

Collaborative Cost Management with Your Trusted Advisors



PROFESSIONAL MEDICAL, INC.

Our Shared Vision

You expect good quality, dependable service and price leverage. This is cost control, where four of the top five suppliers stop.

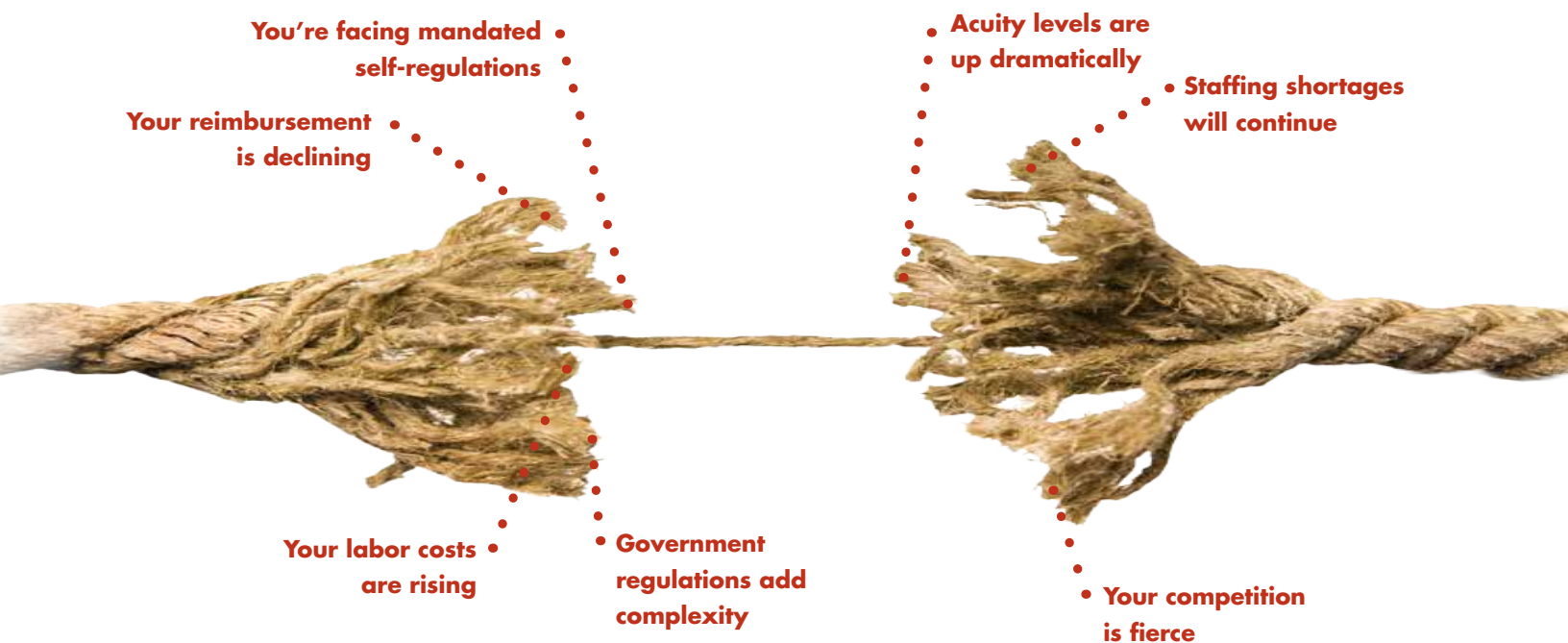
Professional Medical is here to offer a new solution: **cost management**.

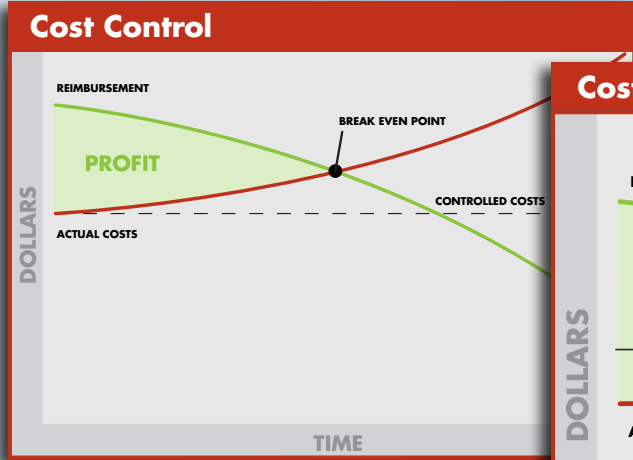
Our approach is **proactive, sustainable** and **focused** on making an impact both today and into the future.



