

Home Health

BUSINESS REPORT

A WEEKLY
REPORT ON
NEWS, TRENDS
& STRATEGIES
FOR THE HOME
HEALTHCARE
EXECUTIVE

MONDAY, AUG. 9, 1999

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PAGE 1 OF 8

HCFA publishes FY2000 IPS cost limits in Federal Register

By MATTHEW HAY

HHBR Washington Correspondent

BALTIMORE – The **Health Care Financing Administration** (HCFA; Baltimore) published the interim payment system cost limits for FY2000 in the *Federal Register* last week. These schedules of limitations, published August 5, are effective for cost reporting periods beginning on or after Oct. 1, 1999, until a home health prospective payment system is implemented.

Per-beneficiary limits will increase a modest 1.7%. The limits were determined based on “old” or “new” agencies. Old agencies are considered to be those with a full 12-month cost report from FY94. For new agencies whose first cost reporting period begins in FY99, the per-beneficiary limit will be equal to 75% of the national per-beneficiary limit. New agencies with a cost reporting period prior to Oct. 1, 1998, will receive the national median adjusted by
See Cost limits, Page 2

Medshares' Chapter 11 filing is result of delay in payments

By KAREN PIHL-CAREY

HHBR Staff Writer

For months, in order to keep 70 agencies up and running, **Medshares** (Memphis, TN) borrowed money from its lender. When the company reached its lending limits, which are based on its amount of receivables, the well dried up, forcing the company to file for Chapter 11 bankruptcy a little more than a week ago.

The problem was this: Medshares had acquired the 70 agencies from **Columbia/HCA Healthcare** (Nashville, TN) in asset purchases last year. The company had to file a Form 855 with the federal government and wait for its approval before billing Medicare, and in some cases Medicaid, for services provided through the agencies.

“It took 210 days for that filing to be approved,” Medshares Senior Vice President Robert Leech told HHBR.
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NAHC continues to seek relief in several federal court cases

By MATTHEW HAY

HHBR Washington Correspondent

WASHINGTON – The **National Association for Home Care** (NAHC; Washington) continues to see federal courts as the best, and sometimes only, avenue to address its grievances with the **Health Care Financing Administration** (HCFA; Baltimore), according to veteran NAHC counsel Bill Dombi.

“I see signs that HCFA is once again opening its eyes and ears to input, but I don't feel confident that they are far enough toward that end to believe that we can pull our guns on litigation,” he recently told HHBR. Dombi said NAHC has signaled HCFA that the trigger for litigation will be pulled a lot more readily than it has in the recent past. “We want to use that as a way to get them to the negotiating table,” he said.

According to Dombi, one potentially far-reaching court
See NAHC, Page 2

Home care legislation hanging in balance as Congress breaks

By MATTHEW HAY

HHBR Washington Correspondent

WASHINGTON – Congress broke for its August recess last week and won't be back until after Labor Day. When it returns, home care representatives will make their final push for a rollback of the Balanced Budget Act of 1997 (BBA) that made deep cuts in home care reimbursement. But despite the major progress made on Capitol Hill this year, the industry is certain to face a brutal fight in securing that relief.

A raft of home care reform bills have been introduced in the House and Senate, and the home care industry now has a number of key allies in both arms. But just before it recessed, Congress passed a \$792 billion tax cut. Even though President Clinton has vowed to veto that bill, his opening bid of a \$300 billion tax cut means the fight for surplus dollars is going to be hard fought.

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NAHC

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action may be the Supreme Court's decision in June that the Americans with Disabilities Act (ADA) requires the Medicaid program in Georgia to place persons with mental disabilities in community settings rather than institutional settings. In that case, the state Medicaid program challenged a court of appeals decision that required it to provide a community-based program for persons that would otherwise require institutional psychiatric treatment.

While that decision did not address home health *per se*, Dombi said it strikes at the heart of a pattern among state Medicaid programs that favors institutional care. Many state Medicaid programs favor institutional care through payment rates and caps on home care services, as well as waiver programs. "There are often limits on the number of people they accept into the program," Dombi said. "The states are either going to have to reexamine these areas voluntarily or more likely be forced to do so."

"While the Olmstead case concerned mental health benefits, its logic applies equally to regular healthcare services as well," said Dombi. "I think it has the potential for being extremely significant, but it is going to take some further advocacy to get it to that point."

