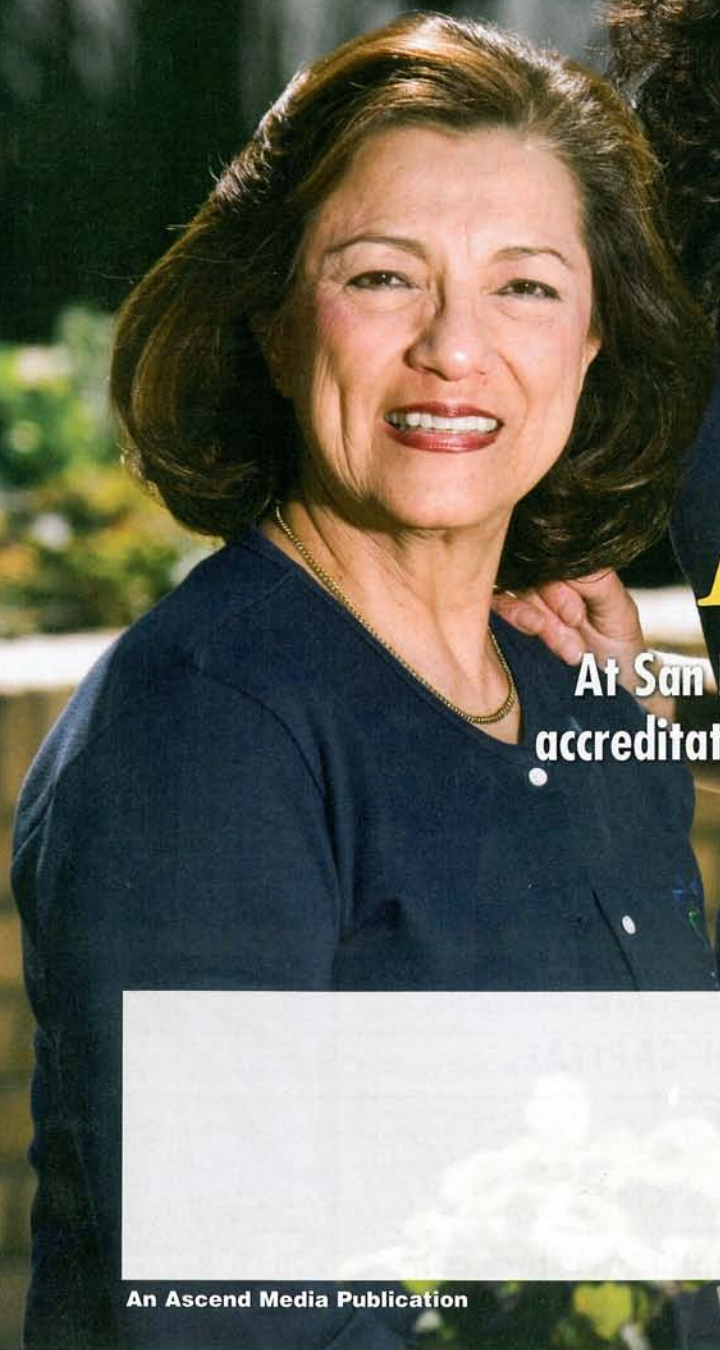


HME TODAY™

TOOLS AND TACTICS FOR HOME HEALTH PROVIDERS



SDHS *True Believers*

At San Diego Homecare Supplies, faith in accreditation has streamlined the business.

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COVER PROFILE

Issue: April 2008

True Believers

by Rich Smith

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At San Diego Homecare Supplies, faith in accreditation has streamlined the business.



Medicare business represents just 15% of revenues at San Diego Homecare Supplies. Small though that income stream is, owners of the Lemon Grove, Calif, HME company nonetheless decided its preservation was important.

To keep that money flowing, San Diego Homecare Supplies first had to become accredited. "We saw accreditation as key to staying in the game—not just to allow us to continue billing Medicare beyond next year when the new CMS provider certification requirements take effect, but because more and more private payors are also insisting on accreditation," says Sydel V. Howell, MBA, MA, director (pictured above right). "Those private payors plus Medicare add up to being close to half our income."

Howell also recognized accreditation as a means of bolstering her company's credibility with referral sources.

