Home Health

BUSINESS REPORT

TUESDAY, SEPT. 7, 1999 VOL. 6, NO. 36 PAGE 1 OF 8

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

Congress is set to sort out BBA corrections this month

By MATTHEW HAY
***HHBR* Washington Correspondent**

WASHINGTON – Congress returns from its August recess this week, and high on its agenda will be a package of reforms to the Balanced Budget Act of 1997 (BBA). The good news is that the needs of the home care industry are clearly on the congressional radar screen. The bad news is that so are the needs of other providers, namely hospitals and skilled nursing facilities.

Congressional sources now predict that Congress will pass a so-called BBA fixings bill no smaller than the $7.5 billion over 10 years that was proposed by the White House in its Medicare proposal earlier this year, but possibly as high as $30 billion.

Aides to House Ways and Means Health Subcommittee Chairman Rep. Bill Thomas (R-CA) say he plans to push a bill that addresses BBA corrections early this month.

Senate Finance Committee aides say that committee also plans to act quickly, but the Senate Finance bill will likely be more comprehensive. In addition to BBA corrections, the Senate Finance bill will include other targeted Medicare reform items, such as an update to the standard benefits package and a prescription drug benefit. It is also expected to include a means-testing provision and changes in Medicare's copayment and deductible structure.

The White House is also anxious to pass some version of Medicare reform legislation by year's end. Speaking at the National Press Club last week, White House Chief of Staff John Podesta signaled that the Administration will try to broker a deal with the Senate Finance Committee that includes a prescription drug benefit. Also high on the Administration's agenda is a patient's bill of rights. That item seems more likely now that the measure has gathered more support than originally expected from Republicans.

A flood of home care reform bills were introduced before Congress recessed last month. The home care industry's latest strategy will be to have Sen. Connie Mack's (R-FL) proposal for a simplified back-up prospec-

See Congress, Page 2

Chapter 11 protection may be temporary relief for Medshares

By MEREDITH BONNER
***HHBR* Editor**

Medshares (Memphis, TN) will likely find only temporary relief from its woes with its recent Chapter 11 bankruptcy protection filing, analysts say, as the company is facing a slew of lawsuits and debts.

Although the company had 120 days from its filing date to restructure, analysts say that might not be enough time. The company filed for Chapter 11 in late July, and it is now fighting lawsuits in five states. But Medshares officials say the pending lawsuits were not an issue in the filing. Instead, they site two main factors leading to the filing. The company told the *Memphis Business Journal* that it had reached its lending limits of about $140 million. It also said regulatory delays following the purchase of a portion of **Columbia/HCA Healthcare**'s (Nashville, TN) home health division have kept Medshares from billing Medicare

See Medshares, Page 5

Hospice industry blasts OIG's proposed compliance plan

By MATTHEW HAY
***HHBR* Washington Correspondent**

WASHINGTON – The **Hospice Association of America** (HAA; Washington) recently weighed in on the **Department of Health and Human Services**' (Washington) **Office of Inspector General**'s (OIG) draft compliance program for hospice with a laundry list of 19 specific concerns about the size and scope of the proposed plan.

"A large number of hospices will find it very difficult to devote the significant additional resources or to reallocate already meager and stretched resources necessary to

See Hospice, Page 5

Holiday schedule

Because *HHBR*'s offices were closed yesterday, Monday, Sept. 6, in observance of the Labor Day holiday, fax subscribers are receiving this week's issue today, Tuesday, Sept. 7.

INSIDE:

Congress

Continued from Page 1

tive payment system for home health rolled into one of the more comprehensive bills, such as the ones introduced by Sen. Jim Jeffords (R-VT) or Sen. Kit Bond (R-MO). Those two bills, while not identical, would both eliminate the 15% across-the board cut in home health reimbursement and include an outlier provision for high-cost, medically complex patients.

Home care representatives will make their final push for these items during a mid-September home care rally supported by all five national home care associations.

