

## Case Study

# Market Data and Technology Increase Sales and Create a Competitive Edge for Home Medical Equipment Company



## Overview

Target Medical, Inc., located in Memphis, TN, prepared to take part in the DMEPOS Competitive Bidding Program. As is the case in other major markets, the home medical equipment (HME) company was required to “earn” Medicare business by submitting bids for selected product categories in the region, which at that time made up the majority of the company’s revenue. In this important initiative, Target Medical decided to take a two-pronged approach.

Of course, the preferred avenue was to submit the winning bids in its categories, gaining the approval of the Centers for Medicare & Medicaid Services to go forward. If that did not happen, Target Medical had a drastic back-up plan: it would shift from selling durable medical equipment (DME) to selling medical supplies.

## The Challenge

Target Medical subsequently submitted bids in eight cities, but was disqualified from final consideration due to a supposed clerical error. Prepared to implement the second strategy, the company drastically reduced its reliance on the Medicare program and sought ways to diversify its business.

Like many DMEs, Target Medical is a small business with two locations and 35 employees. As such, it utilized traditional sales methods, such as tracking current physicians and targeting physician specialties. Unfortunately, the company lacked the ability to identify key physician targets, quantify the potential opportunity and create a sales strategy achievable by a limited sales force.

## The Solution

Target Medical was introduced to LexisNexis® MarketView. What the Target Medical executives discovered both surprised and excited them.

“The claims data offered in the LexisNexis® database for DME products was shocking,” said Brent Brockway, Target Medical’s vice president of sales. “We had been looking for a way to transform our company from reaching out blindly to focusing on referral sources that actually prescribe the products we sell. The LexisNexis® database was exactly what we needed.”

Utilizing claims data to target key referral sources and drive growth, LexisNexis® worked with Target Medical to achieve its goal – targeting the physicians prescribing the largest volume of the company’s products. By focusing on HCPCS codes billed by DMEs for incontinence products, Target Medical was able to create a sales and marketing plan to target the key physicians in its coverage area and track success.

Leveraging the extensive experience of LexisNexis® in physician targeting, Target Medical received the precise physician and organization data it needed. Included were ranks for each physician and organization based on the volume of claims and prescriptions submitted by the physician or DME facility.

“The ability to sort by volume and hone in on physicians and clinics with higher growth potential for their medical supplies is a revolutionary concept for DME,” Brockway said.

After receiving the data, Brockway devised a plan that would put him on the road for seven months, routing him to doctors located throughout the state of Tennessee and into Arkansas and Mississippi.

“It was so helpful to know how many prescriptions per month a doctor writes,” he explained. “I targeted products that have a similar delivery and increased our footprint significantly.”

## The Results

The sales reps’ shoe-leather strategy to target and personally call on physicians they knew prescribed the products Target Medical sells increased sales dramatically.

For every \$1,000 invested in market data, Target Medical grew its business by \$100,000, for a total of \$750,000. Within seven months, the sales team was able to:

- Receive orders from 100 new physician and caseworker referral sources
- Achieve a 99-percent return on investment
- Generate an additional \$150,000 in opportunities

Target Medical, Inc., will use the new targeting list for future strategy development and strong potential growth. With physician-and organization-level data, Target Medical is positioned to benefit from a significant competitive advantage.

## For More Information

Call 800.869.0751 or visit  
[www.lexisnexis.com/risk/healthcare](http://www.lexisnexis.com/risk/healthcare)

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