Dombi said NAHC recently urged **Health and Human Services** (Washington) Secretary Donna Shalala to audit state Medicaid programs and their compliance with the ADA to gauge conformity with the standards set in the Olmstead case. "We are going to start from directions like that to try to get some total oversight on the Medicaid programs," he said. "We will probably end up targeting some states where we think they should be doing something different to be in compliance with the ADA in their programs." When the circuit court decision came out, HCFA issued a memorandum to states explaining their responsibilities under the ADA. But Dombi said HCFA has typically exercised fairly weak oversight system over most components of Medicaid. "States have been given great flexibility," he said.

But NAHC's legal efforts are by no means confined to the Olmstead case. In fact, NAHC is currently waiting for action by the court in three separate cases. One case argues that HCFA violated the Regulatory Flexibility Act by failing to undertake an impact analysis prior to implementing the interim payment system (IPS). In that case, NAHC argues that HCFA was required to consider alternatives to IPS that would have had a less adverse impact. "In that suit, all papers are filed, and we are waiting for a decision on motion for summary judgement cross motions," said Dombi.

In addition, NAHC is waiting for decision for summary judgment and motion for class certification in *O'Neil vs. Shalala*. That case attempts to expand the Medicare benefit to disabled individuals not considered homebound because of their ability to leave the home for non-medical purposes.

Finally, there is the Healy case in Connecticut that NAHC was asked to join. That case involves Medicare beneficiaries who were denied services. "We filed motion for intervention, and we are waiting for the court to decide that one now," said Dombi. "The defendant did not file any objection, but the plaintiff filed an objection to our intervention." ■

Cost limits

Continued from Page 1

the area wage index.

The notice also includes a modest 13-cent increase in per-visit costs to offset costs associated with the Outcome and Assessment Information Set (OASIS).

HCFA predicts that 79% of all agencies will exceed per-beneficiary limits by an average of 12%. The agency predicts that 86% of all freestanding agencies will exceed per-beneficiary limits by 14% and that 64% of hospital-based agencies will exceed per-beneficiary limits by 9%.

The agency also estimates that Medicare will pay an additional \$40 million in FY2000 based on cost report data the agency used that were adjusted by the most recent market basket factors. ■

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COMPANIES IN THE NEWS

AHOM working to return to profitability

American HomePatient (AHOM; Brentwood, TN) reported 2Q99 ended June 30 net revenues of \$90.4 million, down slightly from 2Q98 revenues of \$91.2 million. The company recorded a net loss of \$4.9 million, 32 cents per share, compared to a net income in 2Q98 of \$3.9 million, 26 cents per share.

AHOM President/CEO Joseph Furlong said the company's performance for the first six months of FY99 is moving along on schedule. "We set out at the beginning of the year with realistic expectations for restoring AHOM to its former level of historical success," Furlong said. "So far, we are pleased with the progress we have made in reducing and controlling expenses and in reducing our net patient accounts receivable and DSO." Furlong further said the company's biggest challenge for the rest of FY99 is in achieving more revenue growth.

Caretenders gets new financing

Caretenders (Louisville) has completed a new \$20 million revolving credit facility with **Bank One Kentucky NA**. This financing replaces credit agreements with **Heller Financial Services** and **BankOne** under which \$14 million in borrowings were outstanding. Borrowings available under the new facility may be used for working capital, acquisitions, development of new markets, and other general corporate purposes.

Centennial posts a net loss for 2Q99

Centennial HealthCare (Atlanta) announced its 2Q99 ended June 30 results with revenues of \$99.9 million, up 14% from \$87.9 million in 2Q98. The company posted a net loss of \$7.6 million, 64 cents per share, in 2Q99, compared to a net income in 2Q98 of \$3.8 million, 32 cents per share. During 2Q99 the company recorded a nonrecurring charge of \$14.5 million, \$8.9 million net of taxes, related to the revaluation of long-term assets from the implementation of the prospective payment system.

Chemed declares quarterly dividend

Chemed's (Cincinnati) board of directors declared a quarterly cash dividend of 53 cents per share on its capital stock, payable on Sept. 10 to stockholders of record on Aug. 20. This represents the 113th consecutive quarterly dividend paid by Chemed in its 28 years as a public company.