Privacy legislation also on the agenda

BBA corrections are not the only healthcare-related item competing for attention, however. Congress packed its bags last month without passing patient confidentiality legislation required by the Health Insurance Portability and Accountability Act of 1996. Technically, that hands the task of drafting regulations over to the **Department of Health and Human Services** (HHS; Washington). But the more likely next step is that Congress will extend its own deadline. "Congress shows no sign of throwing in the towel on this," said Roy Bussewitz of the **National Association of Chain Drug Stores** (Alexandria, VA). "This issue is still front and center on its agenda."

HHS Assistant Secretary for Planning and Evaluation Margaret Hamburg recently told the Ways and Means Health Subcommittee that parties that knowingly obtain or use healthcare information in violation of the standards should be subject to criminal felony penalties. "The penalties mandated in privacy legislation should be higher when violations are for monetary gain," she added. At the same hearing, **Health Care Financing Administration** (Baltimore) Deputy Director Mike Hash tried to split the difference on the contentious area of federal preemption of state laws. "Our recommendations call for national standards," he said. "But, we do not recommend outright or overall federal preemption of existing state laws that are more protective of health information." ■

NAHC calls on HCFA to rescind new program memorandum

By MATTHEW HAY
***HHBR* Washington Correspondent**

WASHINGTON – The **National Association for Home Care** (NAHC; Washington) formalized its strong objection to the **Health Care Financing Administration**'s (HCFA; Baltimore) new program memorandum (PM) on beneficiary notices Aug. 18 by demanding that the agency rescind the new requirement immediately. Instead, NAHC said HCFA should hold a joint meeting of providers and beneficiaries to develop "appropriate and workable" beneficiary notices, as well as new implementing instructions and schedules.

HCFA's PM includes three new Home Health Advance Beneficiary Notices that home health agencies will have to begin using no later than Sept. 30 when providing services to Medicare beneficiaries. It requires home health agencies to provide written notice to beneficiaries before providing any non-covered services or reducing or terminating care unless a physician has initiated those changes.

"At no time did HCFA provide the opportunity for involvement of the home health industry in the content of the notice, the manner of communication of the revised instruction to home health agencies, or the timing for implementation of the instructions," NAHC's Bill Dombi wrote HCFA Deputy Administrator Mike Hash. In addition to the operational problems posed by the new requirement, Dombi cited "serious legal defects" in the process HCFA used to issue the memorandum.

For example, he argued that it cannot be determined from the PM whether home health agencies must be in compliance effective Sept. 30 or whether the intermediaries must provide instructions to agencies by that date. But he said it is "inconceivable" that agencies can make the necessary changes within that time frame.

Dombi also pointed out that there is no congressional requirement for HCFA to mandate these changes by Sept. 30. "It is simply not prudent to hastily pursue this effort," Dombi argued.

See NAHC, Page 7

Home Health Business Report® (ISSN 1073-9572) is published every Monday by American Health Consultants®, 3525 Piedmont Road, Building Six, Suite 400, Atlanta, GA 30305. Opinions expressed are not necessarily those of this publication. Mention of products or services does not constitute endorsement. Home Health Business Report® is a trademark of American Health Consultants®, a Medical Economics Company.

COMPANIES IN THE NEWS

Amedisys closer to divesting all but home nursing

Amedisys (Baton Rouge, LA) has sold two of its six ambulatory surgery centers. The centers, in Pasadena and Houston, TX, were purchased by **United Surgical Partners International** (Dallas). The sale resulted in $11 million net proceeds to Amedisys.

Amedisys Chairman/CEO William Borne said, "The sale of these two surgery centers is another milestone in the work toward the divestiture of our remaining four surgery centers, as well as our infusion therapy division, to become a pure play home health nursing company. By focusing on our core business, we believe the company will be positioned to take full advantage of the opportunities before us with the implementation of the Prospective Payment System, the criteria for which is expected to released in the next 60 days."

GF receives new credit facility

Graham-Field Health Products (GF; Bay Shore, NY) has entered into a commitment for a two-year senior secured revolving credit facility for $50 million of borrowings, including letters of credit, arranged by **BankBoston** as agent. Under the terms of the proposed credit facility, borrowings will bear interest at the bank's alternate base rate, plus .5%. The new facility will refinance the current indebtedness under GF's facility with **IBJ Whitehall Business Credit Corp**. and provide for the ongoing working capital needs of GF.