"We recently began formally marketing to physicians and

hospitals," she says. "When we make contact with them, one of the first things they ask is 'Are you accredited?' Being able to answer yes keeps the door open so that the conversation can continue."

THE OTHER GOOD BOOK

San Diego Homecare Supplies obtained its accreditation less than 1 year ago through The Joint Commission. Howell's mother, Sara Patino Cummings (owner and CEO of San Diego Homecare Supplies), reveals that she might not have bothered with accreditation if she had her druthers. After all, accreditation at its core is merely proof of one's commitment to quality and service, attributes possessed in abundance by San Diego Homecare Supplies.

Alas, Cummings did not have her druthers, and, today, she readily admits that accreditation was worthwhile because, ultimately, it resulted in a more streamlined—ie, cost-efficient—operation. Says she, "Accreditation basically is about making changes of habit."

That's "habit" as in settled practice, not "habit" as in the garment worn by members of a holy order—although Howell is the first to confess that the concept of accreditation bears a resemblance to organized religion. "The very act of becoming accredited is not unlike converting to a new faith," she says. "The accreditation standards manual is a bible, and you have to believe in what's written in it. You also have to study its sacred texts every day to increase in wisdom. There are rituals you have to perform and sacraments you have to obey to become purified. Then, you have to be baptized by a group of elders—those would be the accrediting body's survey team. After the baptism, you receive a certificate proving it. But you can't expect to get into heaven if you stop working at being good—3 years later, the elders come back to check on you and make sure you haven't returned to the sinful ways of your past."

Clean living in accordance with the accreditation bible results in many blessings, Howell assures.

"Your organization is almost sure to prosper because accreditation forces you to be a better business." Certainly that has been the case at San Diego Homecare Supplies, where, once every 3 months, a meeting is held to celebrate success. "We produce a performance report in which we go back and look at how well we fulfilled our accreditation obligations during those past 90 days," Howell explains, adding that, if performance goals were met or exceeded, the company offers up to its saints—er, employees—a tithe in the form of bonus checks.

Tools and Tactics

- Remember that private payors are also insisting on accreditation.
- Use accreditation to bolster credibility with referral sources.
- Consider hiring a consultant to guide you through the process.
- Remember that family members and caregivers should be a vital part of marketing efforts.
- Accept the reality that accreditation will cost some money.

UNWISE TO GO IT ALONE

The commonalities with religion do not end there. Says Howell, "The accreditation bible can be hard to understand without a member of the clergy to explain what it all means, and how it relates to your everyday life."

The "clergyman" who taught San Diego Homecare Supplies was an accreditation consultant by the name of Ted L. Jones, Jr, president of The IB Network Inc (IB stands for Intelligent Business) in Burbank, Calif, with branch offices in New York, Georgia, and Puerto Rico. Jones' organization specializes in assisting DME/HME operators and pharmacies.

Jones says it is often a jaw-drop moment that brings providers to their knees before the altar, as it were. "As they begin reviewing all that's involved in the process of becoming accredited, it dawns on them that they're not going to be able to handle this alone, that they will be unable to balance their time between tackling this transformation and running their business," Jones shares. "It's not that the process is too technical for the average provider to figure out on their own. It is very time-consuming."

That elicits from Howell a hearty amen. "You can buy a CD-ROM and a manual on accreditation and do it that way, but you could easily end up driving yourself to exhaustion," she says. "A good consultant will get you where you need to be quickly, and with the least amount of difficulty." And, in truth, Howell could have unraveled the accreditation puzzle on her own; still, she opted to go the consultant route. "I realized I couldn't afford to divert the resources necessary to work through accreditation myself without adversely impacting our ability to conduct day-to-day, profit-building business."

RETAIL THRUST

Products sold at San Diego Homecare Supplies are at or near the top in terms of quality. They include incontinence supplies (No. 1 at 45% of total sales volume), orthotics and diabetic shoes (15%), postmastectomy supplies (10%), compression garments, pillows, ostomy and wound care items (10%), bathroom safety equipment, hospital beds, leisure beds, aids for daily living, lift chairs, and manual and powered mobility devices. Whatever of this inventory cannot be displayed on the 2,800-square-foot retail floor for lack of room is stored in an adjoining warehouse (which gives the company another 2,500 square feet of space).