Coram looking for acquisitions

Coram Healthcare (Denver) is looking for a company to buy, reported *Dow Jones News Service*, despite a significantly low stock price and litigation with a customer that provided 20% of its 1Q99 revenues. Coram CEO Richard

Smith told *Dow Jones* that there is a number of candidates the company has done due diligence with. Smith said at Coram's recent shareholders meeting that "it is entirely possible that in 1999 we will make a strategic acquisition in this area," referring to the company's **Coram Prescription Services** (CPS) unit. The acquisition candidates are reportedly in the specialty-drug area, the same segment in which CPS concentrates.

HealthCor's Chapter 11 filing shows little funds

HealthCor Holdings' (Dallas) petition for Chapter 11 bankruptcy protection, which the company filed two weeks ago, lists assets and liabilities of \$71 million and \$141 million, respectively, according to *Federal Filings*. Although HealthCor noted the existence of between 16 and 49 creditors, the company estimated that, after exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors. The petition also notes that there are 10.1 million shares of common stock outstanding.

Healtheon forms agreement with Option Care

Healtheon Corp. (Santa Clara, CA) entered into an agreement with **Option Care** to offer its provider portal, Healtheon Practice, to Option Care's 145 offices nationwide. Healtheon officials said the initial phase of automating claims processing for the company's corporate office is underway.

Healthsouth sees increased revenues in 2Q99

Healthsouth's (Birmingham, AL) 2Q99 ended June 30 revenues rose 7% from 2Q98 revenues of \$979 million to \$1 billion. The company recorded a net income in 2Q99 of \$114 million, 27 cents per share, compared to a net income in 2Q98 of \$122 million, 28 cents per share.

"Despite difficult conditions in the healthcare industry and the capital markets, Healthsouth continued to execute its strategic plan in 2Q99," said Chairman/CEO Richard Scrusby. He added that the company completed the acquisition of the **American Reability Services** outpatient rehabilitation centers in an asset purchase from **Mariner Post-Acute Network** (Atlanta).

Help at Home announces financial results

Help at Home (Chicago) announced recently its financial results for the eleven-month period ended May 31. Net income for the period totaled \$459,000, 25 cents per share. The company saw total sales in the period of \$25.7 million.

Invacare raises its offer for Scandinavian

Invacare Corp. (Elyria, OH) has raised its cash tender offer to acquire **Scandinavian Mobility International A/S** from \$15.09 per share to \$16.52 per share. The offer was made to qualified shareholders of Scandinavian Mobility and is open until Aug. 31. The total value of the

transaction at the amended price is about \$146 million. The Danish newspaper, *Politiken*, reported that Lars Foghsgaard, the majority shareholder in Scandinavian, had accepted the offer by Invacare.

National HealthCare reports 2Q99 results

National HealthCare (Murfreesboro, TN) announced 2Q99 ended June 30 earnings of \$2.3 million, 20 cents per share, compared to \$2.8 million, 25 cents per share, for 2Q98. Revenues were \$107.7 million, compared to \$111 million for 2Q98. The decline in revenue was due to reductions in Medicare reimbursement.

Court says Olsten warned of illegal arrangement

Olsten's (Melville, NY) **Kimberly Home Health Care** subsidiary, which recently pleaded guilty to Medicare fraud, had been warned that its intended arrangement with **Columbia/HCA Healthcare** (Nashville, TN) was illegal, but it pursued the deal anyway, reported the *Tampa Tribune*. A lawyer for the subsidiary told company officials that their plans to sell home health agencies to Columbia at a reduced price only to charge inflated management fees and billing them to Medicare was "too close to the line." During the negotiations, Kimberly's lawyer advised that the deal would only be legal if the 24 home health agencies were sold at a fair market price, according to papers filed last week in Tampa's federal court. Company executives ignored the advice, the court papers said, because they believed it was legal as long as the management fees were at a fair market value. An Olsten spokeswoman told the *Tribune* that the court papers do not reflect the context of the conversations. Kimberly and Olsten settled with the government for \$61 million in criminal and civil penalties, including a guilty plea from Kimberly. They have also agreed to cooperate with the government in its investigation of Columbia.

In other news, Olsten announced that its executive vice president and general counsel, William Costantini, has been appointed an honorary commissioner of the **New York State Division of Human Rights**.