The new facility will be secured by substantially all of the assets of the company. The closing of the credit facility, anticipated for mid to late September, is subject to the execution of definitive documentation, completion of due diligence, and other customary terms and conditions. Accordingly, there can be no assurance that the financing will be completed.

GF President/CEO John McGregor said the new facility "will provide GF with about $20 million of additional liquidity, thus enabling us to move ahead with our plan to return the company to profitability."

IHS subsidiary under investigation

An **Integrated Health Services** (IHS; Owings Mills, MD) medical testing subsidiary in Florida is under investigation by the **Department of Justice**. IHS said last week that it is cooperating fully with the federal probe. The subsidiary being investigated provides tests of a patient's swallowing function, IHS officials said.

Annualized revenue for the company's modified barium swallow studies division throughout the country is $800,000, IHS said, and total annualized revenue for its swallow studies division throughout the country is $2 million.

Invacare declares cash dividend

Invacare's (Elyria, OH) board has declared a cash dividend of $.0125 per share on its common shares and $.011364 per share on its Class B common shares payable on Oct. 15 to shareholders of record on Oct. 1.

Invacare also said last week it has received more than 98% acceptance of its cash tender offer to acquire **Scandinavian Mobility International A/S**. Starting last week, Invacare was able to begin the redemption offer period to acquire the remaining 1.9% of the shares. The total value of the transaction at this price is $146 million.

Scandinavian Mobility should be delisted from the Copenhagen exchange by Sept. 28. The offer is not being made to, nor will deposits of shares be accepted from or on behalf of, U.S. residents or shareholders in any jurisdiction, including the United States, Canada, or Japan, in which the making of the offer or acceptance thereof would not be in compliance with the laws of such jurisdiction, Invacare said.

Former McKesson CEO gets generous severance

McKesson HBOC (San Francisco) is giving former CEO Mark Pulido a severance package worth $17.5 million, according to a report in *The Pink Sheet*. Pulido is receiving all of his salary and benefits under an employment agreement that runs through March 31, 2004, which includes his salary, $850,000 a year, plus 100% of his annual target bonus, also $850,000 per year; lifetime medical coverage; and, eventually, executive retirement pay, reported *The Pink Sheet*.

Pulido resigned in June after the company disclosed reporting irregularities associated with its January merger with **HBO & Co**. (Atlanta). McKesson said Pulido is receiving the full value of his contract because he resigned.

Olsten to buy supplies from NJHA

Olsten Health Services (Melville, NY) has signed an exclusive agreement with the **New Jersey Hospital Association Corporate Services** (NJHA), a group purchasing organization. The agreement allows Olsten's home health, alternate site, network management services, and its institutional staffing business lines to purchase pharmaceuticals and disposable medical supplies exclusively from NJHA, while maximizing savings on behalf of Olsten's HMO, PPO, and Integrated Delivery System clients. In addition, NJHA will provide clinical consultative services regarding the creation and management of Olsten's formularies, as well as training and education on new drugs and treatments that are available.

PSAI sells paramedical testing division

Pediatric Services of America (PSAI; Norcross, GA) has entered into a definitive agreement to sell the assets of

its paramedical testing division to **Hooper Holmes** (Basking Ridge, NJ), a divestiture consistent with the company's intention to focus on its core competency in home care.

The paramedical testing division generated about $90 million in revenues in 1998 through more than 200 corporate and affiliate offices in the United States. The anticipated sale price of $85 million to $95 million is subject to certain performance and other price adjustments. The transaction is also subject to closing conditions and regulatory approvals. The proceeds of the sale, PSAI said, will be used to repay a portion of the company's outstanding debt and for working capital needs.

Standard & Poor's (New York) lowered its corporate credit rating on PSAI to B from B+ and its rating on PSAI's subordinated debt to CCC+ from B-.

Star Multi Care approves stock repurchase plan

Star Multi Care Services' (Huntington Station, NY) board approved last week a stock buy-back program whereby the company may purchase up to 500,000 shares of common stock in the open market throughout the next six months.

Star Multi Care CEO Stephen Sternbach said, "The company's stock price has been recently depressed due to the cloud that has been over the entire home healthcare industry. However, Star has recently completed its restructuring program whereby it has terminated its Medicare operations, has reduced staffing, and has installed new computer systems that will permit its new organization to operate more efficiently. Additionally, we have favorably resolved all of our past regulatory issues."

