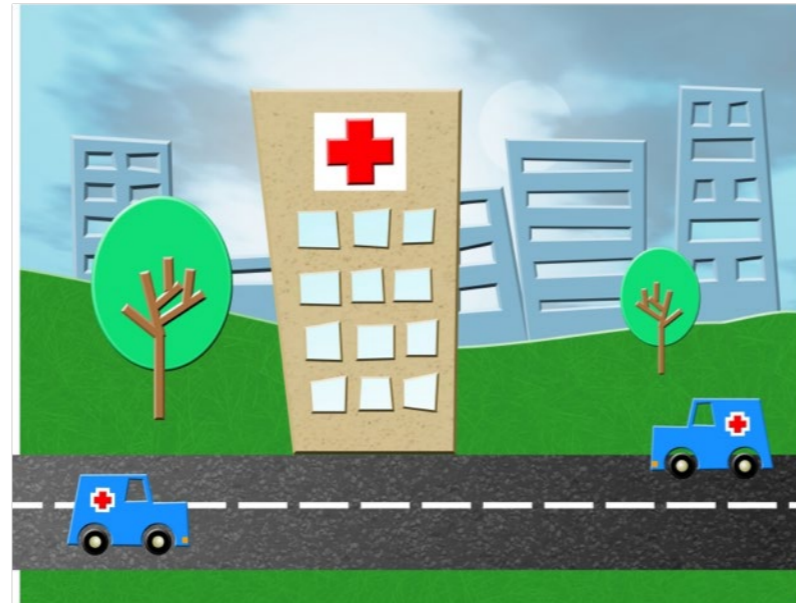
- Wound care for pressure sores or a surgical wound
- Patient and caregiver education
- Intravenous or nutrition therapy
- Injections
- Monitoring serious illness and unstable health status

In general, the goal of home health care is to treat an illness or injury. Home health care helps you:

- Get better
- Regain your independence
- Become as self-sufficient as possible
- Maintain your current condition or level of function
- Slow decline

In other words....

Get out...



Get well...



At home.



# Driving Front-End Success with HME



- ☒ Identify the demographic changes that are expanding the customer base for home medical equipment

# Baby Boomers



1946

59

77 MILLION PEOPLE ARE BORN

YEARS OLD

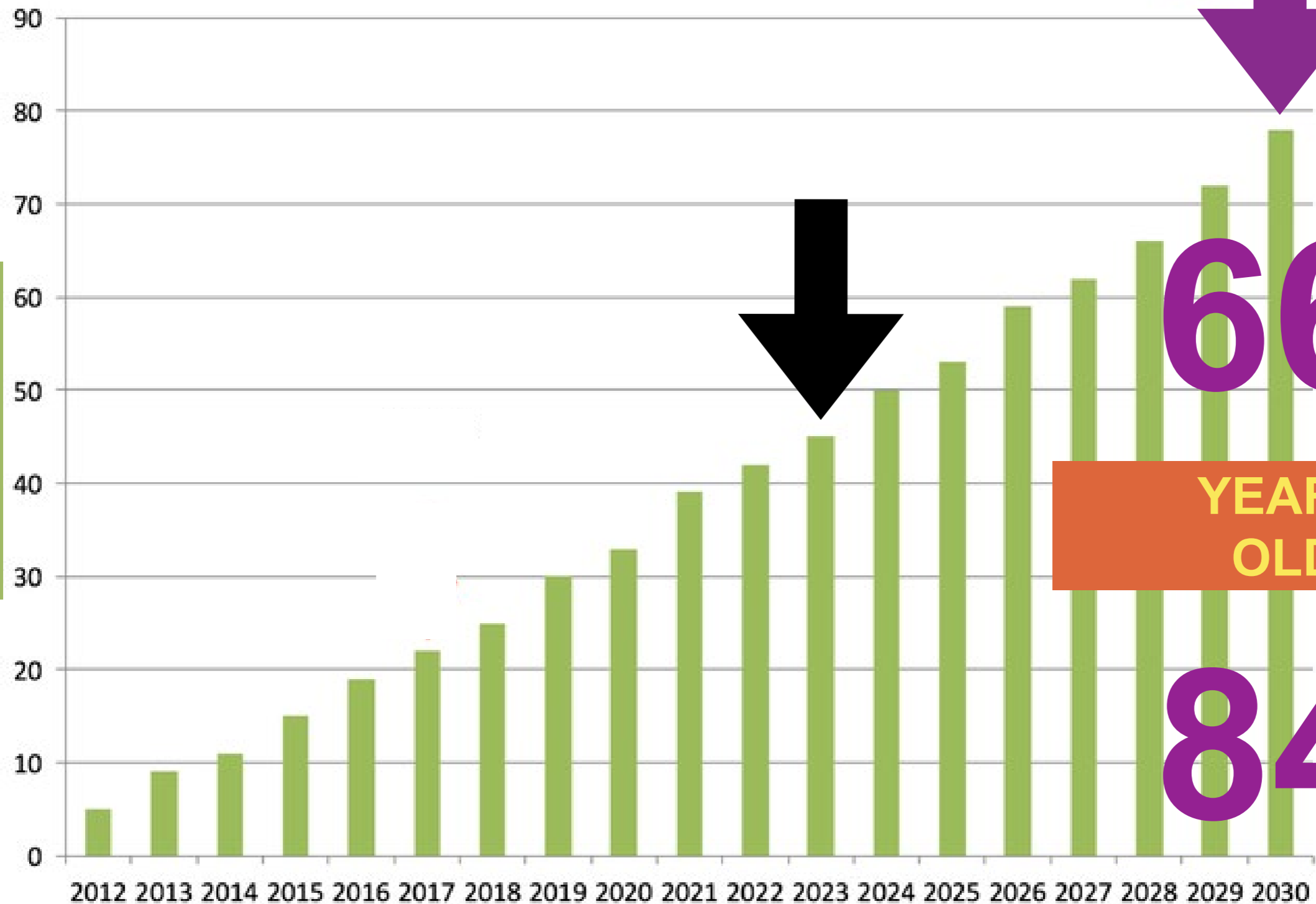
1964

77

## Baby Boomers Over 65: 2012 - 2030(e)

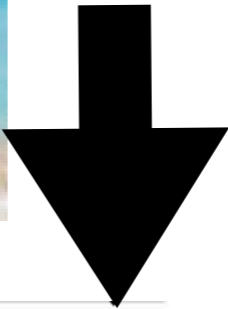
MAULDIN  
ECONOMICS

Millions



© Mauldin Economics 2017

Double Dipping



59

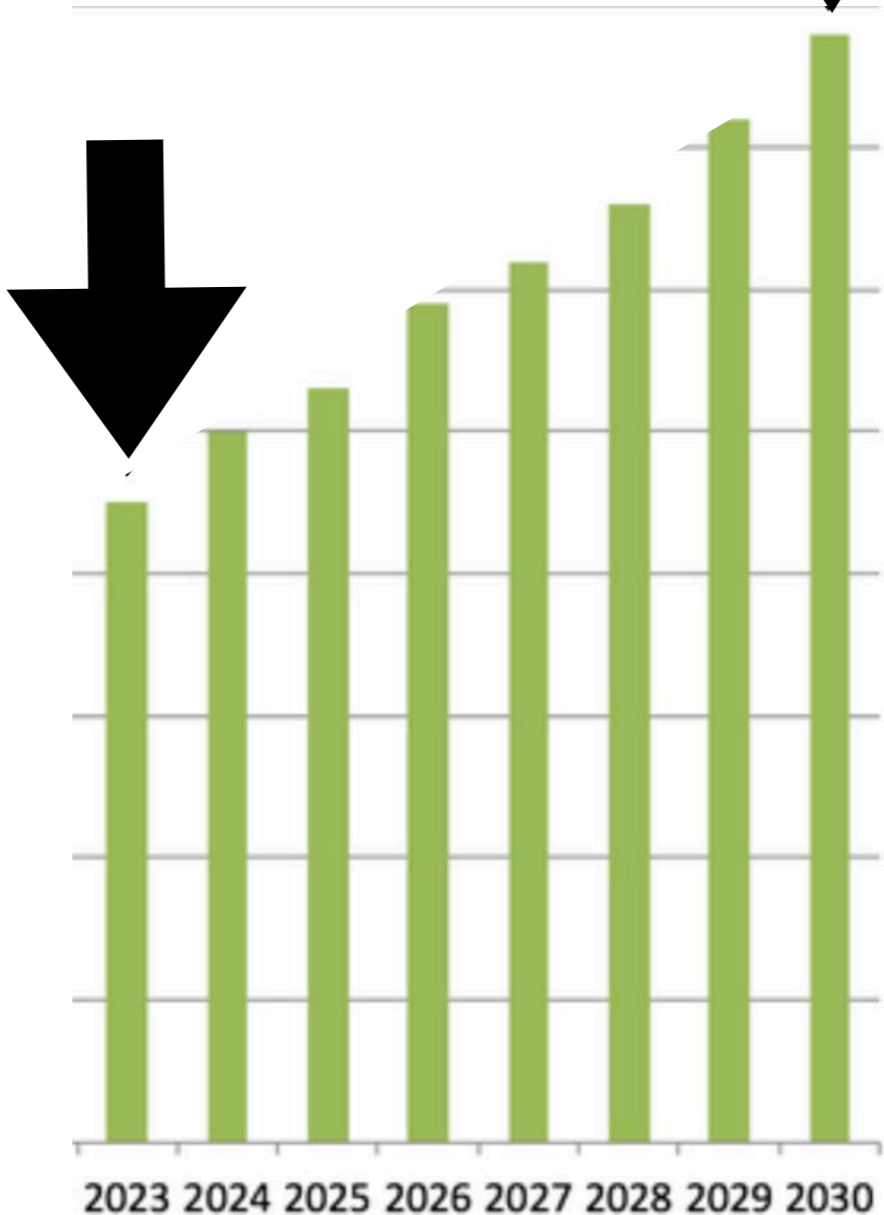
YEARS OLD

66

YEARS OLD

77

84



**\$2.4 TRILLION**  
in  
Annual Income

---

That's **42%** of all after-tax income  
in the U.S.