Sunrise introduces new stroller

Sunrise Medical (Carlsbad, CA) has introduced Kid Kart Xpress, a stroller that provides head and postural support, as well as recline capabilities, for children with cerebral palsy and other disabling conditions. The stroller features push button tilt and recline capabilities and folds easily for transporting into a car.

VueCare selects phone product for health program

VueCare In Home Health Services (Stevensville, MD), a private home health provider, has selected **C-Phone Corp.** to provide the video link in a national home health services program. Financial terms were not disclosed. VueCare said it plans to install the 300 C-Phone systems by year's end. ■

PPM/MISO NEWS

• **Specialty Care Network** (Lakewood, CO) said its **HealthGrades.com** formed an alliance with **DrKoop.com**. HealthGrades.com's proprietary healthcare ratings information content will be featured and promoted on DrKoop.com and within its affiliate network. Also, Specialty Care attributed its lower revenue to restructured management agreements due to its change in focus to an Internet health company from a physician practice management company. The restructuring has reduced its debt by about \$38.8 million.

• **Tessa Complete Health Care** (Oakbrook Terrace, IL) has acquired **Family Chiropractic and Sports Injury Center** (Zurich, IL). The clinic generated revenues of \$350,000 during 1998. Dr. Joseph Younis will remain clinic director.

• **Phycor** (Nashville, TN) shares fell 9% in late July after it reported that its FY99 earnings would be lower than expected. The company attributed the shortfall on tougher reimbursement requirements, as well as its plans to sell the assets of certain clinics. The company expects earnings of 45 to 50 cents a share, compared to a **First Call** estimate of 55 cents per share.

• **Physicians' Specialty Corp.** (Atlanta) reported its results for 2Q99 ended June 30 with revenues of \$23.1 million, up 63% from 2Q98 revenues of \$14.2 million. Net income increased 58% to \$1.8 million, 19 cents per share, compared to 2Q98 net income of \$1.1 million, 14 cents per share. As previously announced, the company has formed a merger agreement with a new company formed by **TA Associates**. Each outstanding share of Physicians' stock, except those held by management and affiliated physicians, will be converted into the right to receive \$10.50 per share in cash. The transaction is expected to close in 4Q99.

• **MedPartners** (Birmingham, AL) agreed July 10 to pay \$56 million to settle 20 lawsuits by shareholders who said the company misled investors, reports the *Wall Street Journal*. Under the settlement, the company admitted no wrongdoing. Shareholders who bought stock beginning May 6, 1997, and still owned it Jan. 7, 1998, the day before the stock fell to \$10, were to be repaid the difference between the purchase price and \$10.40, reported the *Journal*.

• A Florida appellate court upheld a 1997 **Florida Board of Medicine** ruling that declared illegal a contract between **PhyMatrix** (West Palm Beach, FL) and a group of physicians in Brandon, FL. The contract required physicians to pay 30% of their net income, as well as a fee, to PhyMatrix in exchange for marketing, advertising, and other efforts to bring more patients to the practice. The court found that the contract violated a statute, which prohibits payments for patient referrals. PhyMatrix has exited the PPM business and now operates under the name **Clinical Solutions** (Providence, RI). ■

REGIONAL DIGEST

- The **Michigan Democratic Task Force on Health Care Delivery** is holding public hearings throughout the state through October in order to present the state legislature with recommendations for change. At the first meeting in Grand Rapids, healthcare providers complained of excessive regulation and inadequate funding, reported the *Grand Rapids Press*. "It is ludicrous to me that there are those in Congress who are boasting about a budget surplus when you have children suffering, and there are elderly who are literally dying at home," said the former manager of a now defunct home healthcare agency.

- A judge upheld a decision by New Jersey state officials to eliminate the 20 hours of home healthcare received by a 70-year-old man with rheumatoid arthritis. The state began auditing the Personal Care Assistant program last year and has since reviewed 8,500 cases. Of those cases, 2,892 people lost their home health aides or had hours reduced, while 325 people received an increase in hours. The man with arthritis, a widower, has trouble walking and depended on the aides for cooking and cleaning. A spokesman for the state's division of Medicaid has said that some people were abusing the PCA program. A husband and wife, for instance, were each receiving home health services by two different aides, when only one was needed, reported the *Star-Ledger* in Newark. About 110 people, however, have successfully regained their aides after appealing the state's decision.