Star Multi Care also said its board has requested that the management of the company seek strategic alternatives to enhance and maximize shareholder value. Management's efforts will include, but not be limited to, a potential sale of business segments; a possible merger, sale, or recapitalization of the corporation; or taking the company private, officials said.

Transworld sees lower 3Q99 revenues

Transworld Healthcare (Red Bank, NJ) saw revenues in 3Q99 ended June 30 drop 5.8% to $37.5 million from $39.9 million in 3Q98. The company said it posted a net loss in 3Q99 of $4.5 million, 25 cents per share, compared to a net income in 3Q98 of $271,000, 2 cents per share. The company's UK-based respiratory therapy, medical supplies, and nursing services business experienced favorable variances in 3Q99 of $4.9 million, Transworld officials said.

During 3Q99, the company took a pre-tax charge of $2 million and additional bad debt reserves of $3.7 million, Transworld said. ■

REGIONAL DIGEST

• Under a new law in Kansas, criminal background checks will become mandatory for state-licensed day care and home healthcare providers. The background checks will be available for parents' and patients' inspection, reported the *Kansas City Star*.

• The move to keep the elderly and disabled in their homes and out of long term care facilities is making headway in Iowa, reported the *Des Moines Register*. The number of Medicaid recipients served by home healthcare has almost doubled in the last five years, from 8,904 to 17,616, according to the *Register* report. And state spending accompanied that growth, from $18.2 million in 1994 to $44.4 million this year. Iowans say the expansion of home health services used in the state can be seen as a move away from what some have called the institutional bias of Medicaid, and they say the growth in home health spending is an obvious trend in an examination of the Medicaid program.

• Two weeks ago, the *Associated Press* reported that budget constraints in Kansas might force the state to cut its in-home medical services for hundreds of patients. The services are free to low-income, elderly patients in the state. But complaints about the seniors possibly not receiving the services, prompted Gov. Bill Graves to meet last week with his budget director and officials from the **Department on Aging** (DOA) and the **Department of Social and Rehabilitation Services**. The DOA stopped accepting new in-home care clients July 1, reported the *AP*. Under direction from the Kansas Legislature, the department started a waiting list of people desiring the in-home care. The list now totals 189 people, the *AP* reported. The meeting last week, the first of several planned, was to discuss how to manage the list. At the meeting, a spokesman for the governor said because of Kansas' tight fiscal situation, the DOA cannot shift money from one program to another.

• Michael Taylor has been appointed executive director of home healthcare at **Squamscott Visiting Nurse and Hospice Care** in the Boston area. Squamscott is a home health agency affiliated with Wentworth-Douglass Hospital in Dover, MA. ■

CLARIFICATION

In an *HHBR* report last week, **U.S. Homecare Corp**. (Hartford, CT) was reported as posting a net loss in 2Q99 of more than the actual net loss for the quarter. The company, in an almost break-even quarter after three quarters of losses, posted a net loss in 2Q99 of $5,000, said CEO Sophia Bilinsky. Bilinsky said U.S. Homecare is working with its creditors to restructure the company's debt situation. ■

Hospice

Continued from Page 1

implement the extensive compliance program guidelines detailed in the guidance," HHA said in it comments Aug. 20. "While the OIG acknowledges the size and structure differences that exist among hospice programs, it is not entirely clear that the OIG recognizes the vulnerability of many of the hospice programs."

The association, which represents more than 2,800 hospices, said it is particularly concerned that the OIG believes "every hospice can and should strive to accomplish the objectives and principles underlying all of the compliance policies and procedures recommended." That concern echoes a complaint registered by the durable medical equipment (DME) industry that the OIG was attempting to promote a 'one size fits all' program for an industry marked by significant variation.

The OIG's draft compliance program for hospice, published in the *Federal Register* July 21, is similar to other guidance already issued by the OIG for clinical laboratories, hospitals, home health agencies, third-party medical billing companies, and DME suppliers. The guidance identifies specific compliance risk areas for hospice providers such as admitting patients to hospice care who are not terminally ill, underutilization of services, improper arrangements with nursing homes, and high-pressure marketing of hospice care to ineligible beneficiaries. But HAA found fault with the OIG's view of almost all those areas.