People **50+**'s median  
household income is

**55%**

greater than that of post-Boomers

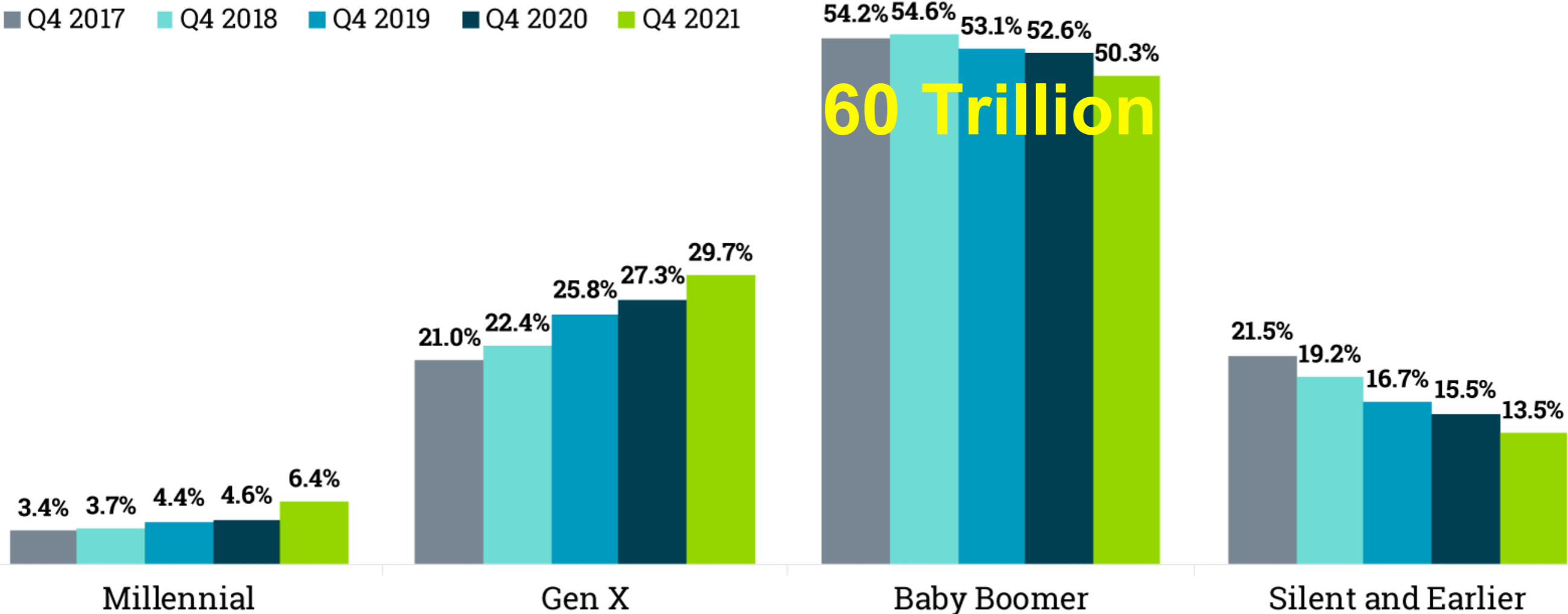
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**61%**

greater than that of pre-Boomers

# Share of US Household Wealth, by Generation

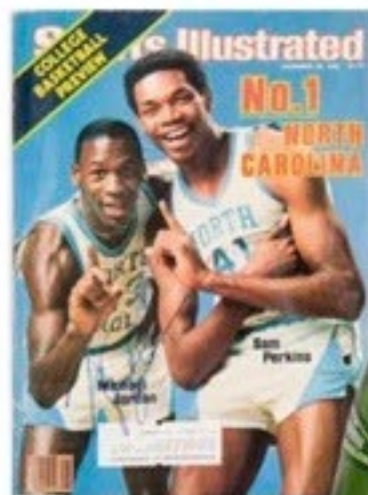
■ Q4 2017 ■ Q4 2018 ■ Q4 2019 ■ Q4 2020 ■ Q4 2021



60 Trillion

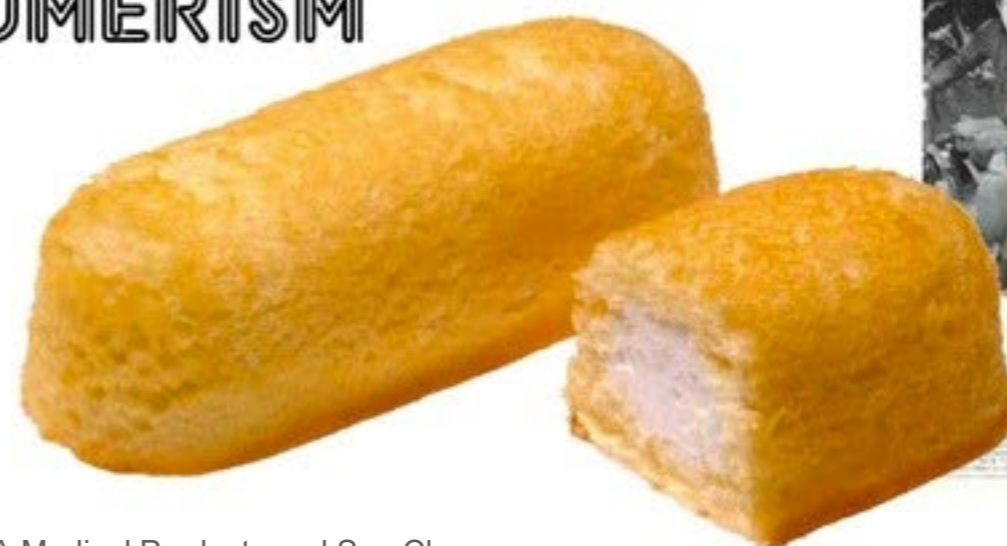
Published on MarketingCharts.com in March 2022 | Data Source: US Federal Reserve

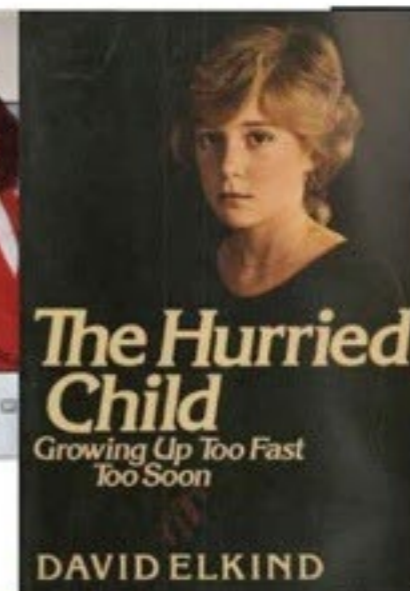
*Millennial: born 1981 or later; Gen X: born 1965-1980; Baby Boomer: born 1946-1964; Silent and Earlier: born before 1946*



**GREED  
IS GOOD**

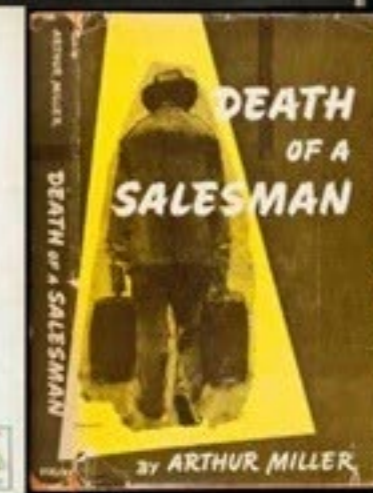
.....  
**CONSUMERISM**





# Overachievers

## CAREER



# Driving Front-End Success with HME



- ☑ Describe the growing home healthcare trends that are fueling demand for HME.

Thank you Medicare!!

It's time to  
celebrate.

# HME Medicare UPDATE - Reimbursements

<b>Oxygen, oxygen equipment &amp; Supplies</b>	<b>Standard (power and manual) Wheelchairs Scooters, &amp; Accessories</b>	<b>Enteral Nutrients, Equipment &amp; Supplies</b>	<b>CPAP/RAD &amp; Related Supplies &amp; Accessories</b>	<b>Hospital Beds &amp; Accessories</b>	<b>Walkers &amp; Accessories</b>	<b>Support Surfaces (Group 2 Mattresses &amp; Overlays)</b>	<b>NPWT Pumps &amp; Related Supplies &amp; Accessories</b>
41%	36%	41%	47%	44%	46%	63%	41%

<b>Diabetic Testing Supplies</b>		
Per month	\$77.90	\$22.47
Per year	\$934.80	\$269.64
Per 3 years	\$2,804.40	\$808.92

Circa: 2013

# HME PROFITABILITY

## *CASH VS. INSURANCE*

### Cash sales = profit

- No accreditation required
- No paperwork to submit
- 50% plus fixed profit margin
- Limited to non-prescription DME products
- Access to all DME customers

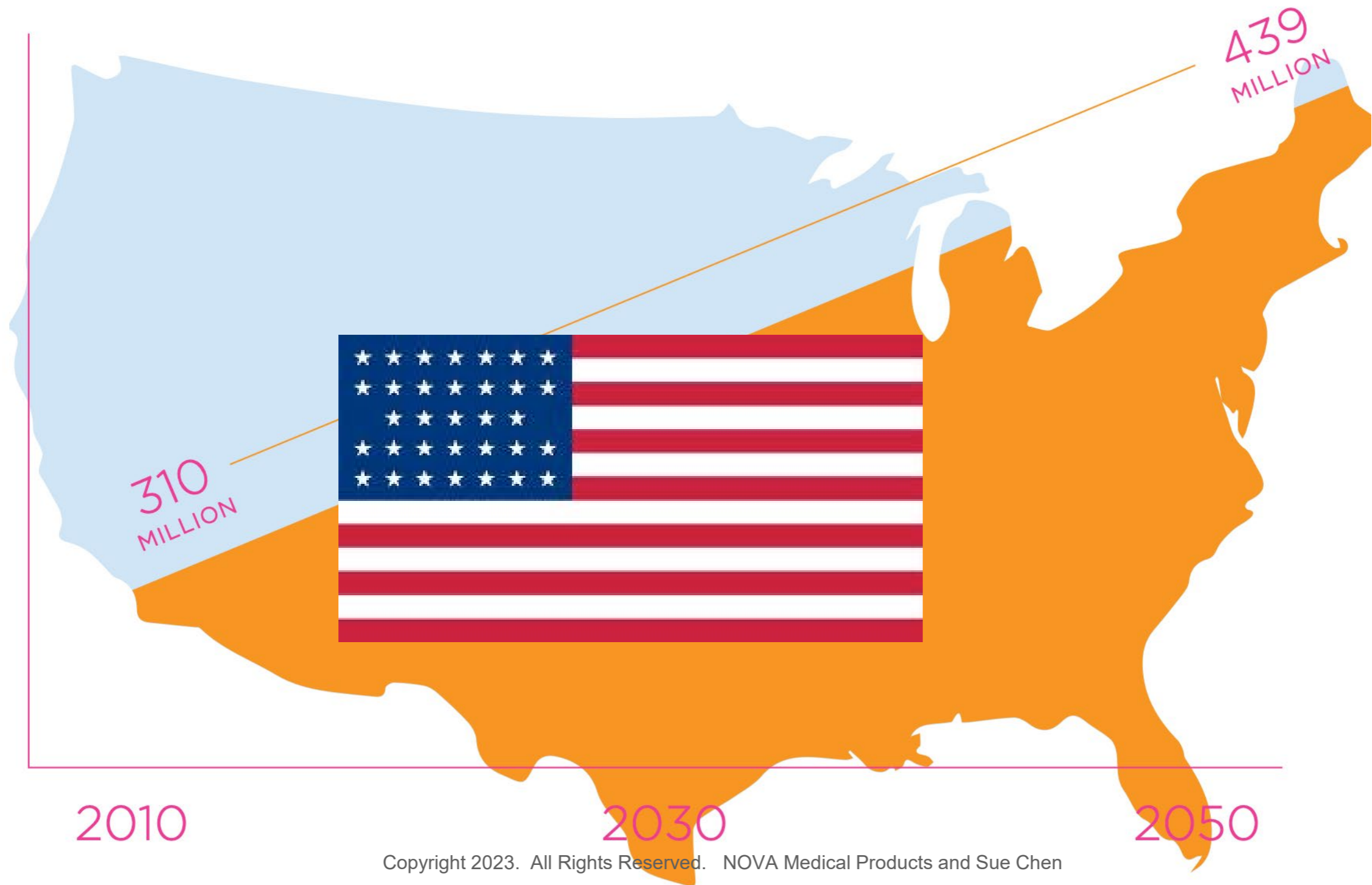


### Insurance sales = profit w/ additional work

- Accreditation required
- Electronic or manual paperwork required
- Fluctuating profit margin based on current reimbursement rates
- Competitive Bid – CBA lock out if not winner