- **Baptist Hospital Home Care** (BHHC; Winston-Salem, NC) has reached an agreement to sell its durable medical equipment and respiratory therapy operations to Lincare (Clearwater, FL). BHHC will continue to operate its other home care operations, including home infusion pharmacy services, nursing, physical, occupational, and speech therapy, aide services, and medical social work.

- Peter Taylor's company, **Medical Technology Solutions** (MTS; Tampa, FL), which provides wound care supplies to institutions and to individuals at home, is one of four companies that were selected this month to sell surgical dressings in Polk County, FL, under the federal competitive bidding project. In the past, MTS competed with dozens of other wound care companies in Polk County, ending up with about \$200,000 a year as its share of the Medicare business in the county, reported the St. Petersburg Times. To win the spot in the pilot program, MTS had to price its products below existing Medicare levels and agree to onsite visits, financial audits, and reference checks, the Times reported. ■

BRIEFLY NOTED

- Behavioral or mental health home care has recently emerged as a highly effective solution bridging the gap for post-discharge psychiatric patients. **Fox News** reported on its *Good Day New York* program that **Priority Home Care's** (New York) Behavioral Home Health Program made a big difference in patients' lives. Priority's program involves home visits by psychiatric nurses and home health aides with psychiatric training. About 1,000 homicides a year are committed by mentally ill people who are not taking their medication, according to the **Treatment Advocacy Center** (Arlington, VA). "Behavioral home care not only saves lives, but also saves costs," said Mary Rosedale, director of Priority's program. "Lack of a rehabilitation program frequently results in emergency care and rehospitalization, which are far more costly in dollars and lives than transitional care."

- A man who was instrumental in the national development of home health services died July 20 of heart failure in Minneapolis. Elwin A. Miller was 93. In the 1950s, he was vice president and president of the national committee on home health service, and he also served on the **National HomeCaring Council**, as well as the **International Homemaker Council**. ■

Congress

Continued from Page 1

The Clinton Administration's Medicare proposal only offered up \$7.5 billion over 10 years to restore funding stripped by the BBA. Sen. John Kerry (D-MA) and several of his Democratic colleagues recently introduced a motion to boost that number to \$20 over 10 years. But even that motion, which failed, would have included teaching and rural hospitals, skilled nursing facilities, and home health providers. "Some restoration is likely," predicted one Senate Finance Committee staffer. "But the competition for that money is going to be fierce."

Many skilled nursing facilities are in desperate financial condition, and that industry has already launched a paid media campaign urging restoration of funds stripped by the BBA. The **American Hospital Association** is also waging an intensive lobbying effort aimed at recouping funds lost in the BBA.

The Senate Finance Committee is expected to fashion a Medicare reform bill that includes restoration of some BBA funds this fall. A House Ways and Means aide told *HHBR* last week that that committee is also considering a so-called BBA-fixings bill. The five national home care associations are planning a major effort when Congress returns that will culminate in a mid-September home care rally in Washington. ■

Medshares

Continued from Page 1

The company has since billed the government, but has not yet received the money.

"I was asked by one reporter if we blamed the federal government for this," Leech said. "And that is absolutely not, we don't. This is not about blame. This is about taking a necessary step to protect the company and employees and patients."

The bankruptcy and pending reorganization will affect all of the company's 103 operations, which include 166 home health agencies. The company has 120 days to present a reorganization plan to the court, but Leech expects it will be ready long before that. "We're working feverishly on the plan right now, and we intend to have the plan to the court in a matter of days," he said. The company is negotiating with an "alternate financing source" in order to improve its position, Leech said.

In the meantime, all agencies will continue operating as they always have. All of the 14,000 employees nationwide will continue to be paid without interruption.

"As of this point, it's too early to say whether we would sell any agencies," Leech told *HHBR*. "Our intention at this point is to bring all of our agencies out of Chapter 11 and continue operating all of our companies as they are today."

Earlier this year, Medshares purchased the home nursing division of **Integrated Health Services** (Owings Mills, MD), which is now called **Soleus Healthcare Services**. Medshares did not have the same problems with that acquisition because it was a stock purchase, meaning the Form 855 had to be filed at the state level instead of the federal level. "We have been able to bill for Integrated Health patient care services all along," Leech said.