While all OIG compliance programs are voluntary, they serve to put healthcare providers on notice about potential violations, and by any estimate the list of risk areas laid out by the OIG for hospice is a lengthy one. HAA said its comments were based on input from the hospice industry obtained in collaboration with the **National Hospice Organization**.

While HAA said it strongly supports the concept that hospices should develop effective controls to comply with federal and state laws and regulations, as well as private payer program requirements, it argued that the OIG creates a perception that hospice providers are prone to engage in fraudulent behavior. That prompted the association to make the unusual request that the OIG add a statement that "expressly acknowledges that hospice providers in general comply with applicable federal and state laws in the provision of services to terminally ill patients."

HHA targets litany of OIG risk areas

According to the OIG's draft compliance program, hospices should develop standards of conduct for "all affected employees," including "affiliated providers operating under the hospice's control." The OIG said that list of "affiliated providers" should include attending physicians, pharmacies, DME suppliers, hospitals, nursing homes, home health agencies, and supplemental staffing entities." But HHA argued that many of these providers are rarely, if ever, affiliated with hospices and under the hospice's control. "This is particularly true of attending physicians," argued the association. "It is unrealistic to expect that a hospice program could assure that these providers adhere to the hospice's standards of conduct."

HAA also argued that that the OIG takes an overly broad view of "risk areas" that tend to "criminalize" behavior that is not specifically illegal. "The OIG included many behaviors on the list of risk areas that are not indicators of false claims or kickbacks, or in some cases, could not really even lead to false claims," argued the association. "This likely will cause hospice providers to believe that such activities are prohibited by some specific law and will cause a de facto prohibition of such activities, without legal basis." ■

Medshares

Continued from Page 1

for 210 days. The bankruptcy protection filing came just six months after Medshares made its largest acquisition ever, which was the purchase of the home health nursing division of **Integrated Health Services** (Owings Mills, MD).

According to Davidson County Chancery Court documents, Columbia, after selling 71 home health agencies to Medshares last October, filed a lawsuit seeking up to $12 million from Medshares company because it has not abided by terms of the acquisition, the *Journal* reported.

Columbia claims that Medshares has failed to pay the cash portion of the acquisition price as well as rent on some leases it assumed. In addition, Columbia says the company has not fulfilled certain contracts, reported the *Journal*.

That lawsuit is just one of many that have been filed against Medshares, according to the *Journal*. In North Carolina and Kentucky, where other lawsuits are pending, the company is accused of fraud and racketeering. The cases involve **Hospital and Home Care Management** or its subsidiaries, to which **Medshares Management Services** contracted to provide management services. Cases are also pending in South Carolina and Virginia, the *Journal* reported.

In Nashville, TN, Medshares is a defendant in federal court case in which the U.S Attorney's office alleges that Medshares Management submitted fraudulent reports to Medicare.

The other plaintiff in that case is **A+ Homecare**, which sold an agency to a company under common ownership with Medshares Management Group in 1993. Medshares and A+ are still in litigation about money owed for that acquisition.

Medshares Chairman/CEO Stephen Winters denied the validity of these claims to the *Journal*. ■

MANAGED CARE REPORT

• **Partners National Health Plans of North Carolina** (Winston-Salem, NC) has signed a definitive agreement with **Kaiser Foundation Health Plan** to transfer Kaiser's employer-sponsored and Medicare membership in the Raleigh-Durham-Chapel Hill area to Partners. Partners is a subsidiary of **Novant Health**. The sale is expected to close on or before Dec. 31, contingent upon regulatory and other customary approvals. For now, Kaiser members should receive care as they currently do, Kaiser said. In addition, members can also look forward to receiving care from their Permanente physicians after the sale is completed because of an agreement reached between Partners and **The Carolina Permanente Medical Group**, the independent physician practice that provides healthcare to Kaiser members.

• **Health Alliance Plan** is dropping service this week for about 3,000 of its poor and disabled HMO members to cut costs, reported the *Detroit Free Press*. In many cases, those patients must choose another health plan and a new primary care physician, officials told the *Free Press*. The members will have until the end of September to select a new HMO, but can receive care during the month at any medical facility on a fee-for-service basis thorough Medicaid.