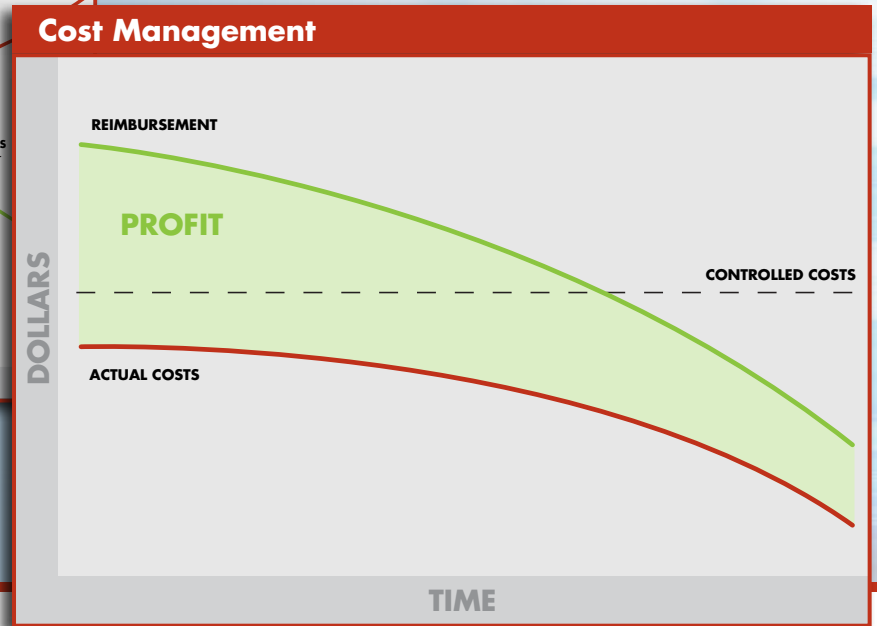
What We Know

We know that the LTC marketplace is under sustained business pressure in the areas of cost increases and reimbursement. This has been the case for more than a decade, but never more so than today.





VS



What We Think We Know

We know that leaders in the LTC community have responded to these pressures with cost-cutting strategies, efficiency initiatives and supplier reviews. We also know that these efforts require more energy for less return with each occurrence.

We know that you've:

- Strategized with your financial and operational cost drivers
- Stabilized your staff and labor costs
- Looked everywhere you can to reduce costs and increase your revenue

What We Would Like to Know

What's next? The market has squeezed everything it can out of management, process and supplier costs while still maintaining quality of care. These initiatives have been productive, but the returns have been exhausted.

Our questions for you:

- How do you plan to manage the dynamic tension between your care requirements and cost increases?
- What are your plans to mitigate long-term risk as declining reimbursement and increasing costs continue?
- At what point did you hit diminishing returns?

With our shared vision, we can develop and achieve your organization's financial, operational and clinical goals today and into the future. Let us show you how.

Solutions are hard to find, but your instinct that there is a better way is correct.

Professional Medical's goal is to help you find the balance between **delivering great care** and **managing costs**.

It's As Easy As 1, 2, 3

Step 1: Immediate Impact

Utilizing our Compliance Price/Product Comparison (CPC) tool, we will analyze your current equipment and supply spend while offering solutions to help you improve care, save time and reduce costs. Through this process, we will help you realize a **guaranteed initial 10 percent cost savings** over your current supplier. To ensure that all goals are met, ProMed will provide hands-on implementation that includes on-site education, tracking and analysis.

Step 2: Evaluation

Via our unique Per Patient Day (PPD) system, we will assess efficiency levels and identify opportunities to eliminate waste, shrinkage and mismanagement. Our exclusive PPD reports provide a monthly analysis, broken down by patient day, to give you baseline data that identifies areas in which you have the greatest opportunities for savings.

Step 3: Improvement Strategies

We will work proactively with your organization's leadership to offer solutions and collaborate on the optimal improvement strategy. Our team will conduct a custom Smart Choice Business Review (SCBR) that includes an evaluation of every innovative educational tool, resource and cost-effective product to make sure that you are continuously taking full advantage of everything we have to offer.

Collaborative Cost Management does not end there. Professional Medical's system is **sustainable** and **evolves** with your organization's needs. The cycle of evaluation and implementation is **continuous** and will allow you to both realize how far you have come and provide a pathway to where you want to go.





The challenge: A facility's incontinence management product spend has ballooned. They're seeking an explanation — and a solution.

Collaborative Cost Management is the solution.

Getting the right product is just as important as getting it at the right price.

When we conduct a custom Compliance Price/Product Comparison, **we look at your total business**, not just your bottom line.

Step 1: Immediate Impact

ProMed's Compliance Price/Product Comparison (CPC) tool helps ensure that you're using the products that will best help you accomplish your clinical and financial goals.