He anticipates the company will recover quickly with the reorganization. Operations from Medshares' companies posted more than \$170 million in net revenue in FY98. They are expected to post more than \$400 million in FY99. ■

C A L E N D A R

- The **Maryland-National Capital Homecare Association's** annual conference will be held Sept. 22-23 at Martin's Crosswinds in Maryland. For more information, call (301) 408-4005.

- The **National Association for Home Care's** (Washington) 1999 Annual Meeting & Homecare Expo will be held Oct. 9-13 in San Diego. The 1999 conference will feature more than 250 exhibiting companies, a PPS update, and more than 100 educational programs. For more information, call (202) 547-5050. ■

WHAT THEY'RE SAYING

- Andrew Peacock, executive director of **VNA HealthCare Services** (Swissvale, PA) commended the *Pittsburgh Post-Gazette* for an editorial on the damages from Medicare cuts, which have fallen on nursing homes and home healthcare agencies. "As you pointed out," Peacock wrote in his letter, "the indiscriminate slashing disproportionately hurts Pennsylvania agencies. Ironically, our reimbursement rates were set well below the national average because we have been low-cost providers in the past."

- Home Healthcare agencies in the south are facing shortages of home healthcare aides, even though one state – Florida – has 35,000 to 40,000 aides, said an editorial in the *Sarasota Herald-Tribune*. Two technical institutes in the state are trying to bolster enrollment in home health-care programs, but private agencies should also consider how much of the shortage is due to low wages, the paper said. "In some cases, the presence of an aide could mean the difference between patients staying in their own homes or having to move into a nursing home," the editorial said. ■

New JCAHO compliance guidebook is available

Leaping the Joint Commission's hurdles to accreditation for your home care agency can be made easier with the newest edition of *Strategies for Successful JCAHO Homecare Accreditation 1999-2000*.

This newest edition is a step-by-step guide to compliance with the **Joint Commission on the Accreditation of Healthcare Organizations'** 1999-2000 standards.

Strategies for Successful JCAHO Homecare Accreditation 1999-2000 also features more than 150 pages of case studies with tips, suggestions, and advice from your peers who have survived the survey, plus a list of vendors approved by the Joint Commission to measure outcomes for your agency.

With your purchase of the new accreditation guide, you can receive 25 nursing continuing education credits free. You also have the opportunity to buy unlimited additional CE programs for just \$40 each.

If you have a home care survey coming, don't wait to order this guide. Call (800) 688-2421 for more information, or send an e-mail to American Health Consultants at customerservice@ahcpub.com. ■

T E C H U P D A T E

• **Simione Central Holdings** (Atlanta) has acquired Outcomes Planner from the **Visiting Nurse Service of Greater Woonsocket** (VNS). Outcomes Planner was developed by VNS as a clinical documentation package that meets both OASIS and ORYX requirements. The system is a clinical pathway and care plan solution that defines and measures outcomes on each visit or patient encounter. Outcomes can also be measured by disease state and episode of care. The completed planners can be scanned or incorporated in a handheld device and electronically submitted monthly for state, regional, and national benchmarking. Outcomes planner has more than 100 customers. Jerry Knight, CEO of **CareCentric Solutions**, said Outcomes Planner fits with CareCentric's product, The Smart ClipBoard. CareCentric is currently developing an electronic model of the system that will integrate with ClipBoard. ■

Medtrade now has \$99 fee

The annual *Medtrade* conference and exposition, which will be November 3-5 in New Orleans, will charge participants a fee this year for the first time. For people who register before Sept. 3, the fee will be \$99. After that, participants will pay \$149.

Medtrade officials say the newly implemented fee for the conference will include the program books, which were previously sold at the meeting, and all the focus sessions, which previously each had a separate charge. In addition, the tapes of the sessions, which at previous meetings were \$9 each, now will be \$10 for three tapes.

Medtrade officials say their intent with the new fee is to make the annual meeting cost effective for the attendee and to possibly make things easier for the speakers. Officials urge people to register ahead of time, both to save \$50 and to avoid standing in lines at the event.