A certified orthotics fitter, Cummings has owned San Diego Homecare Supplies since 1989. Prior to that, she worked at the San Diego branch office of a medical supply outlet based in California's Central Valley region. She started there as a secretary, hired for her dual fluency in English and Spanish. But Cummings soon proved to be an effective organizer of retail operations, and eventually left to try her hand with a store of her own, San Diego Homecare Supplies.

Howell entered (or, more correctly, re-entered) the picture in 2004, after having obtained her MBA from The Wharton School, and worked for a number of years at an American consulting firm in London where she specialized in postmerger management processes. "I'd always wanted to work with my mom in her shop," she tells. "The opportunity came up and I grabbed it." Since then, Howell has devoted herself to streamlining the back-office operations of San Diego Homecare Supplies. She played a pivotal role in offsetting the adverse impacts of reimbursement cuts for incontinence supplies by instituting new efficiency measures. And she paved the way for her company to ring up more cash-based transactions by first tripling the amount of floor space devoted to retail (today, about 55% of revenues come exclusively from retail sales, Howell indicates).

CODIFIED SUCCESS

Survival is, of course, the name of the game here, and one other way that San Diego Homecare Supplies has ensured it won't be voted off the island is through an emphasis on service, not just to



Sara Patino Cummings (left) was skeptical about accreditation at first, but now says the process has effectively streamlined the business.



Sydel V. Howell (left) says accreditation essentially codified a customer-centric approach to business.



(left to right): Jessica Arrizon, Sara Cummings, Ray Olaes, Sydel Howell, and Leo Lopez participate in meetings every 3 months to determine how well they met accreditation obligations over the past 90 days.

Finding A Consultant

San Diego Homecare Supplies began its search for an accreditation consultant with a trip to Medtrade. "I look at

patients, but also to kin and caregivers. "We saw family members and patient helpers as an underserved demographic," says Howell. "They accompany the patient into the store about half the time, so it made sense to include them in our mission. For example, if you're providing care to someone who needs help getting in and out of a bathtub, chances are you're going to have back pain because of that. If so, we'll be able to offer you training and products that can provide back-pain relief."

To an extent, accreditation codified this sort of customer-centric approach to business. Looking back, Howell acknowledges the value of her investments in time and resources to become Joint Commission sanctioned, although the process was no walk in the park. The hardest part proved to be the demand to document everything. "We had to make sure we dotted all our i's and crossed all our t's," says Howell.

Cummings, meanwhile, balked at the requirement that patients sign multiple proof-of-receipt or proof-of-service documents in conjunction with even simple transactions. "That's the kind of thing that goes on in a hospital, not in a retail store," she remembers complaining to Jones. Cummings' distress over that matter ended on an up note when Jones took steps to consolidate the documents in such a way as to satisfy all The Joint Commission requirements, while needing the patient to sign only once. Of that compromise, Cummings says, "I told Ted I could live with it."

And because her company is now accredited, Cummings' next biggest challenge may be learning to live with greater business success. In all probability, she will cope.

Rich Smith is a contributing writer for HME Today.

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Medtrade as an event I cannot afford ever to miss because of the exposure it gives me to new products, people, ideas, and information," says Sydel V. Howell, MBA, MA, company director. "Each time I attend Medtrade, my goal is to connect up with at least one person who can help me grow my business."

At Medtrade 2007, Howell met Ted L. Jones, Jr, president of Burbank, Calif-based The IB Network Inc. "I was looking for someone with deep industry knowledge and expertise, and who would be around for the long term," Howell explains. "The market situation was attracting quite a few fast-buck consultants, so I was really glad to find someone like Ted, who I became convinced would be a true partner for my company and help us grow—not just help us obtain accreditation."

When Jones goes to work for an accreditation seeker, he is on board for a stretch of about 4 months. On day one, he instructs the client to approach accreditation as if it had already been conferred. "This helps the company's staff adopt the right attitude at the very beginning," he says. "I don't want them thinking that it's going to be 4 months of setup, followed by a single day on which a switch is flipped and then everyone will start behaving in an accredited way. That's not how it works."

Jones also makes a point to caution accreditation hopefuls that they should not expect to tackle the process on the cheap. "It will cost you some money; you have to accept that reality," he says. "If you try to penny pinch, you will not succeed at implementing lasting change. A rule of thumb is that the less money you spend on accreditation, the more you'll lose in the long run."