To begin this process, we will analyze two months' worth of current, consecutive invoices for savings potential. Our team cross-references the items you are currently purchasing and provides a line-by-line analysis that outlines potential overall savings broken down by Product, Product Category, Month and Year. This analysis provides the necessary data to develop a roadmap that will help you realize the **guaranteed initial 10 percent cost savings through Collaborative Cost Management**.

ProMed carries products from **leading national brands** as well as items under our proprietary **Embrace, Compliance and Reliant** labels. We will conduct a **product roundtable** with key members of your team to allow you to compare your current products side by side with ProMed products that offer substantial cost savings and equal or superior performance. The goal of this meeting is to allow you to feel confident that you have chosen the very best products to meet your residents' needs while still achieving your financial goals.

After the CPC is conducted and your facility's savings have been demonstrated, you will have the opportunity to sign our exclusive **Long-Term Price Protection Agreement (LTPPA)**. Participating in an LTPPA provides your facility with **two years of price protection** in exchange for your commitment to purchase a minimum of 85 percent of your product requirements from ProMed.

Hands-On Implementation

Our **"Always Nearby"** representation collaborates with your team to determine the highest-priority items and best improvement strategies to address them. Some examples include:

- Providing on-site, all-shift in-servicing to ensure optimal product knowledge and performance
- Reviewing internal product distribution and eliminating redundant products
- Consolidating orders, reducing paperwork and avoiding freight charges
- Performing an inventory and par level analysis
- Discussing prompt payment incentives and EDI mapping capabilities

The dynamic tension between decreasing reimbursement and escalating costs locks traditional PPD participants into a diminishing rate of return.

Regain control in an ever-changing industry.

Step 2: Evaluation

ProMed's unique **Per Patient Day (PPD) Reports** provide a monthly analysis, broken down by patient day, to give you baseline data that identifies **Blind Spots**, areas in which you have the greatest opportunities for savings.

After 90 days have passed following the initial implementation, we will present your first PPD analysis. This analysis will allow both you and ProMed to monitor your progress toward the goals we set together. It will also allow us to address any issues that arose during implementation, such as improper sizing, formulary compliance and product migration.

The PPD Reports are presented in charts that are easy to read and compare. These charts list your monthly spend, census and PPD and compare these figures side-by-side from month to month. This information is further broken out into 17 major product categories. You'll also find your invoice totals broken down by weekday.

Step 3: Improvement Strategy

ProMed's exclusive **Smart Choice Business Review (SCBR)** tool provides an opportunity to revisit previous goals, assess progress and set new financial, operational and clinical goals for the next period.

The SCBR starts with an evaluation of every educational program, resource and product available to you. Savings will be identified on a product-by-product basis.

Your ProMed territory manager will:

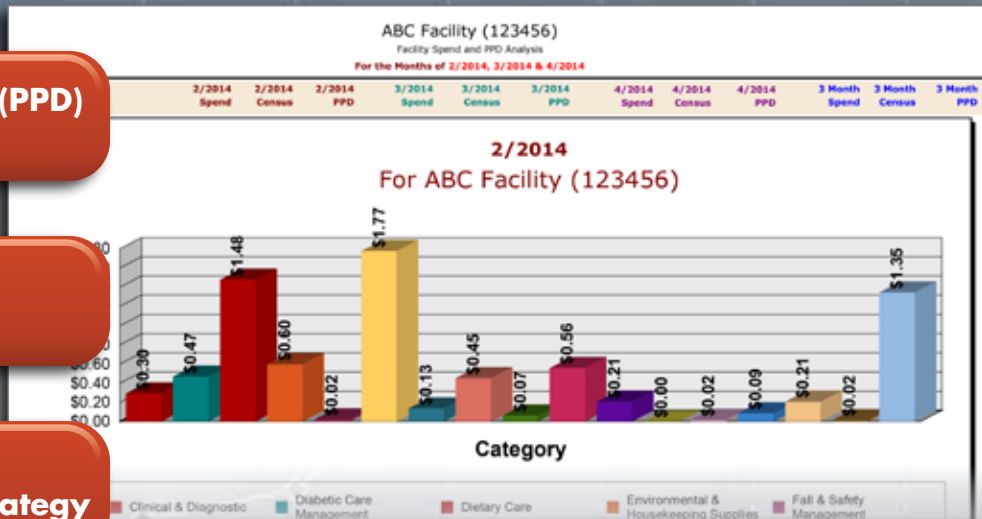
- Review your product requirements and purchase history to consolidate and streamline your product formulary
- Perform a savings analysis on product categories you are not currently purchasing from ProMed, including healthcare equipment
- Provide programs for enhanced services in non-clinical product areas, including furniture, equipment rental, housekeeping/environmental, textiles and linens

Our Collaborative Cost Management process is ongoing to ensure that you are enjoying continuous cost reduction as well as maximum use of beneficial programs and resources. As your trusted partner, we want to help you meet and exceed your goals!