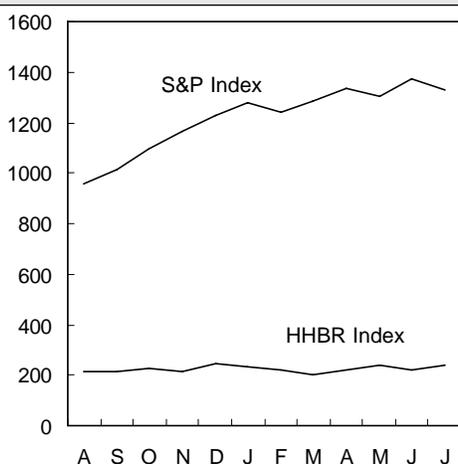
Also, on Nov. 2, there will be a home healthcare executive forum, costing \$195, which replaces the managed care conference. For more information, call (877) 835-7232. ■

MONTHLY STOCK INDEX COMPARISON

	<i>Close</i> <u>6/30/99</u>	<i>Close</i> <u>7/30/99</u>	<i>Net</i> <u>Change</u>	<i>Percent</i> <u>Change</u>
Home Health Industry Stock Index	218.64	236.39	17.75	8.12
Dow Jones Industrial Average	10970.8	10655.15	-315.65	-2.88
N.Y.S.E. Composite	648.13	626.07	-22.06	-3.40
S&P 500 Composite	1372.66	1328.72	-43.94	-3.20
NASDAQ OTC Composite	2686.12	2638.49	-47.63	-1.77
Dow Jones Health Care Index	668	629.65	-38.35	-5.74

HHBR'S HOME HEALTH COMPOSITE STOCK INDEX

The Home Health Business Report Composite Stock Index represents the collective performance of 9 publicly traded companies with primary businesses in the home healthcare industry. Companies included in the Composite Index are denoted with an inverted triangle (▽) in the "company name" column of our monthly stock tables appearing on page 9. The HHBR Composite Stock Index was compiled by Nordby International, and has been constructed to show comparative performance of a selected group of home healthcare stocks with the S&P 500-Stock Index. The Index was calibrated to match the 435.71 closing of the S&P 500 on Dec. 31, 1992.



MAJOR MOVERS IN HOME CARE IN JULY 1999

TOP FIVE PERCENTAGE GAINERS

NuMed Home Health Care	95.65
Olsten Corp. (The) ▽	33.66
Option Care Inc. ▽	28.3
In Home Health Inc. ▽ (s)	22.22
Pediatric Services of America	21.74

TOP FIVE DOLLAR GAINERS

Lincare Holdings Inc. ▽ (s)5
Fresenius Medical Care381
Olsten Corp. (The) ▽213
Option Care Inc. ▽094
In Home Health Inc. ▽ (s)038

TOP FIVE PERCENTAGE LOSERS

Staff Builders Inc. ▽	-44.44
Amedisys Inc.	-43.75
American HomePatient Inc. ▽	-36
Integrated Health Services Inc.	-29.69
Respironics	-28.93

TOP FIVE DOLLAR LOSERS

Invacare Corp.	-4.75
Respironics	-4.38
Mallinckrodt	-2.5
Integrated Health Services	-2.38
Kelly Services Inc.	-1.31

Market Diary:	Advances This Month.....10	Declines This Month.....25	Unchanged This Month.....1	New Highs This Month.....1	New Lows This Month....0
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Public Company Financial Statistics (July 30, 1999, close)

