Strategies for Success
in the Managed Care Environment:

CPAP Systems

The recent growth in managed care has put pressure on home care providers to bid below conventional reimbursement levels on CPAP systems for managed care business. The movement towards lower prices has the potential to prevent managed care organizations (MCOs) from using newer CPAP technologies such as **compliance monitoring CPAP systems and auto-CPAP systems.** The Aria™ CPAP system from Respironics offers advanced compliance monitoring capabilities. The Virtuoso™ Smart CPAP System from Respironics offers auto-CPAP technology. These new technologies are priced slightly higher than some CPAP systems but still at levels that are compatible with Medicare reimbursement levels.

To succeed in the managed care environment, home care providers must move the focus from providing the lowest-priced equipment to providing the lowest total cost for care. New CPAP technologies from Respironics offer benefits that may make such a transition possible.

Compliance Monitoring:

CPAP machines with built-in compliance monitoring capabilities, such as Respironics' Aria CPAP System, offer several new benefits. The goal of CPAP therapy is to eliminate sleep disordered breathing and to restore restful sleep to the patient. Patients who comply with therapy are more likely to be rested and alert. Compliant patients typically will be healthier, more productive people who may be less likely to have automobile and work-related accidents and poor job performance due to lack of quality sleep. Compliant patients may also avoid long-term cardiovascular consequences such as hypertension, cardiac disease and stroke associated with untreated Obstructive Sleep Apnea (OSA).

By accurately measuring compliance, you can easily identify non-compliant patients. The Aria and Virtuoso Systems from Respironics provide outstanding compliance data that allows assessment of compliance and facilitates coaching. Compliant patients will not require as much coaching or follow-up, so resources can be focused on patients that are non-compliant. Equipment provided to patients who remain non-compliant after extensive coaching can be redirected to other patients, while alternative treatment can be offered to the non-compliant patients. This can lead to a reduction in overall costs.

Auto-CPAP

Self-adjusting CPAP systems offer benefits to patients not available in conventional CPAP devices. Respironics' Virtuoso Smart CPAP System is an auto-CPAP device with the ability to track the patient's therapy needs as they change. Unlike conventional CPAP systems that deliver one fixed pressure to the patient for each usage, auto-CPAP systems monitor the patient's pressure requirements and provide only the pressure that is required from moment to moment. This means that when the patient's pressure requirements change during the normal stages of sleep or due to weight gain or loss, sedative intake (including alcohol), allergies, or other reasons, the auto-CPAP device will change pressures to deliver appropriate therapy.

Additionally, patients who are undertreated may experience a return of sleep apnea symptoms. This type of patient will not experience the benefits of CPAP therapy and may be less compliant. Because the Virtuoso System tracks the patient's changing pressure needs, its use may encourage compliance and may reduce the number of follow-up studies required to maintain appropriate therapy.

Auto-CPAP therapy also offers lower mean airway pressures than conventional CPAP therapy. Matching the patient's pressure needs from moment to moment may result in mean pressures that are up to 35% lower than

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conventional CPAP pressure levels. Lower pressure levels provide increased comfort through several mechanisms. First, lower pressures reduce mask leak and mouth leak, both major sources of irritation. Second, low pressure reduces the level of headgear tension required to hold the mask in place. Finally, lower pressure results in reduced pressure-related discomfort during breathing. These improvements in comfort encourage improved compliance and patient satisfaction.

Winning Strategies:

One successful approach to managing these new technologies is to present different levels of CPAP technology to MCOs at pricing that can cover the higher equipment costs associated with the newer technologies. The MCO may need help to determine which technologies work best for its circumstances. Thus, education of key decision makers within the MCO on the benefits of the new CPAP technologies will be an important step towards success. Additionally, during the bid process, it will be important to offer more than basic CPAP therapy to the MCO. It may be appropriate to bid one price for basic CPAP and a slightly higher price for CPAP with compliance monitoring or for auto-CPAP systems.

Example 1:
A MCO may be concerned with equipment utilization. With a compliance monitoring system, they can track how their patients are using the equipment. This customer may have an interest in the Aria CPAP System. If the impact on compliance and underutilized equipment is sufficient, the overall cost of therapy can be reduced. The successful home care provider may want to bid basic CPAP at one price and compliance CPAP at a slightly higher price to better meet the needs of this MCO.

Example 2:
A MCO is concerned with the cost of follow-up studies. Using the technology available in the Virtuoso-T Smart CPAP system may reduce the number of follow-up studies. The slightly higher cost of the Virtuoso-T System should be more than offset by the reduced number of follow-up studies required.

Respironics' Great Performers™ Series (clockwise from left): Virtuoso Smart CPAP System, Aria CPAP System and Solo CPAP System.

Managing New CPAP Technologies in the Managed Care Environment

Category	Features	Benefits	Product	Pricing Levels
CPAP	• Traditional proven therapy	• Treatment of OSA	• Solo™ • Solo Plus • REMstar Choice®	• Current pricing levels
CPAP with Compliance Memory	• Traditional proven therapy • Comprehensive compliance measures	• Treatment of OSA • Compliance management • Equipment utilization	• Aria CPAP System	• Slightly higher price to offset the increased cost of the system • Higher price is offset by additional benefits provided
Auto-CPAP with Compliance Memory	• New proven therapy • Comprehensive compliance measures • Therapy that meets patient's changing needs • Lower mean airway pressure	• Treatment of OSA • Compliance management • Equipment utilization • Reduced follow-up studies • Increased comfort/satisfaction • Reduced pressure-related complications	• Virtuoso-T Smart CPAP System	• Slightly higher price to offset the increased cost of the system • Higher price is offset by additional benefits provided

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Caution: U.S. federal law restricts these devices to sale by or on the order of a physician.

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