• **SunStar Healthcare** (Heathrow, FL) retained its listing on the Nasdaq SmallCap Market and said that as of last week, its stock will be traded under the symbol SUNS. SunStar said Nasdaq determined it complied with all requirements for continued listing. SunStar received exemption from Nasdaq's net tangible assets requirement for its common shares to continue to be listed on the SmallCap Market until Aug. 16. During that period, the company's trading symbol was changed to SUNSC.

• **SelectCare** (Troy, MI) is up for sale. The company's four-hospital ownership group - **St. John Health System** (Detroit), **Oakwood Healthcare** (Dearborn, MI), **William Beaumont Hospitals** (Royal Oak, MI), and **Providence Hospital and Medical Centers** (Southfield, MI) - has hired investment banking firm **Shattuck Hammond Partners** (New York) to help find a suitable purchaser, reported the *Detroit Free Press*. Analysts say SelectCare, which insures more than 388,000 people, is an attractive buy, and a consolidated managed care market benefits the industry and consumers. SelectCare's buyer would likely pass on lower costs to health insurance purchasers after efficiencies created from consolidating administrative operations, the *Free Press* reported. Service could also improve, officials say. SelectCare frustrated hospitals, doctors, and consumers earlier this year after it stopped processing claims for two months to make its computer system Y2K compliant, the *Free Press* reported. ■

PPM/MSO NEWS

• **Nalle Clinic** (Charlotte, NC) doctors, upset over falling salaries, are restructuring their contract with **PhyCor**, the PPM that runs the clinic. The profits at Nalle already have prompted several veteran doctors to leave the group, which includes more than 140 doctors, reported the *Charlotte Observer*. And four other physicians have given notice to leave the clinic next year. Clinic executives, however, say they expect only two of those four doctors to actually leave, the *Observer* reported. Some doctors who have announced plans to leave told the *Observer* that declining income was one reason for their decisions.

• **Complete Wellness Centers** (Washington) said it plans to relocate its corporate office from Washington to Winter Park, FL. The company said the move will consolidate its Washington and former West Palm Beach, FL, offices. Complete Wellness said the greatest concentration of affiliated clinics are in the central Florida area and added that the relocation will improve communication throughout the company.

• **MedPartners'** (Northbrook, IL) **Caremark** unit signed a five-year contract to provide mail and specialty therapeutic pharmacy services to **Oxford Health Plans'** (Norwalk, CT) members. Caremark said it will distribute pharmaceutical products to Oxford physicians and members in Connecticut, New Jersey, and New York. The contract, which is being entered concurrently with Caremark's purchase of certain assets of Oxford's **Direct Script** mail service unit, is expected to close in October, MedPartners said. The addition of Oxford's plans increases Caremark's total annual mail service volume to nearly 13 million prescriptions.

• **Tessa Complete Health Care** (Oakbrook Terrace, IL) entered into a proposed merger agreement with **Medical Options** (Laguna Hills, CA). The signing of the merger agreement has been set for this week and will be subject to the approval of the shareholders of both companies, Tessa said. Medical Options owns seven chiropractic clinics in California, with estimated annual revenues of $4.3 million. Under the terms of the merger, the principals of Medical Options will arrange for additional clinics to be acquired by the merged entity. They will be responsible for providing up to an additional $10 million of net revenues to the merger in this manner. Medical Options will also be responsible for providing at least $6 million of new equity and a new credit facility amounting to $12.5 million. Tessa reported FY98 ended Dec. 31 revenues of $16 million, an increase of 651% from FY97 revenues of $2.1 million. The increase was due to the acquisition of the assets of 37 clinics and their integration into a network of clinics operating in eight states. Tessa recorded a net income of $902,315, 6 cents per share, compared to a FY97 net income of $186,226, 5 cents per share. ■

NAHC

Continued from Page 2

"Hurried communications result in poor communications."