# America...YOU are Free to CHOOSE Your HME



# We love the freedom to choose.



**Style, Quality, Value**  
Everyday life of our customer



Text  
*not your daughter's* Jeans





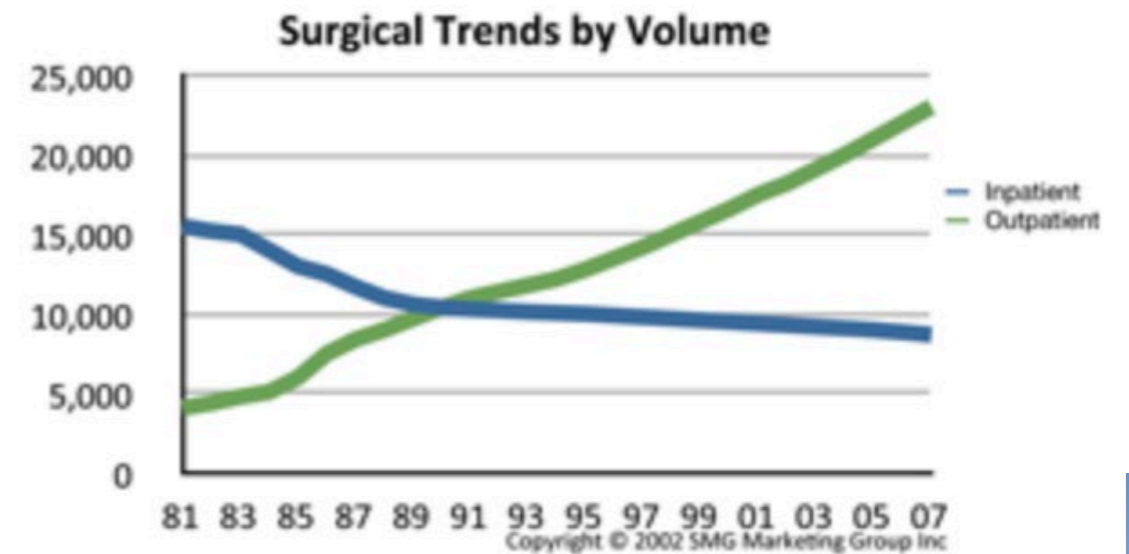
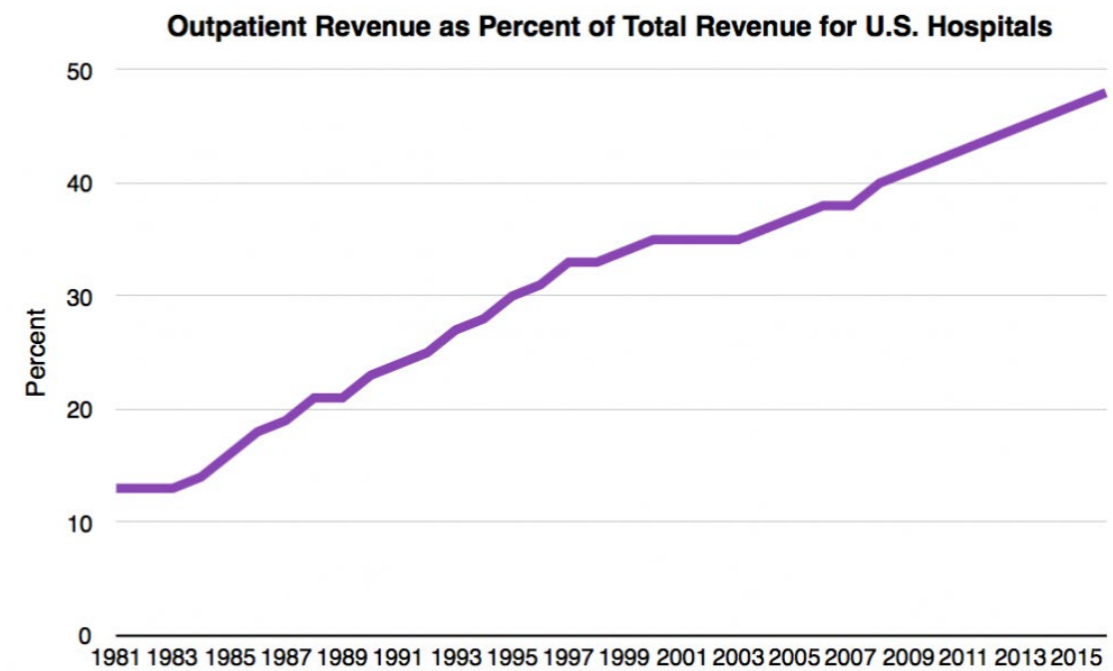
# Massive Trend Fueling HME



## Out Patient Surgeries & Home Recovery





# OUTPATIENT Surgeries SURGE in U.S.



**# 1**

**75%**  
of Surgeries  
are Outpatient

**# 2**

**99%**  
of patients are  
 & 

**# 3**

**Doctor Office  
*DOES NOT*  
provide  
Post-op home  
recovery  
solutions**

**# 4**

**# 1**

Cause of hospital  
re-admission & post-op  
complications are  
**in home accidents**  
Post op  
complication

**# 5**

**75%**  
Falls can be  
**prevented** with  
**HME solutions**

**# 6**

**HME Pharmacy**  
**is**  
Surgery Center / Surgeon's  
**BEST PARTNER**  
for  
Successful Patient  
**Post-op Recovery**



# # 1 Cause for Hospital Re-Admission



Question? **What are FALLS?**



## FACTS ABOUT OLDER ADULT FALLS



**1 in 4**

Older Americans  
fall every year.



Every  
**20 minutes**  
an older adult dies from a fall.



**1 in 5**

falls results in  
head injury or  
broken bones.

**2x**

Older adults who have  
fallen have **twice** the  
chance of falling again.



**\$744 million**

Total amount spent for acute  
care hospital charges associated  
with older adult falls in 2014.

## Do Canes or Walkers Make Any Difference? NonUse and Fall Injuries

**Results:** Seventy-five percent of respondents who fell were not using their device at the time of fall despite stating that canes help prevent falls. Reasons for nonuse included believing it was not needed, forgetfulness, the device made them feel old, and inaccessibility. Perceived risk was not high enough to engage in self-protective behavior. However, nonuse led to a significantly higher proportion of falls resulting in surgery than among device users. Among respondents requiring surgery, 100% were nonusers. Most respondents never received a home safety evaluation (68%) and only 50% received training on proper device use.

75%    100%    68%    50%

CORONAVIRUS (COVID-19)

Carry forward trends



Life  
is  
SHORT

live it up



Life is short ...

*live it up & be together*



Thriving (not aging) in Place ...

*Most prefer to Age and Thrive in their own home*



# Driving Front-End Success with HME



- ☒ List reasons why independent pharmacies are ideally positioned to capitalize on growth in the HME market

# Your Competition

- Pharmacy Chains
- Other Retail Chains
- Medical Supply (HME) Stores
- Hospital HMEs
- Large On-line E-tailers
- Small On-line E-tailers

# HME Pharmacy Competition

---

**amazon**

**Chain Drug Stores**

# Why Independent PHARMACY?



- ✓ Community
- ✓ Care
- ✓ Convenience
- ✓ Customers

## CRUSH your Competition

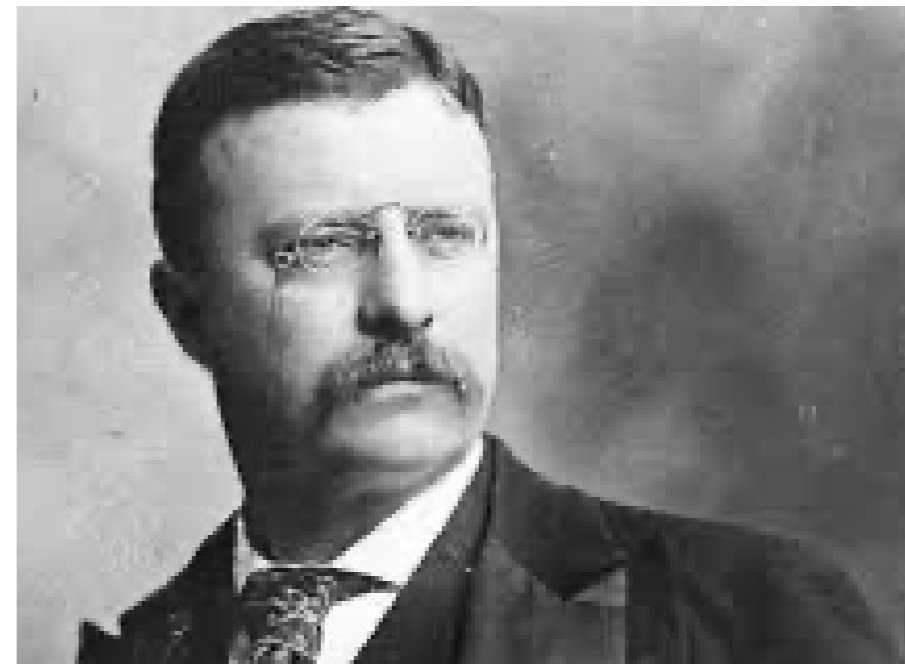
# HME

## Ultimate Competitive EDGE

Empathy  
Expertise  
Education

***“People don’t care how much you know  
until they know how much you care.”***

- Teddy Roosevelt



Customers don't buy products or services.  
They buy good feelings and solutions to problems.  
Most customer needs are **emotional** rather than logical.