EXCH	COMPANY	TICKER SYMBOL	CLOSING	% CHANGE		52 WEEK		EPS	PRICE/	MARKET
			PRICE 7/30/99	THIS MONTH	THIS YEAR	HIGH	LOW	LAST 12 MOS.	EARN RATIO	CAPITAL (1000S)-
			\$		\$			\$	\$	\$
NAS	Amedisys Inc.	AMED	1.13	-43.75	-60.87	4.25	0.75	0	-	3456
NAS	American HomePatient Inc. ▽	AHOM	1	-36	-44.83	15.13	0.94	-3.17	-	15150
NYS	Apria Healthcare Group Inc, ▽	AHG	16	-5.88	79.02	22.06	2.56	-3.09	-	829920
NAS	Caretenders HealthCorp.	CTND	2.38	-13.64	-13.64	4.5	1.5	-1.88	-	7434
NYS	Chemed Corp.	CHE	32.13	-3.38	-4.1	35.13	25.13	1.79	18	335835
NYS	Columbia HCA Healthcare	COL	22.25	-2.47	-10.1	28.75	16.13	0.78	29	12639669
NAS	Community Care Services	CCSE	0.84	-15.7	237.2	2.95	0.03	-0.81	-	6023
NYS	Coram Healthcare Corp. ▽	CRH	1.25	-28.57	-33.33	2.88	1.06	-0.14	-	61875
NYS	Fresenius Medical Care	FMS	23.88	19	1.6	25.63	12.5	0.06	398	1671250
NYS	Graham-Field Health Products Inc.	GFI	1.5	0	-55.56	6.25	1.19	-1.79	-	47253
NAS	Healthcor Holdings Inc.	HCOR	0.16	-11.11	70.67	1.75	0.06	-10.34	-	1615
NAS	Help at Home Inc.	HAHI	1.41	2.27	-16.67	2.38	0.53	-1.56	-	2628
NAS	In Home Health Inc. ▽ (s)	IHHI	2.06	22.22	13.79	3.13	1.06	0.24	9	11303
NAS	Infu-Tech Inc.	INFU	1	-20	-50	6	0.44	-0.09	-	3263
NYS	Integrated Health Services Inc.	IHS	5.63	-29.69	-60.18	31.13	3.13	-2.8	-	296882
NAS	Interwest	IWHM	3	6.67	-11.11	5	2.44	0.39	8	12267
NAS	Invacare Corp.	IVC	22	-17.76	-8.33	26.94	19.88	1.53	14	660440
NAS	Kelly Services Inc.	KELYA	30.81	-4.09	-2.95	35.13	23.75	2.26	14	1104197
NAS	Lincare Holdings Inc. ▽ (s)	LNCR	30	20	-26.04	43	17.25	1.6	19	1750950
NYS	Mallinckrodt	MKG	33.88	-6.87	9.94	37.56	19.75	1.78	19	2405057
NAS	Matria Healthcare (H)	MATR	6.09	-15.95	111.96	7.5	1.4	-2.37	-	222653
NYS	Mid Atlantic Medical Services	MME	10.13	2.53	3.18	13.13	4.44	0.2	51	510989
ASE	National HealthCare	NHC	7	-12.5	-54.84	30	5.25	-0.68	-	80010
NAS	National Home Health Care Corp.	NHHC	3.84	-14.58	-19.08	5	2.25	0.21	18	19626
NAS	New York Health Care Inc.	NYHC	0.88	-26.32	-12.5	5	0.63	0.03	29	3227
NAS	NuMed Home Health Care Inc.	NUMD	0.45	95.65	50	1.5	0.13	-0.41	-	2640
NYS	Olsten Corp. (The) ▽	OLS	8.44	33.66	14.41	9.56	4.5	-0.88	-	685935
NAS	Option Care Inc. ▽	OPTN	4.25	28.3	151.85	5.88	0.75	-0.07	-	47915
NAS	Pediatric Services of America	PSAI	1.75	21.74	-50	15.13	1.13	-5.83	-	11641
NAS	Respironics Inc.	RESP	10.75	-28.93	-46.33	21.38	9.63	0.79	14	328778
NYS	Sabratek	SBTK	20.75	-5.14	26.72	34.25	13	0.34	61	209803
NAS	ServiceMaster L.P.	SVM	18	-4	-18.41	23.88	16	0.52	35	5603688
NAS	Staff Builders Inc. ▽	SBLI	0.25	-44.44	-55.56	1.44	0.09	-3.25	-	5828
NYS	Star MultiCare Services Inc.	SMCS	0.91	-27.5	-36.96	2.25	0.75	-0.27	-	4764
NAS	Sunrise Medical Inc.	SMD	6.63	-7.02	-46.73	13.94	5.5	-0.31	-	147102
NAS	Transworld Home HealthCare Inc.	TWH	3.19	-5.56	-32	5.47	2.13	0.03	106	55944

KEY: (H)=NEW HIGH • (L)=NEW LOW • NYS=NEW YORK • ASE=AMERICAN
 NAS=NASDAQ • (s)=STOCK SPLIT • ▽ in HHBR Composite Index • NA=not available

MARKET CAPITAL figure reflects total for this class of stock only. Stock listed is the most actively traded of the company's classes of stock.

Source: Nordby International, Boulder, CO.

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