The new PM also violates the Administrative Procedures Act, the Paperwork Reduction Act and Medicare law, according to Dombi. Worse yet, it also flies in the face of HCFA's recent overtures to open lines of communication with the home health industry. "We were greatly encouraged by HCFA's efforts in scheduling a Town Meeting in Washington, D.C., where numerous HCFA officials had the opportunity to hear from and interact with the home health care community," he said. "We can only hope that the issuance of this Transmittal without the opportunity for adequate involvement of the home health community and beneficiary representatives is an anomaly."

A HCFA spokesman said last week that no changes in the PM are imminent but some industry veterans think HCFA is likely to delay the requirement prior to its implementation date now that yet another firestorm has developed. ■

CALENDAR

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

• The **Health Industry Distributors Association**'s (Alexandria, VA) annual meeting and trade show, HIDA 99, will be Oct. 8-11 in Chicago.

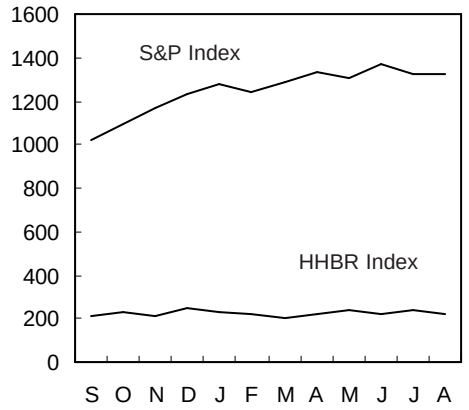
• **Medtrade '99** will be Nov. 3-6 in New Orleans. Attendees will get the first glimpses of significant technological advancements and innovations. Also, **Medtrade Europe**, the trade event in Europe that focuses exclusively on the home care market, has been postponed to 2001. The conference was scheduled for April 12-14, 2000. For more information on either Medtrade trade show, call (800) 241-9034. ■

MONTHLY STOCK INDEX COMPARISON

	Close 7/30/99	Close 8/31/99	Net Change	Percent Change
Home Health Industry Stock Index	236.39	225.20	-11.19	-4.73
Dow Jones Industrial Average	10655.15	10829.28	174.13	1.63
N.Y.S.E. Composite	626.07	612.33	-13.74	-2.19
S&P 500 Composite	1328.72	1320.41	-8.31	-0.63
Nasdaq OTC Composite	2638.49	2739.35	100.86	3.82
Dow Jones Health Care Index	629.65	601.61	-28.04	-4.45

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 8. 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 AUGUST 1999

TOP FIVE PERCENTAGE GAINERS

Amedisys Inc.	72.18
Olsten Corp. (The) ▽	21.48
Star MultiCare Services Inc.	20.69
Columbia HCA Healthcare	10.67
Apria Healthcare Group Inc, ▽	6.25

TOP FIVE DOLLAR GAINERS

Columbia HCA Healthcare	2.38
Olsten Corp. (The) ▽	1.81
Apria Healthcare Group Inc, ▽	1
Amedisys Inc.	0.81
Fresenius Medical Care	0.38

TOP FIVE PERCENTAGE LOSERS

Sabratek	-81.57
Integrated Health Services Inc.	-45.56
Coram Healthcare Corp. ▽	-40
Transworld Home HealthCare Inc.	-37.25
NuMed Home Health Care Inc.	-30.67

TOP FIVE DOLLAR LOSERS

Sabratek	-16.93
Lincare Holdings Inc. ▽ (s)	-3.63
Invacare Corp.	-3.31
Kelly Services Inc.	-2.69
Integrated Health Services Inc.	-2.56

Market Diary:	Advances	Declines	Unchanged	New Highs	New Lows
	This Month.....10	This Month.....23	This Month.....1	This Month.....1	This Month....8

Public Company Financial Statistics (Aug. 31, 1999, close)