# HME

Ultimate Competitive  
**EDGE**

**Empathy**

amazon

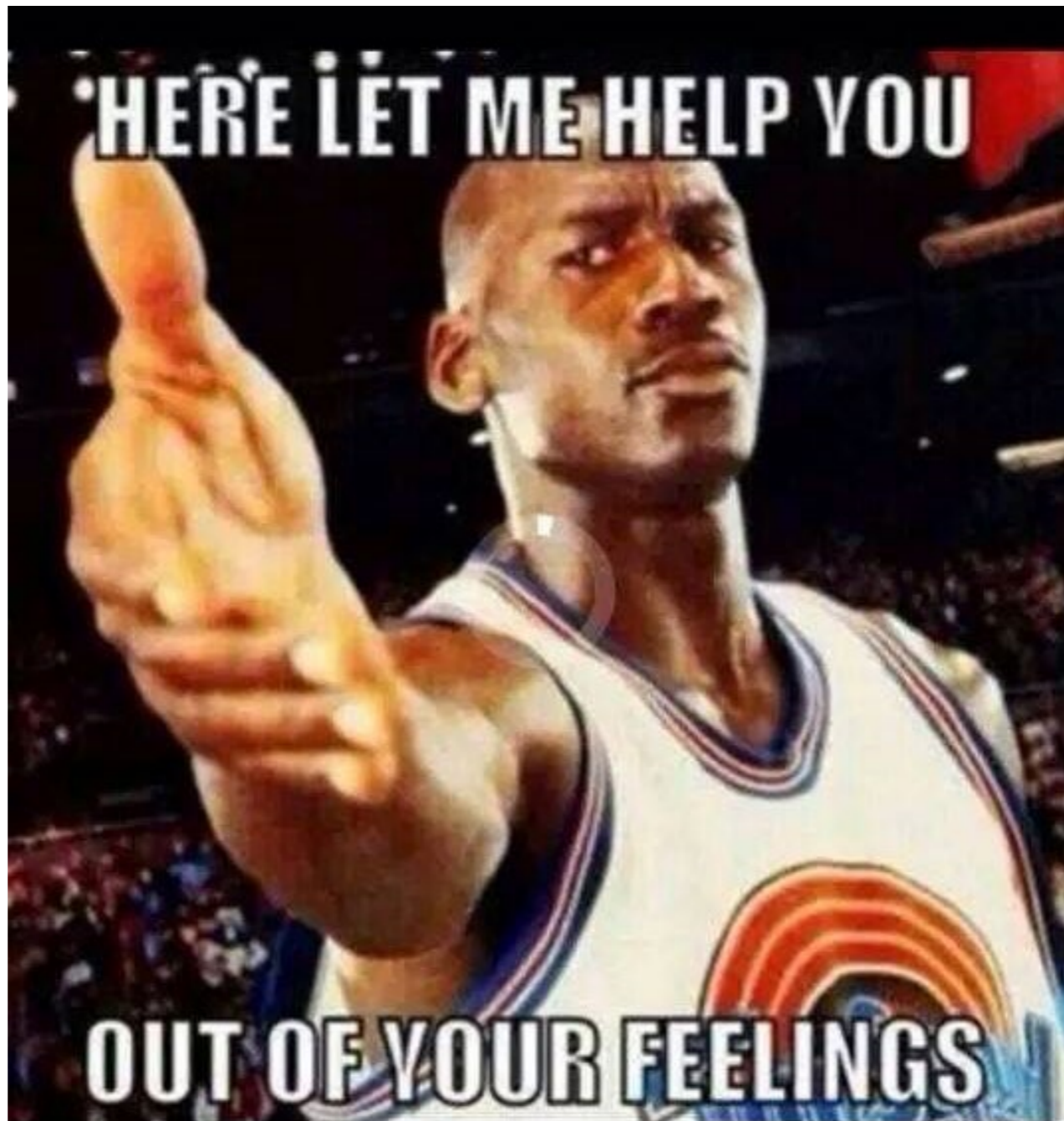


let's get emotional and talk about the relationship

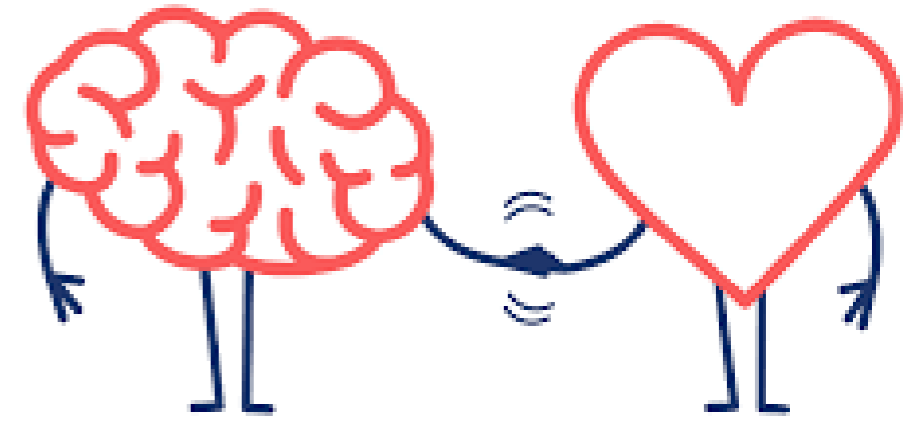
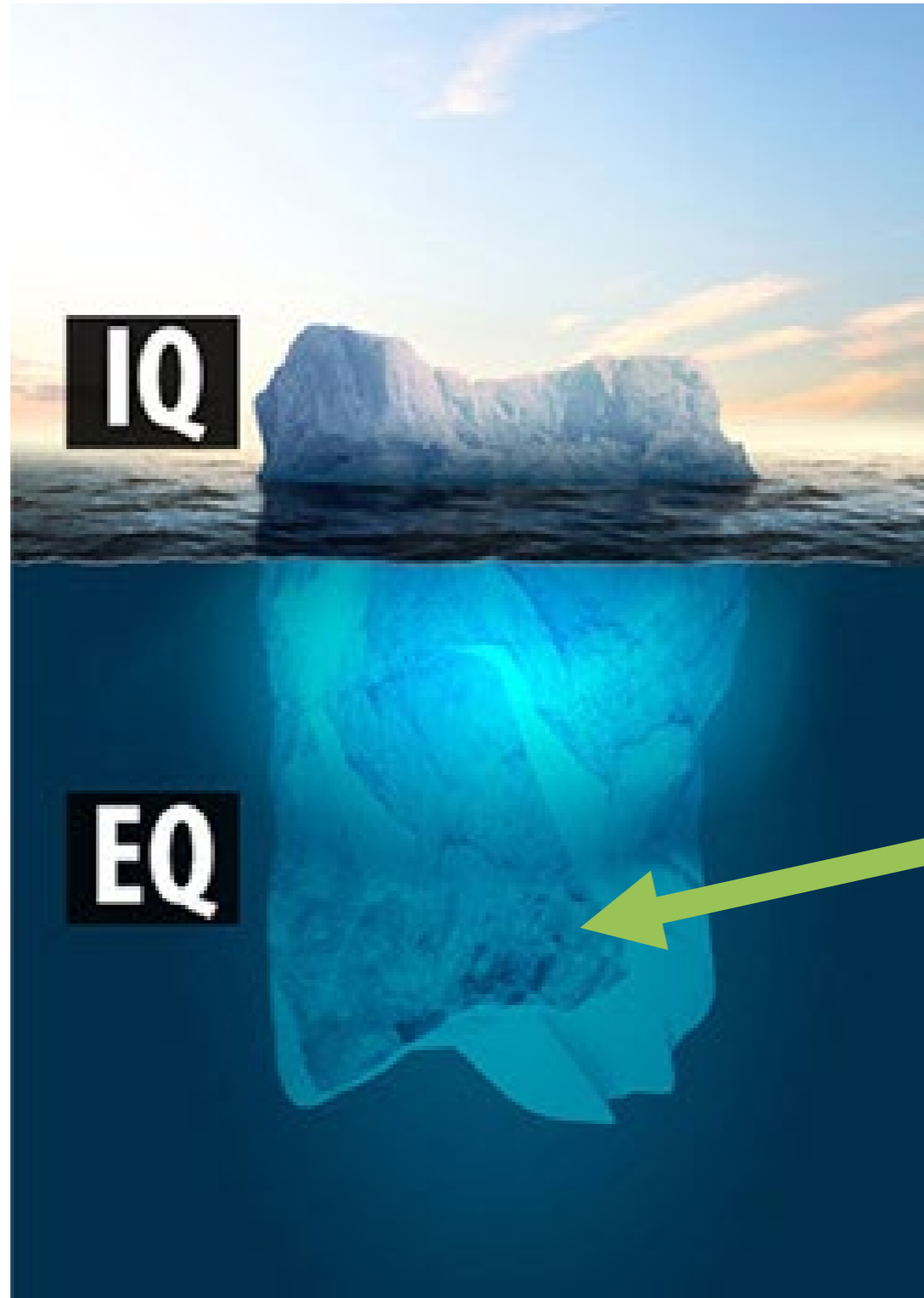
# HME

## Ultimate Competitive EDGE

## Empathy



let's get emotional and talk about the relationship



# Trust



You  
DOMINATE HERE

let's get emotional and talk about the relationship

# HME Facts of Life

- 1 HME is personal, timely, need-based and emotional.  
*You provide much needed help, support and solutions.*
- 2 The customer is uninformed.  
*People are grateful for education and expertise.*
- 3 There is nothing more important than mobility and independence.  
*Empathy + Education = An Exceptional Customer Experience*

# The Relationship





# The Emotional State

I'm afraid

I'm angry

I'm  
depressed

I'm worried  
sad, &  
tired

I'm afraid

I'm  
frustrated

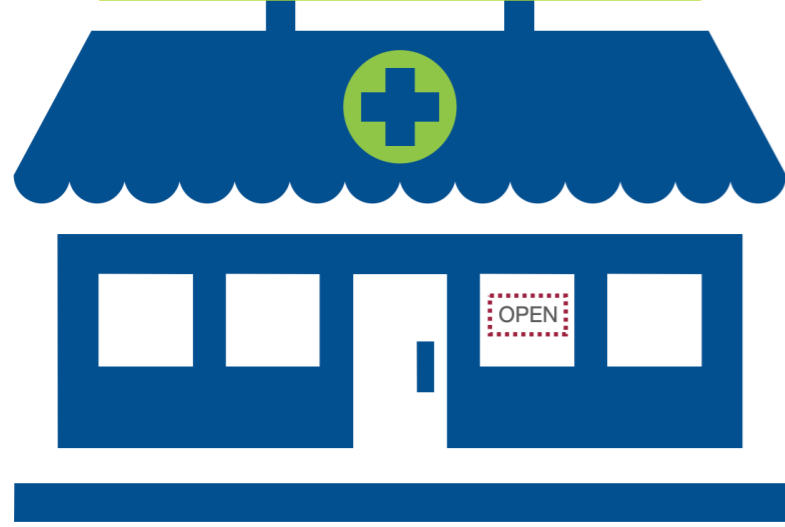


***EPIC*** Emotional State

**Denial**  
**Dispair**



Home Medical Equipment  
PHARMACY



# The Disease of

# DENIAL





We are ***SUPER*** Heroes

Saving the day  
Helping people  
Improving lives  
Saving lives

*with ...*

Empathy  
Expertise  
Education

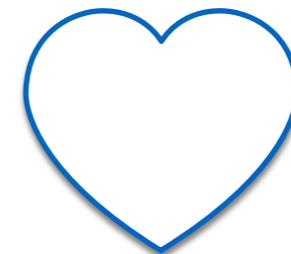
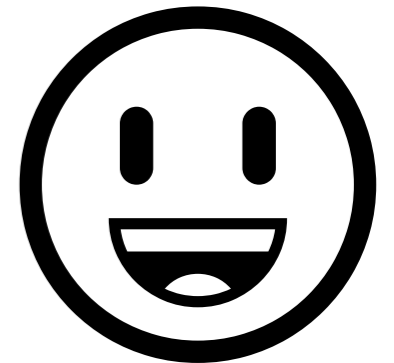
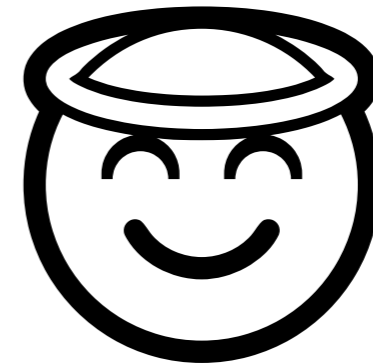
We are ...