Per Patient Day (PPD) Review

Uncover Blind Spots

Set/Launch Improvement Strategy



Utilizing our custom PPD reports, we discovered that the facility's spend on incontinence management products had steadily increased over 90 days. A product migration was occurring and the facility was ordering more of the larger sizes of a product, leading to increased costs.

Taking what was learned from the PPD analysis, we implemented the following improvement strategy:

- 1: We presented the **Compliance Incontinence Management** tool and re-introduced the **Par Level Analysis** tool as solutions to these issues.
- 2: The correct incontinence management product sizes were determined for each resident. We then re-in-serviced the facility's staff on proper application techniques and updated their par levels to ensure the proper volume of each size of product was stocked.



Outcome: The facility is maintaining size recommendations, bringing their incontinence spend back down.



The following is an overview of everything ProMed offers to help your facility improve care, save time and reduce costs. Working together with your team, your ProMed territory manager will help you develop the ideal combination of education, resources and products to help you meet your clinical and financial goals.

Education

We're ready to help you meet your quality care initiatives and mitigate risk. Our clinical in-services and educational programs are based on regulatory guidance to enhance your staff's decision-making skills and the level of care that your residents receive.

Compliance Solutions: For the Perfect Survey Every Day provides you with the solutions you need to be survey ready every day at www.theperfectsurvey.com.

LTC Connection is a weekly e-newsletter that features industry news and product information.

Compliance Continuing Education is a comprehensive resource for online CEUs that is available at a low annual subscription rate.

promedsupply.com provides the following education solutions:

- Clinical and regulatory information
- Product specifications, MSDS sheets and FDA documentation
- Instructional videos

Product In-Service Guides and Online Videos were created to ensure proper product use and assist with orientation programs. Topics include:

- Incontinence care management
- Enteral tube feeding program
- Diabetic management program
- Skin care management
- Wound care management
- Syringes and sharps safety management
- Ostomy care management

Resources

We have developed a number of financial resources that give you an edge and help you grow your long-term care business. Designed to reduce labor costs, waste, misuse and mismanagement of products, our resources are part of our commitment to you that goes far beyond products.

ProMedB Medicare Part B Billing Solution is our blemish-free third-party billing program that includes enteral, trache care, wound care, ostomy and urological products.

Per Patient Day (PPD) Reports provide an analysis of your spending based on census as well as major product categories.

Role Management and Budgets is an exclusive Web-based tool that helps you save time and gain control of your facility's spending.

Service Bureau & In-House Ancillary Systems is a hassle-free ancillary billing solution that offers the benefits of a tracking system without the tremendous financial and staff commitment.

Compliance Incontinence Management (CIM) is a Web-based program for sizing, tracking and managing incontinence products

Financial solutions designed to help you manage risk, time and money include:

- Compliance Price/Product Comparison (CPC)
- Smart Choice Business Review (SCBR)
- Automatic payment program
- Quick pay incentives
- Loan-to-own program

promedsupply.com provides the following resources:

- Product catalog and online shopping lists
- Featured product categories
- Featured equipment solutions
- Formulary support
- Rich, real-time reporting capabilities
- Required and recommended product accessories for each item
- "Smart Choice" product recommendations for additional savings

Products

Our innovative products will help you provide the best possible resident care. We collaborate with more than 500 manufacturers and offer over 25,000 products designed to help you improve care, save time and reduce costs.

Branded Products include close to 100 products, all of which meet or exceed the quality of leading national brands, under our Embrace, Compliance and Reliant labels. These product categories include:

- Incontinence care management
- Enteral tube feeding
- Exam gloves *510(k) quality certified*
- Diabetic management
- Skin care management
- Wound care management

Dietary Care includes enteral feeding systems, nutritionals and thickened liquids.

General Nursing Equipment & Supplies includes infection control, personal hygiene, ostomy care, urologicals, OTC medication and ointments, insulin syringes and much more.

Health Care Equipment includes these categories:

- Resident mobility and lifting
- Clinical and diagnostic
- Fall prevention and safety
- Beds, mattresses and accessories
- Respiratory care
- Long-term care furnishings
- Medication dispensing systems
- Linen carts and hampers

Housekeeping includes janitorial, sanitary and maintenance products (e.g., can liners, dispensing systems for quality paper and soap products), chemicals and food service disposables.

Textiles and Linens includes towels, reusable briefs, underpads, privacy curtains and more.



Professional Medical, Inc.

A Tradition of Quality, Value, & Trusted Service Since 1968

Compliance[®]
Improve Care. Save Time. Reduce Costs.



We Make Improving Care Easier![®]

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