EXCH	COMPANY		TICKER SYMBOL	CLOSING PRICE 8/31/99 $	% CHANGE THIS MONTH	% CHANGE THIS YEAR $	52 WEEK HIGH	52 WEEK LOW	EPS LAST 12 MOS. $	PRICE/ EARN RATIO $	MARKET CAPITAL (1000S)~ $
NAS	Amedisys Inc.		AMED	1.94	72.18	-32.63	4	0.75	0	–	6038
NAS	American HomePatient Inc. ▽	(L)	AHOM	0.88	-12.5	-51.72	10.13	0.63	-3.75	–	13265
NYS	Apria Healthcare Group Inc, ▽		AHG	17	6.25	90.21	22.06	2.56	-3.09	–	884527
NAS	Caretenders HealthCorp.		CTND	2.13	-10.53	-22.73	4.13	1.5	-0.14	–	6651
NYS	Chemed Corp.		CHE	30.38	-5.45	-9.33	35.13	25.13	1.8	17	317358
NYS	Columbia HCA Healthcare		COL	24.63	10.67	-0.51	27.5	16.13	0.86	29	13894361
NAS	Community Care Services		CCSE	0.88	3.8	250	1.75	0.03	0	–	6316
NYS	Coram Healthcare Corp. ▽	(L)	CRH	0.75	-40	-60	2.88	0.63	-0.82	–	37162
NYS	Fresenius Medical Care		FMS	24.25	1.57	3.19	25.63	12.5	0	–	1697500
NAS	Help at Home Inc.		HAHI	1.25	-11.11	-25.93	2.38	0.53	-1.56	–	2336
NAS	In Home Health Inc. ▽ (s)		IHHI	2	-3.03	10.34	3	1.06	0.24	8	10960
NAS	Infu-Tech Inc.		INFU	1.03	3.13	-48.44	4.88	0.44	-0.09	–	3365
NYS	Integrated Health Services Inc.	(L)	IHS	3.06	-45.56	-78.32	22.81	3	-2.8	–	162141
NAS	Interwest		IWHM	2.69	-10.42	-20.37	5	2.44	0.39	7	10989
NAS	Invacare Corp.	(L)	IVC	18.69	-15.06	-22.14	26.94	18.69	1.56	12	533285
NAS	Kelly Services Inc.		KELYA	28.13	-8.72	-11.42	35.13	23.75	2.3	12	1008675
NAS	Lincare Holdings Inc. ▽ (s)		LNCR	26.38	-12.08	-34.98	43	17.25	1.6	16	1535895
MKG	Mallinckrodt		MKG	32.06	-5.35	4.06	37.56	19.75	2.73	12	2276373
NAS	Matria Healthcare		MATR	5.94	-2.56	106.52	7.5	1.4	-2.37	–	217758
NYS	Mid Atlantic Medical Services		MME	8.44	-16.67	-14.01	13.13	4.44	0.23	37	421495
ASE	National HealthCare		NHC	6.5	-7.14	-58.06	30	5.25	-0.68	–	74295
NAS	National Home Health Care Corp.		NHHC	4	4.07	-15.79	5	2.25	0.21	19	20424
NAS	New York Health Care Inc.		NYHC	0.88	0	-12.5	5	0.63	-0.04	–	3227
NAS	NuMed Home Health Care Inc.		NUMD	0.31	-30.67	4	1.5	0.13	-0.39	–	1831
NYS	Olsten Corp. (The) ▽	(H)	OLS	10.25	21.48	38.98	10.94	4.5	-0.3	–	833356
NAS	Option Care Inc. ▽		OPTN	3.88	-8.82	129.63	5.88	0.75	0.07	55	43943
NAS	Pediatric Services of America		PSAI	1.44	-17.86	-58.93	5.44	1.13	-5.68	–	9562
NAS	Respironics Inc.		RESP	9.94	-7.56	-50.39	21.38	9.63	0.72	14	303929
NYS	Sabratek	(L)	SBTK	3.83	-81.57	-76.64	34.25	2.5	0.34	11	38675
NAS	ServiceMaster L.P.	(L)	SVM	16.5	-8.33	-25.21	23.81	15.75	0.52	32	5146895
NAS	Staff Builders Inc. ▽		SBLI	0.18	-28	-68	1	0.09	-3.25	–	4196
NYS	Star Multi Care Services Inc.	(L)	SMCS	1.09	20.69	-23.91	2.25	0.63	-0.27	–	5750
NAS	Sunrise Medical Inc.		SMD	7	5.66	-43.72	13.75	5.5	-0.31	–	155428
NAS	Transworld Home HealthCare Inc.	(L)	TWH	2	-37.25	-57.33	5.4	1.5	-0.24	–	35102

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.