***Healthcare Educators, Advisors and Advocates***

# amazon

## Chain Drug Stores

---



# E-commerce Product Return Statistics and Trends



At least **30%** of all products ordered online are returned as compared to **8.89%** in brick-and-mortar stores



## Top reasons why consumers return products





**Amazon, can you fix my mom's  
Rollator hand brakes?**



# Independent PHARMACY is the Best Destination for HME



Ultimate Competitive  
**EDGE**

Empathy  
Education  
Expertise

## CRUSH your Competition



# Driving Front-End Success with HME



- ☑ Explain how pharmacies can drive increased front end revenue with HME sales.

# HME=

Ultimate Competitive  
**EDGE**

**\$ Margin**



# Show me the MARGIN!!

# HME Retail Math

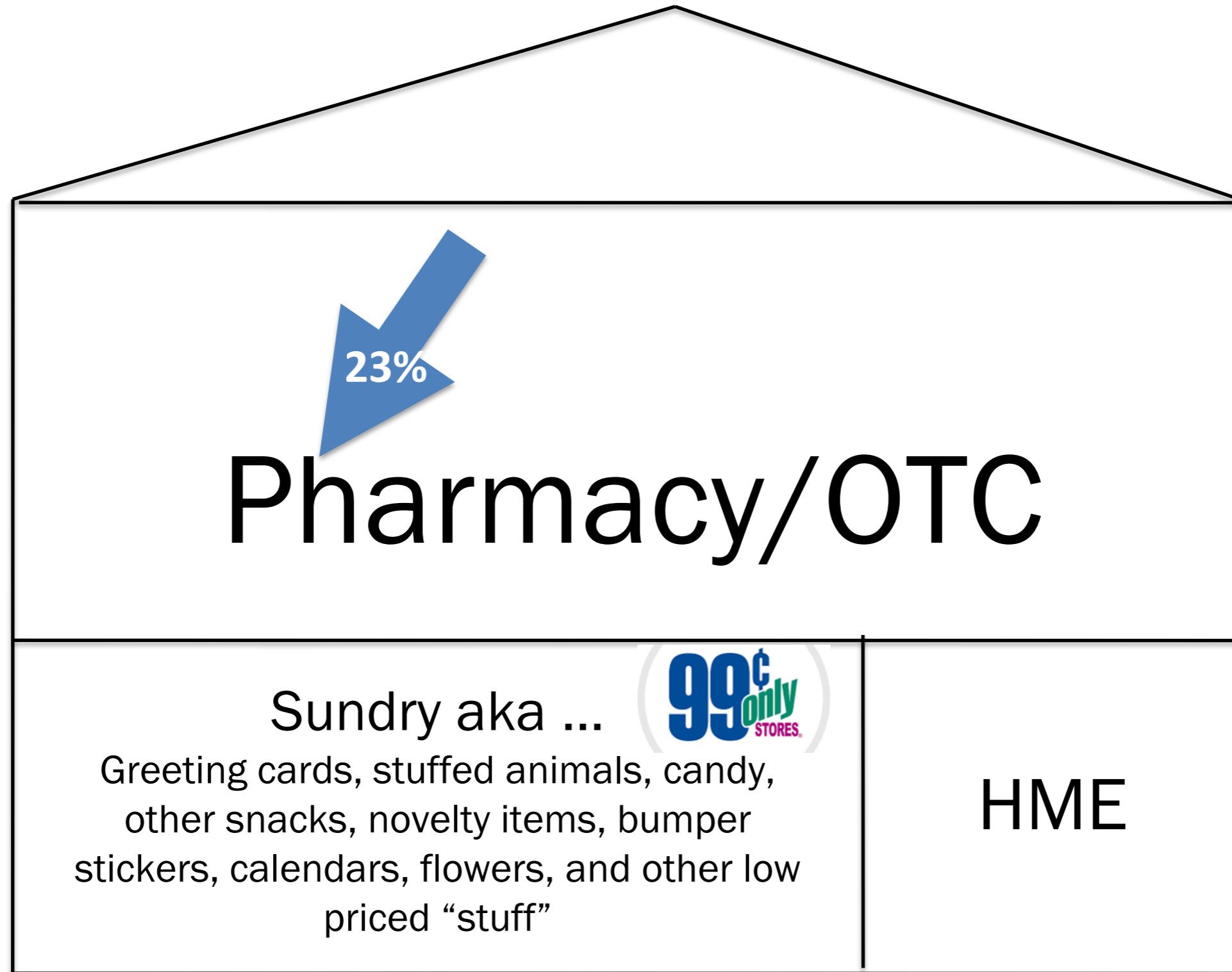
	<u>Retail</u>	<u>Cost</u>	<u>GP\$</u>
Rollator	\$339.00	\$160.00	\$179.00
Candy bar	\$1.20	\$0.85	\$0.35

The Math Question:

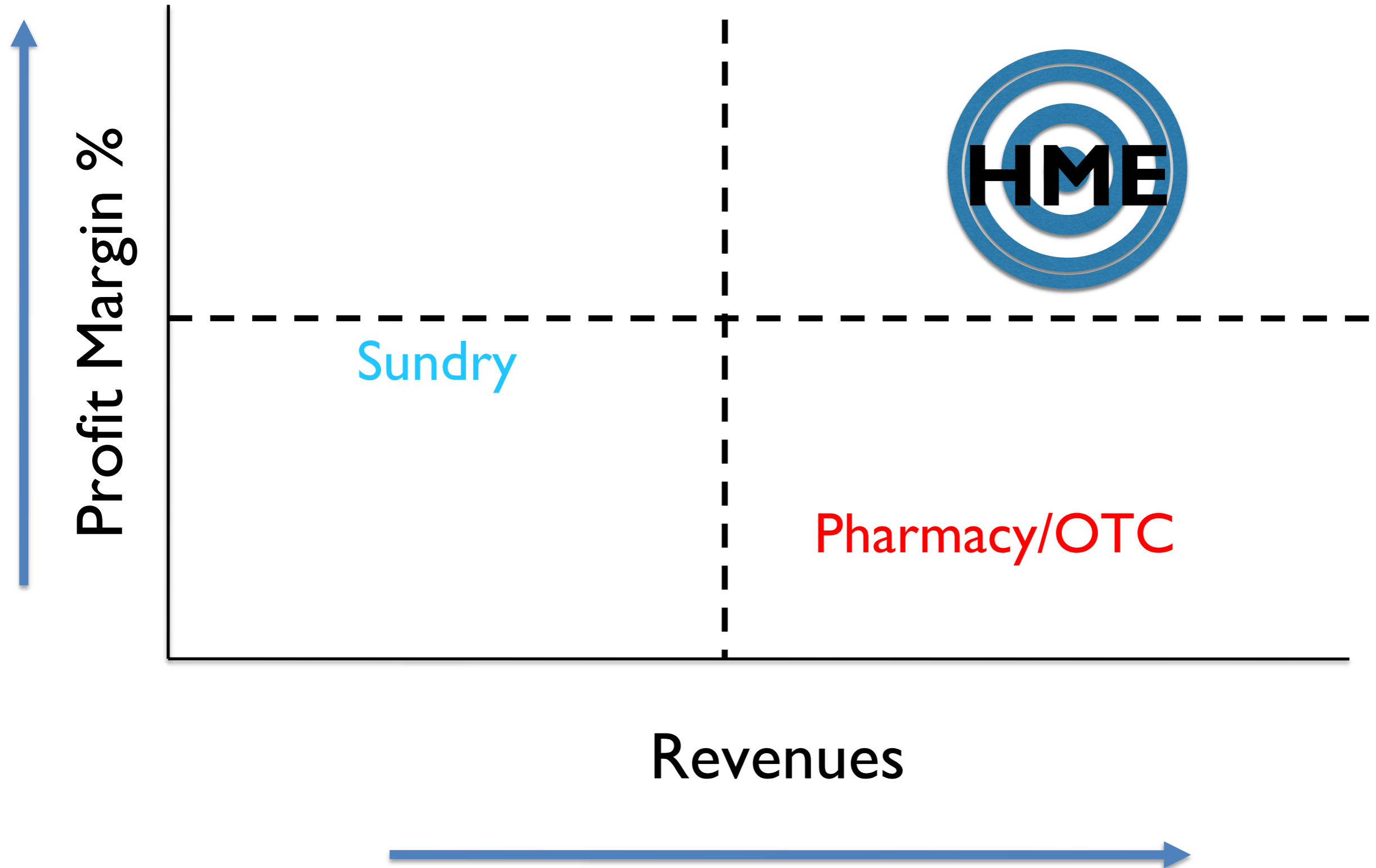
How many candy bars do you need to sell to equal the margins of one Rollator sale?



# Current Store Layout



# Per Transaction



# HME Pharmacy Store Layout

Pharmacy/OTC

Sundry

HME



45-60% MARGIN

# HME **ROI** for Pharmacy

## **X-Small HME Section**

4 foot planogram, 2-3 displays  
\$1,000 - \$2,000 per month

## **Small HME Section**

8 foot planogram, 4-5 displays  
\$3,000 - \$4,000 per month

## **Medium HME Section**

8 - 16 foot planogram, 6-10 displays  
\$5,000 - \$8,000 per month

## **Large HME Section**

16 - 36 foot planogram, 10-20 displays  
\$10,000 - \$20,000 per month

## **HME Pharmacy**

Varies on store square feet  
\$20,000 - \$75,000 per month

# Driving Front-End Success with HME



- ☒ Describe how to effectively display HME products in your store and market them in your community.

**FLASH  
BACK**

**to 2013**

## **HME** MyStore Assessment

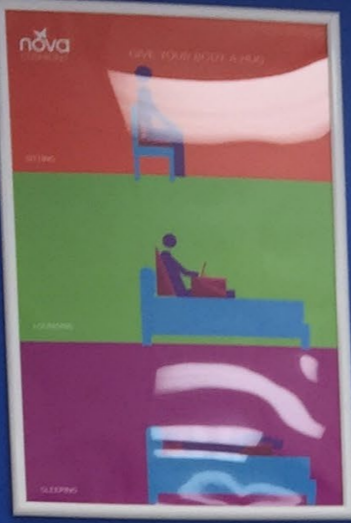


Are you ready for the Local News?



