

Bernie Lambrese

From: Invacare [amc@hdsml.com]
Sent: Friday, September 08, 2006 11:50 AM
To: blambrese@earthlink.net
Subject: A Message from Mal

A promotional message from Invacare

Message from Mal:

Part Two of a Five Part Series

The medical oxygen industry has been faced with relentless challenges over the past several years. And as we all know, recently President Bush signed the Deficit Reduction Act (DRA), which caps oxygen reimbursement at 36 months and then requires ownership transfer of oxygen tanks and concentrators to the beneficiary. While Invacare Corporation continues to work to restore fair reimbursement, we also strive to provide you with products and solutions that will help you profitably grow your oxygen business in this new reimbursement environment.



Invacare's HomeFill™II, a miniaturized oxygen system for the home, is an example of Invacare's commitment to product innovation that delivers better patient care at a lower total cost for the provider. Previously, providers needed to spend substantial capital on a centralized oxygen system, a large inventory of cylinders, as well as trucks, drivers and rising fuels costs to deliver portable oxygen everyday. With HomeFill II, the home care provider can avoid this sizable and ongoing investment and operate profitably in the oxygen market. In addition, there is no HCPCS code for the HomeFill II compressor. This means that under current law there will be no ownership transfer of the HomeFill II compressor after 36 months. Ownership of the oxygen concentrator and tanks will transfer to the patient. The HomeFill II will stay in the hands of the provider, ultimately helping them save costs and stay profitable.

"Now is the time to make the change to your oxygen business.
If you don't, you may not be able to survive in this business."

Oxygen patients who have used HomeFill II value the freedom and independence that filling their own tanks gives them. Waiting for a delivery is never something that the patient wants. In addition, carrying a four-pound device on a shoulder strap instead of lugging around a heavy cylinder on wheels is a dramatic improvement in patient mobility. Studies show that ambulation extends life, and the HomeFill II allows oxygen patients to go where they want, when they want because they have a refillable supply of portable oxygen. With the widespread adoption of HomeFill II, delivery of ambulatory oxygen by truck will decline substantially and go the way of the ice truck deliveryman. Providers need a more efficient and lower cost business model for oxygen therapy, or they risk being left behind.

But don't take my word for it. Bernie Lambrese, former chief executive officer of Respiratory Solution Inc., and current senior partner at Healthcare Strategies LLC., personally saw the benefits of incorporating the HomeFill II Oxygen System into his business. He can testify that the HomeFill enables a respiratory provider to improve clinical outcomes for its home oxygen patients, as well as financial outcomes for its business.

In fact, Bernie believes any provider utilizing HomeFill II as the foundation of its operating model will increase their market share of home oxygen patients, reduce operating expenses through the elimination of both oxygen deliveries and payment for portable oxygen contents, and significantly improve the company's earnings. Bernie was able to build significant value in his company, and believes forward thinking providers will have similar opportunities.

Bernie says, "As patients, physicians, and payers become more aware of the clinical and quality of life benefits provided by the HomeFill II system, they will no longer accept outdated technology as the standard of care. Progressive providers that embrace this truly disruptive technology will continue to survive and thrive despite increased competition and reimbursement pressure. By making the HomeFill the standard of care for any home oxygen business, a provider will improve customer satisfaction, employee satisfaction and cash flow – the critical success factors for any home respiratory business." If you would like more information about Bernie's experience, visit www.healthcarestrategiesllc.net.

If providers want to continue to operate successfully in the oxygen business, they must confront the changing face of the HME industry head on. Some providers don't see what we saw coming several years ago – that two factors would change the oxygen model. One is continued reimbursement pressure and the other is the technology of providing oxygen through a non-delivery model. I am sure when the icemaker came along in home use application that there was a group of ice delivery businesses that hoped/prayed that the world would not change and refused to invest in selling and servicing icemakers. Regardless, the world changed and it continues to change.

Now is the time to make the change to your oxygen business. If you don't, you may not be able to survive in this business. Providers today must convert to a non-delivery business model, like the HomeFill II Oxygen System. Through Invacare's innovative leasing programs, there are no up front costs associated with the acquisition of the HomeFill II system. Contact Invacare today at www.invacare.com or 1-800-333-6900 to discuss how you can profitably grow your oxygen business.

Sincerely,

A. Malachi Mixon, III
Chairman and Chief Executive
Officer
Invacare Corporation