Are you ready for Oprah?



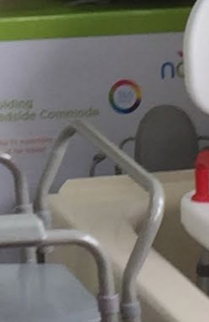


nova

LIFE AIDS

nova

BATHROOM



nova

365

Bathroom

nova

365

Bathroom

nova

365

Bathroom

nova

365

Bathroom















## HME Referral Marketing is...

SERVING The Greater Good

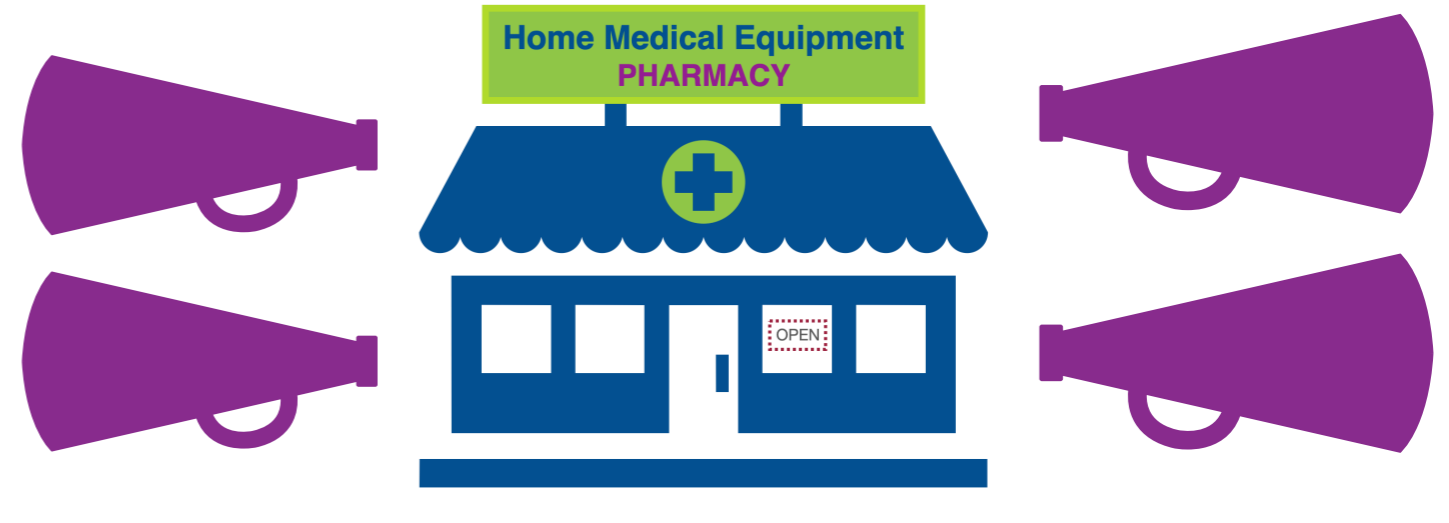
SERVING The Community

SERVING The Health Care Sector

SERVING People

You just need to get  
the word out!

# Traditional HME Referral Sources



- ❑ Hospitals, Medical/Rehab Centers, Clinics
- ❑ Doctors, Therapists, Nurses, Care Givers
- ❑ Assisted Living Centers and Homes
- ❑ Senior Adult Communities
- ❑ Senior Day Care Centers and Groups/Chapters
- ❑ Organizations and Support/Advocacy Groups
- ❑ Pharmacies
- ❑ Other HMEs
- ❑ Vocational, Colleges, Universities

**Average per 25 mile radius: 50 - 500**

# CHAIN PHARMACY - Your Best Referral Source



Never mind,  
Do you know where  
I get a larger selection  
of Bath Safety?



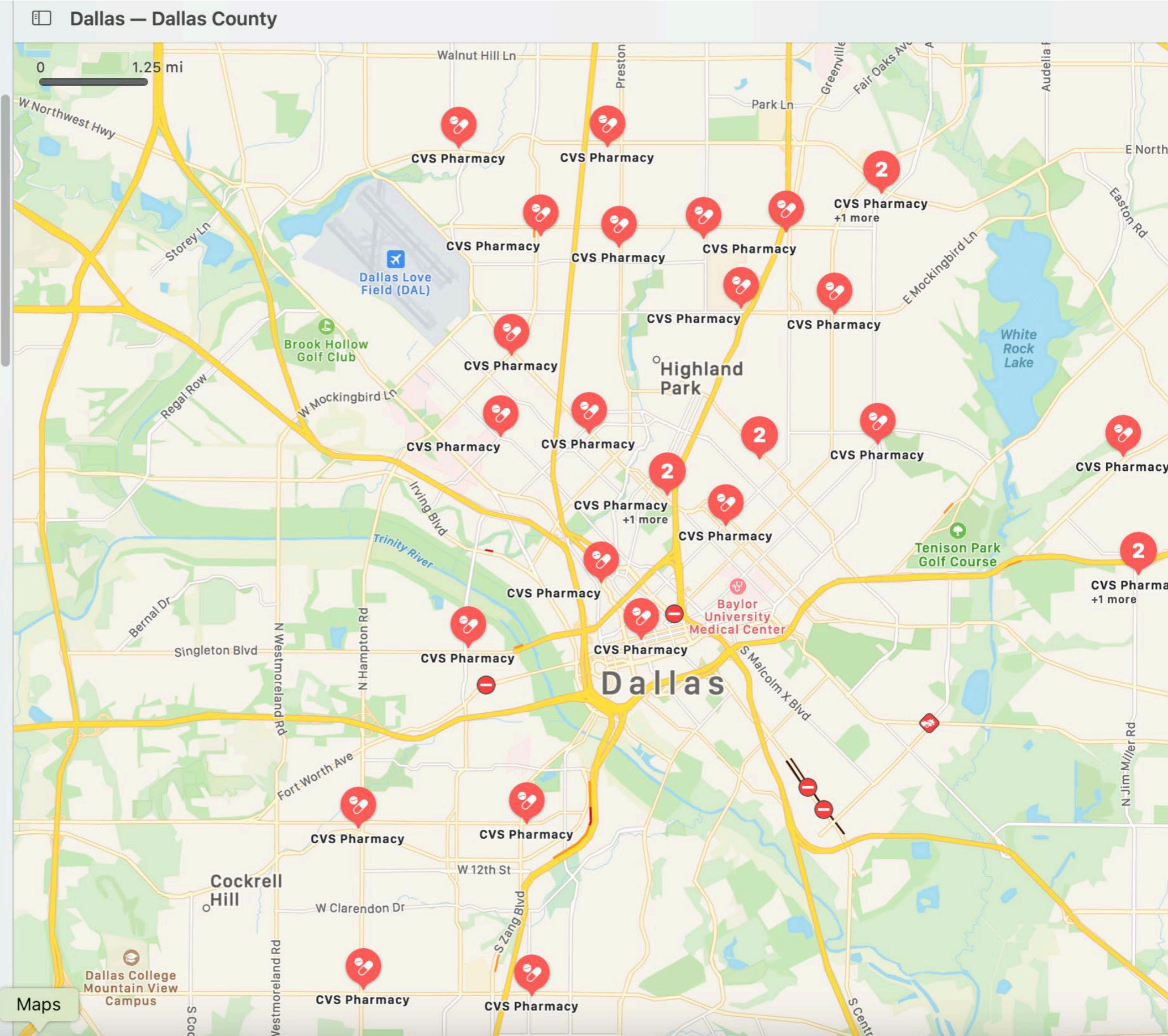
I don't know ...  
A surgical  
supplies place?

# CHAIN PHARMACY - Your Best Referral Source

CVS Pharmacy

29 Search Results

- CVS Pharmacy**  
1411 Main St, Dallas · Dallas · \$  
**Closing Soon** · 7:00 AM – 12:00 AM  
★ 3.0 (49) on Yelp
- CVS Pharmacy**  
2501 N Field St, Dallas · Dallas · \$\$\$  
**Closing Soon** · 7:00 AM – 12:00 AM  
★ 3.0 (18) on Yelp
- CVS Pharmacy**  
2417 N Haskell Ave, Dallas · Dallas  
**Closed Now** · 9:00 AM – 8:00 PM  
★ 2.5 (3) on Yelp
- CVS Pharmacy**  
4202 Ross Ave, Dallas · Dallas · \$\$  
**Closed Now** · 8:00 AM – 11:00 PM  
★ 2.5 (21) on Yelp
- CVS Pharmacy**  
3133 Lemmon Ave E, Dallas · Dallas · \$\$  
Open 24 hours  
★ 2.0 (52) on Yelp
- CVS Pharmacy**  
2350 N Fitzhugh Ave, Dallas · Dallas · \$\$  
**Closed Now** · 7:00 AM – 11:00 PM  
★ 3.0 (11) on Yelp
- CVS Pharmacy**  
4207 Lemmon Ave, Dallas · Dallas · \$\$  
**Closed Now** · 8:00 AM – 8:00 PM  
★ 2.0 (24) on Yelp
- CVS Pharmacy**  
3030 Sylvan Ave, Dallas · Dallas · \$  
**Closed Now** · 7:00 AM – 11:00 PM  
★ 3.0 (5) on Yelp
- CVS Pharmacy**  
5429 Ross Ave, Dallas · Dallas · \$  
**Closed Now** · 9:00 AM – 9:00 PM  
★ 3.0 (22) on Yelp
- CVS Pharmacy**  
4930 Maple Ave, Dallas · Dallas · \$\$  
**Closed Now** · 8:00 AM – 11:00 PM  
★ 2.0 (17) on Yelp
- CVS Pharmacy**  
108 W Davis St, Dallas · Dallas  
Open 24 hours



# Non-Traditional HME Referral Sources



- ❑ Fitness Facilities – Gyms, Yoga Studios, Trainers
- ❑ City Council and Chamber of Commerce
- ❑ Bed and Mattress Stores
- ❑ Schools
- ❑ Concert and Sporting Facilities
- ❑ Churches
- ❑ General Contractors and Builders
- ❑ Your Retail Neighbors

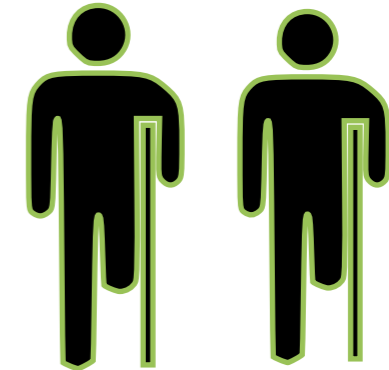
**Average per 25 mile radius: 50 - 500**



1 Surgeon =  
6 Surgery Patients / Week



2 of 6 Patients =  
Customers



An average new  
customer spends \$300  
 $\$300 \times 2 = \$600$



25 Surgeons =  
150 Surgery Patients / Week



50 of 150 Patients =  
Customers

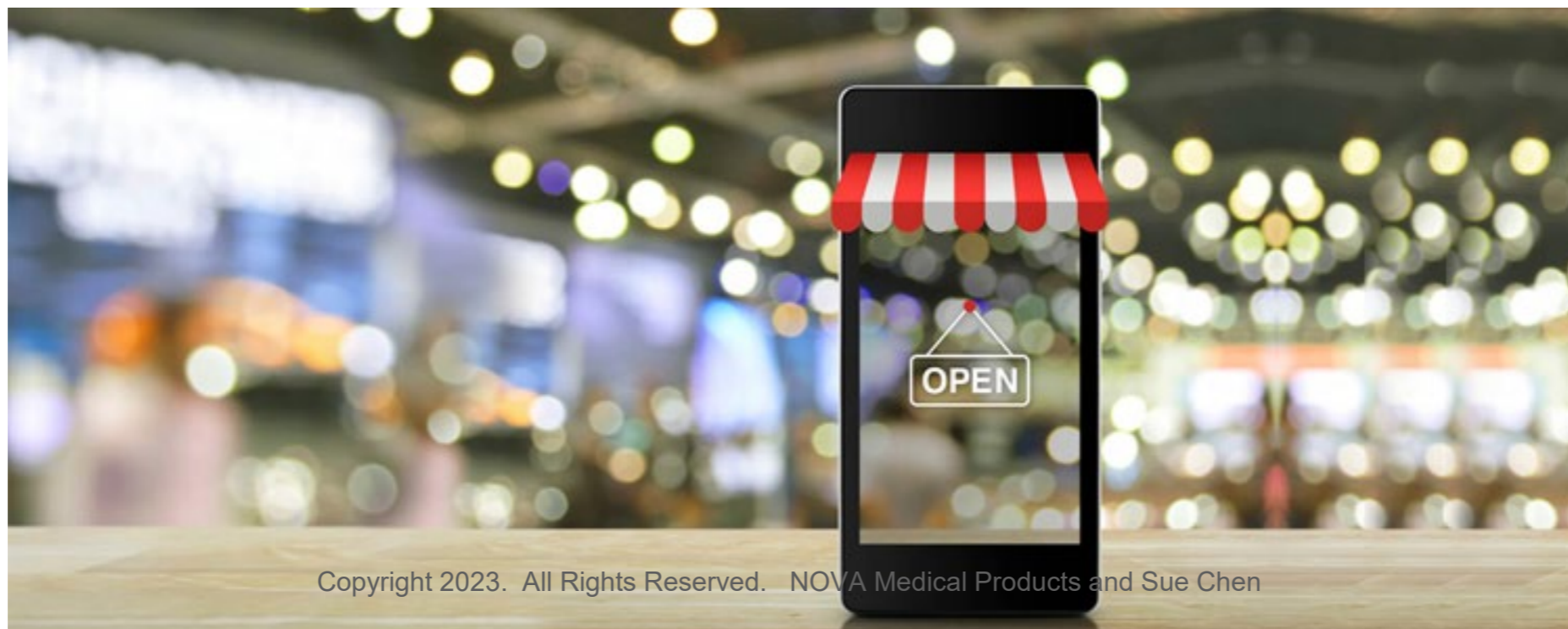


50 Customers x \$300 =  
\$15,000 / Week

**$\$15,000 \times 52 \text{ weeks} = \$780,000 / \text{Year}$**



**Make your Website Front Door Welcoming and Awesome**



# 75%

view your Front Door on a mobile device ...  
and they are looking to contact you.

- ❑ Make that visible and easy.



- 
- ❑ Updated
  - ❑ Engaging
  - ❑ Relevant
- 



## Show off your E!

“You may think your products are getting better and your service is outstanding, but what if a large segment feels differently. The public wants to know about your products and services, but more importantly, they want to get to know the **personality and principles behind the company.**”

---

- ❑ **WE BELIEVE IN YOU. WE'RE HERE FOR YOU. WE CARE.**
- ❑ **Share your testimonials on your Front Door**

# Driving Front-End Success with HME



- ☑ Describe the customer/patient profile for HME products and the most effective ways to overcome the challenges of denial, resistance and non-compliance.

# The Relationship



# HME

## Reimbursement

**Confinement**

**Restrictive**

**Limitations**

**Least costly  
alternative**

**Disablement**

# HME

## Retail

**Freedom**

**Solutions**

**Optimization**

**Selection**

**Empowerment**

# PREVENT FALLS



DID YOU KNOW?

**60%** of falls occur at home, with the majority occurring in the bathroom.

Be **proactive**  
& equip your bathroom with ...



*Hot Spot*  
SOLUTIONS

## Hot Spot #1

GET SOME LEVERAGE



## Hot Spot #2

GETTING IN AND OUT OF THE TUB



## Hot Spot #3

BATHING INDEPENDENTLY



# It's our mission.

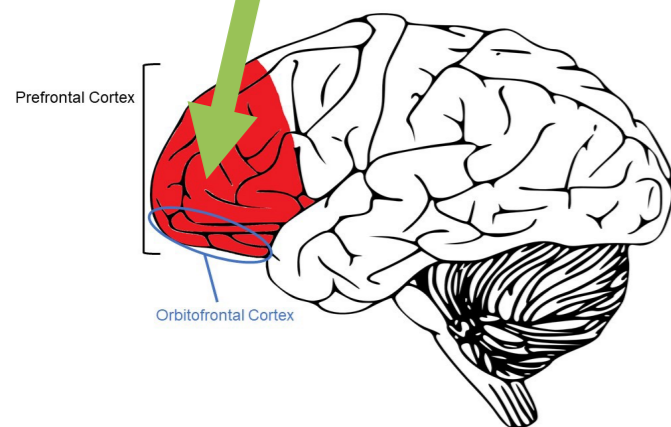
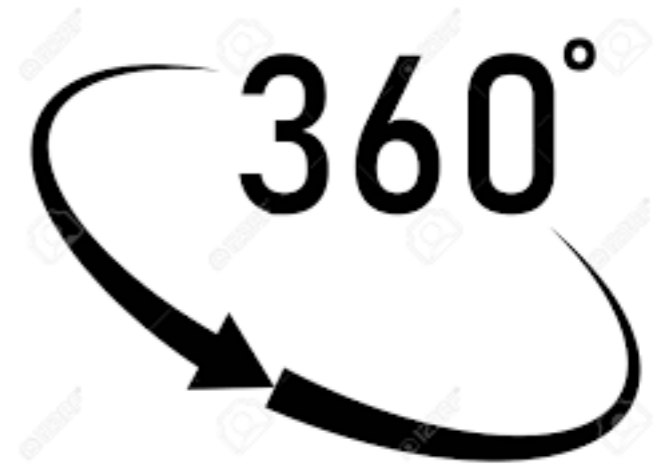
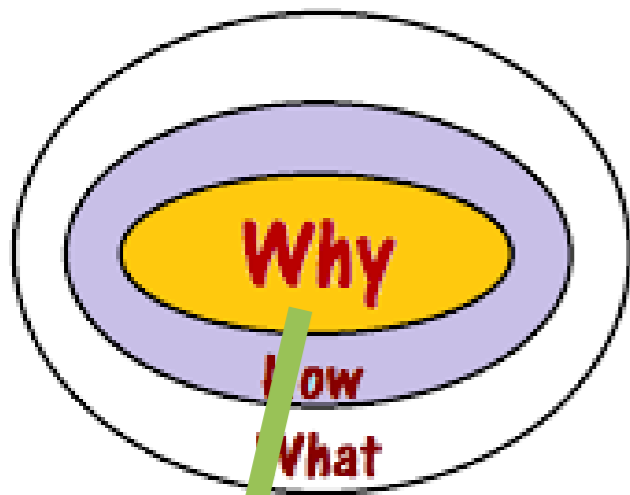


# Education & Expertise

Why

Features & Solutions

Customer 360/365





# Education & Expertise

## Why

The Why:

**Because** pooping by yourself is key to physical and emotional recovery ...

The Why:

**Because** going to the toilet can be painful, challenging and dangerous ...

The Why:

**Because** I need to walk with confidence ... and I want to be with people.

The Why:

**Because** I need to sleep!!! So I can feel better and recover.



## Education & Expertise

## Features & Solutions

### The Why:

**Because** pooping by yourself is key to physical and emotional recovery ...

### Features & Solutions

the Commode has an extra wide seat and platform with drop arm feature to transfer in - with assistance or BY YOURSELF ... to do your business ...



### The Why:

**Because** going to the toilet can be painful, challenging and dangerous ...

### Features & Solutions

the Raised Toilet Seat with Arms makes going to the toilet much easier & safer with a 5" raised seat to reduce the strain and arms for support and safety





Knowledge

# Features & Solutions

**The Why:**

**Because** I need to walk with confidence ... and I want to be with people.

## Features & Solutions

the Rollator is your new set of wheels, your plus 1 - to walk with safety, stride and confidence. It is so easy to lift, load and take anywhere so you can go and be everywhere!



**The Why:**

**Because** I can't get a good night's rest and recovery ...

## Features & Solutions

the wedge pillow with arm cut gives you the elevation support you need and while sleeping on your favorite side.

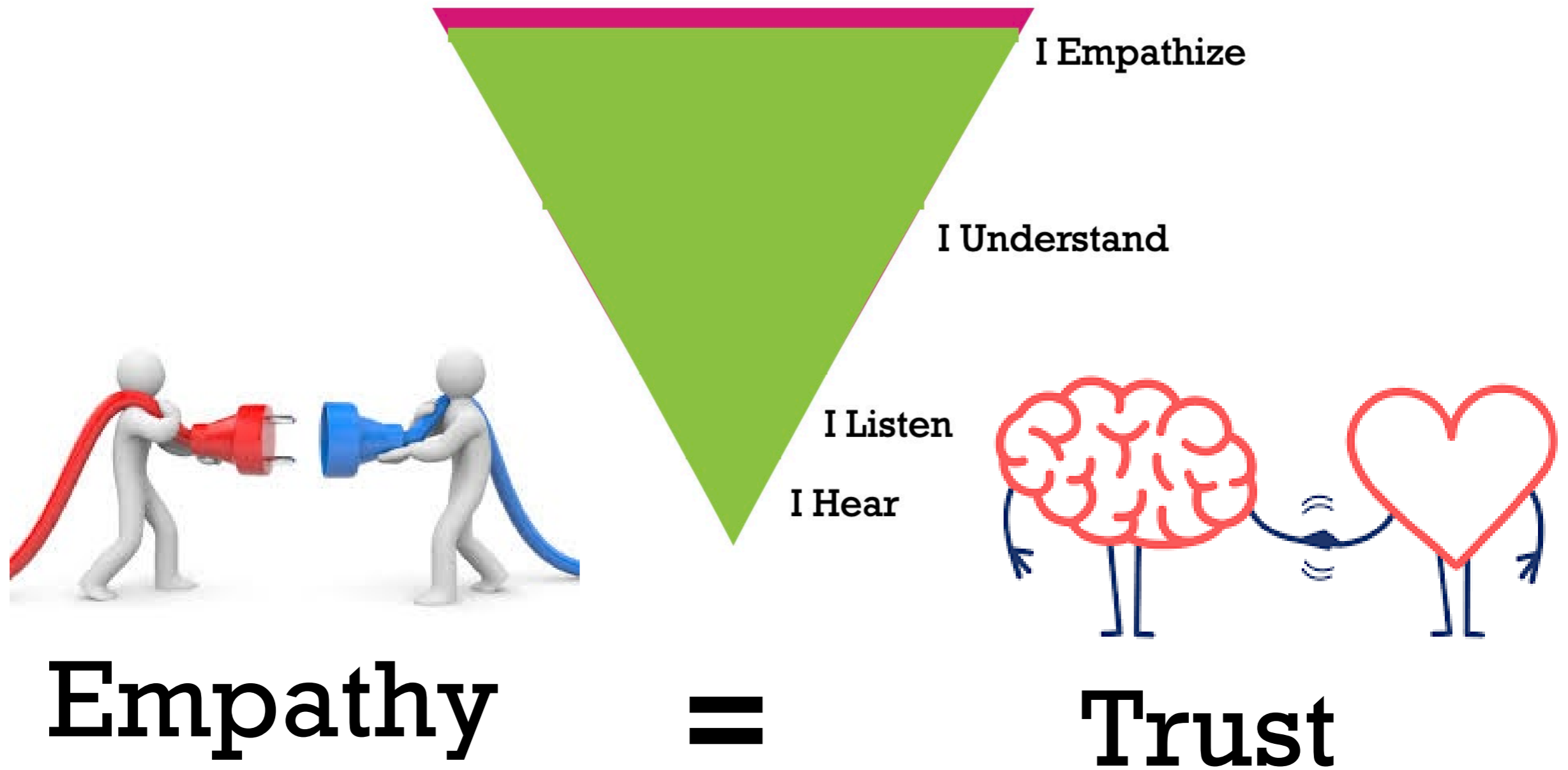


# Empathy





# Empathy





It is your POWER MOVE

TAKE ME FOR A

**TEST DRIVE!**





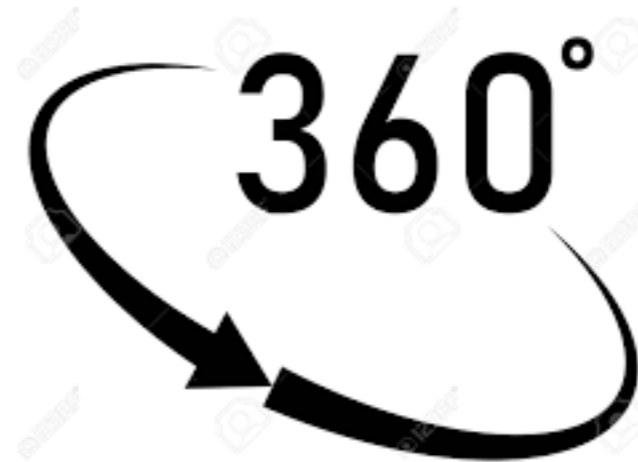
**Because only the best  
will do for the ones you love.**

**You are the most Powerful INFLUENCER.  
Execute the VALUE!**

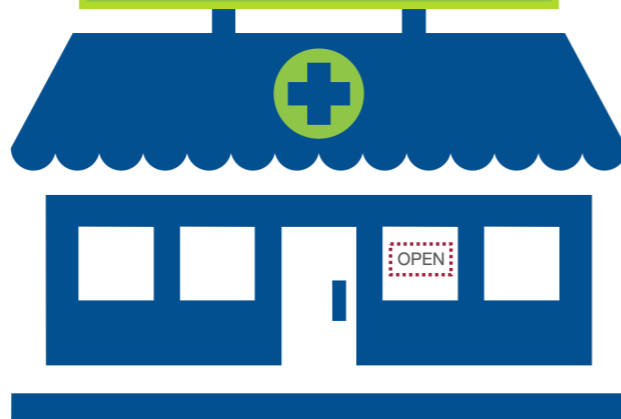
## **EXECUTE THE VALUE!**

- ☑ Empowerment
- ☑ Education and Expertise
- ☑ Empathy
- ☑ Human Connection
- ☑ Full Service
- ☑ Product Curation
- ☑ Warranty Support
- ☑ Service, Parts and Repairs
- ☑ Save time and money
- ☑ Reduce frustration
- ☑ Reduce pain and discomfort
- ☑ Improve Lives

# Customer 360/365



Home Medical Equipment  
PHARMACY



WHY: **myHEALTH**/Prevention, Proactive, Health and Wellness  
WHO: Healthcare Professional

## WHO: Sara - Professional Caregiver to Beth



3 days a week, two other clients, single mom

WHY - Beth has incontinence issues

HOW - email communication from HME Store

### **THE KNOW**

#### Beth

- fell at night two weeks ago
- has plantar fasciitis, adding to mobility issues
- not going out with family and friends
- scared about not being able to stay at home
- worried about needing spend more on caregiver
- gets lonely

#### Sara

- wants to take Beth on more walks
- has strained back, lifting clients makes it worse
- hired by Beth's daughter
- part of caregiving group, has 1-2 other clients



**first visit** \$651.85

Attends Underwear/wipes \$55.00

Arch Support Bandage  
and Relief Sleeve \$27.00

Dr. Comfort Shoes \$180

Rolling Walker \$199.95

Tub Grab Bar \$59.95

Ultimate Bath Seat \$129.95

Wheelchair Cushion \$59.00

**second visit**

Attends Underwear/wipe \$55.00

Pull It Back Brace \$72.00

Lift Chair \$2,069.00

Toilet Lift \$1,495.00

Bed Rail \$139.99

Ramp x 3 \$3,360.00

**total: \$7,901.84**

WHY: **myLIFESTYLE**/Recovery

WHO: “Patient” Customer

WHO: Ron - 49, Family, Professional, Aging Parents



achilles surgery, has wife & two kids, busy life

WHY - crutches are a pain

HOW - google directory search

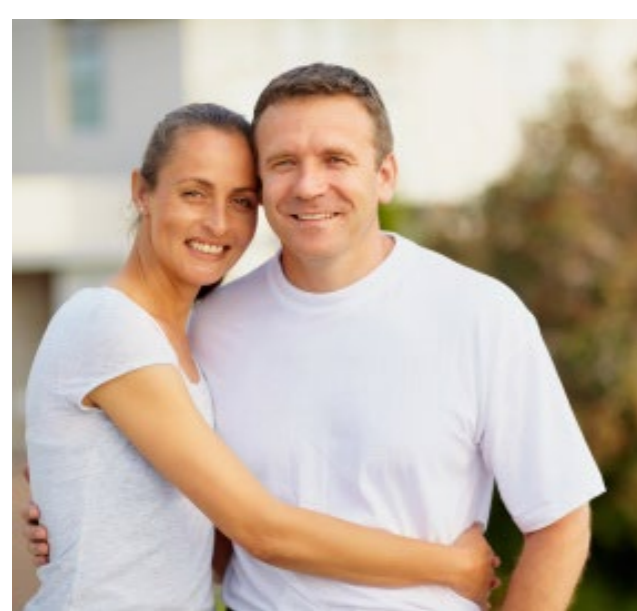
### **THE KNOW**

Ron

- can't take time off
- assistant soccer coach to son's team
- has business trip in 3 weeks
- doesn't want to be taken care of
- is a CPAP user
- worried about recovery and being “back”

Heidi

- sales manager, travels 2 x month
- worried about taking care of Ron
- bladder issues post kids
- worried about her father living alone



#### Accessories:



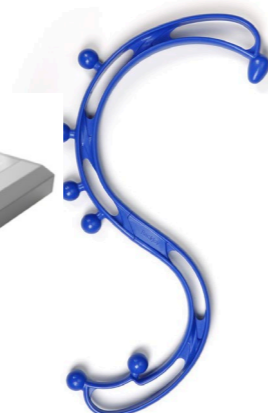
TKW Cup Holder  
Item # CH-3500



TKW Fleece Cover  
Item # TKW-FC



TKW Basket  
Item # TKW-BASKET



**first visit** \$541.90

Turning Knee Walker \$320.00

Raised Toilet Seat \$59.95

SitzRight Seat Cushion \$39.95

Leg Wedge \$59.95

Compression Hosiery \$60.00

Toe Sleeves \$12.00

Wrist Brace \$30.00

Trigger Point \$29.95

**second visit**

TKW Accessories \$69.95

Standard Battery Kit \$329.95

Underpads \$20.00

Bathroom 365 \$385.00

Bath Seat Cushion \$29.00

Lightrider Scooter \$2,238.00

Omni Tray \$269.99

Ramp x 2 \$2,240.00

**total: 6,164.74**

WHY: **myHOME**/Thriving in Place

WHO: Family, Friends, Loved Ones

WHO: Nancy and Annette, daughters/caregivers to Sandy



WHY - do we need to put mom in an ALC?  
incontinence issues, wears compression

HOW - mobile search

### **THE KNOW**

Nancy and Annette

- disagree about mom living at home
- take turns taking mom on appts., outings, etc.
- both have families, Nancy working, Annette has small business and lives two hours away

Sandy

- fiercely independent, does not want to move
- does not want a caregiver around
- is very social



**first visit** \$1,025.90

Attends Underwear/wipes \$55.00

Compression \$90.00

Secure Pole Grab Bar \$209.00

Corn Protectors \$8.00

Bath Seat/GrabBars \$249.00

Transport Chair \$379.95

Metro Car Handle \$34.95

Bath Seat Cushion \$29.00

**second visit**

Attends Underwear/wipes \$55.00

Lift Chair Day Dreamer \$2,379.00

Assist Tray \$269.95

Toilet Lift \$1,495.00

Envy Power Chair: \$1,995.00

Fold n Go Walker \$149.95

Ramp x 2 \$2,240.00

**total: \$9,649.75**



**HME Spend**  
**total: \$7,901.84**

**HME ROI**

**Beth: \$100,000 - \$250,000**

**Sara: \$20,000 - \$50,000**

**myHEALTH Value**  
**priceless**

**HME Spend**  
**total: 6,164.74**

**HME ROI**

**Ron: \$3,000 - 5,000**

**Heidi: \$2,000 - \$4,000**

**Dad: \$20,000 - \$50,000**

**myLIFESTYLE Value**  
**priceless**

**HME Spend**  
**total: \$9,649.75**

**HME ROI**

**Annette: \$7,000 - \$10,000**

**Nancy: \$7,000 - \$10,000**

**Sandy: \$100,000 - \$250,000**

**myHOME Value**  
**priceless**



Home Medical Equipment  
PHARMACY





HME everyone  
veryday

myHOME  
myLIFESTYLE  
myHEALTH

being together  
*experiences*  
well being  
independence  
quality of life  
happiness



healthy  
security  
family  
**dignity**  
lifestyle  
love  
joy

# Driving Front-End Success with HME

# Thank you!

Home Medical Equipment  
**PHARMACY**

