

2008 HME/DME Market Research
Executive Summary

Background

The following results are based on a survey conducted in July 2008 (for the first half of 2008) by the independent market research firm Anservitz & Associates, Inc. The survey requested information for the period January 1, 2008 through July 31, 2008. The survey queried a representative sample of 1,000 providers of HME/DME randomly chosen from a universe of 13,900 HME/DME subscribers to the industry publication with the widest circulation (*HME News*).

To guarantee respondents' anonymity, a mail survey was used. Anservitz & Associates, Inc. reported that the 2008 HME/DME survey achieved a response rate of 46% with a .95 statistical level of confidence. This is an even higher survey response rate than that of 2006 (44%) and 2007 (41%) and this rate rivals the highest response rates normally achieved in most market research studies.

Results

1. Is your company a member of VGM (www.vgm.com)?

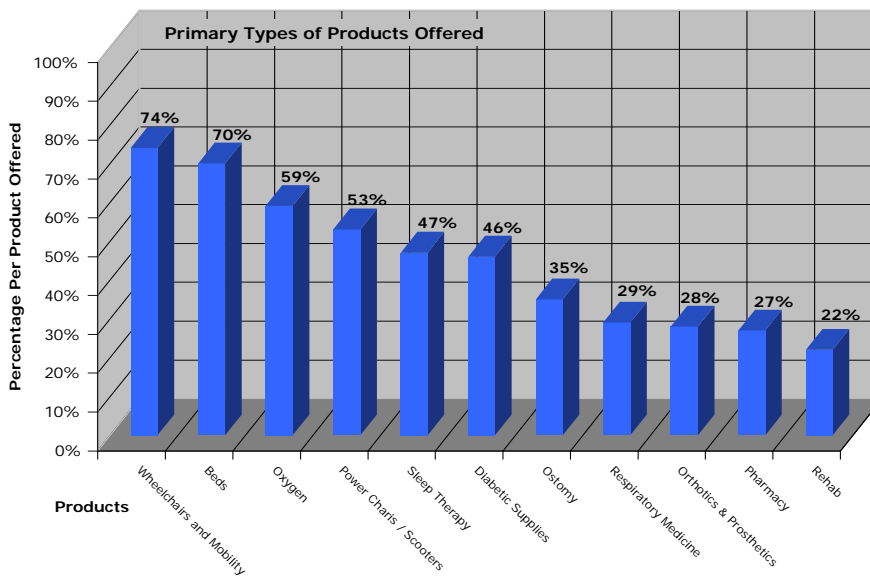
VGM Membership

	2007	2008
VGM members	41%	38%
Not VGM members	55%	56%
Did not answer question	4%	6%
Total	100%	100%

2. What are the primary types of product(s) or service(s) that your company delivers?

("Check all that apply.")

The following chart shows the 2008 findings.



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A comparison of the 2007 to 2008 mentions per-product-type is shown in the following chart.

2007 to 2008 Comparison of Mentions Per-Product-Type Offered*

Product	2007	2008
Wheelchairs and Mobility	77%	74%
Beds	71%	70%
Oxygen	58%	59%
Power Chairs / Scooters	55%	53%
Sleep Therapy	49%	47%
Diabetic Supplies	39%	46%
Rehab	28%	22%
Ostomy	27%	35%
Orthotics and Prosthetics	26%	28%
Respiratory Med	24%	29%
Pharmacy	12%	22%

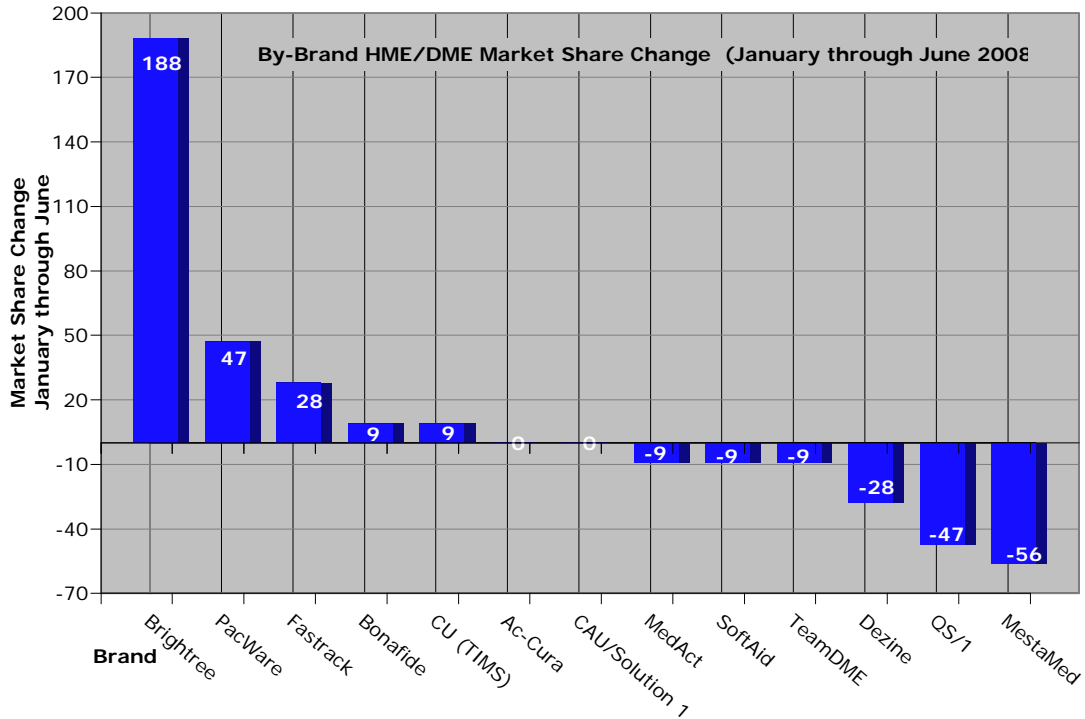
**Note: Since respondents were asked to check "All that apply," percentages do not add to 100%*

3. In 2008 year-to-date, did you change the HME/DME software your company uses to run your business?

	2007	2008
Did not change HME/DME business management solution software	82%	89%
Changed HME/DME business management solution software	18%	11%
Total	100%	100%
Percent moved	17.5%	10.6%

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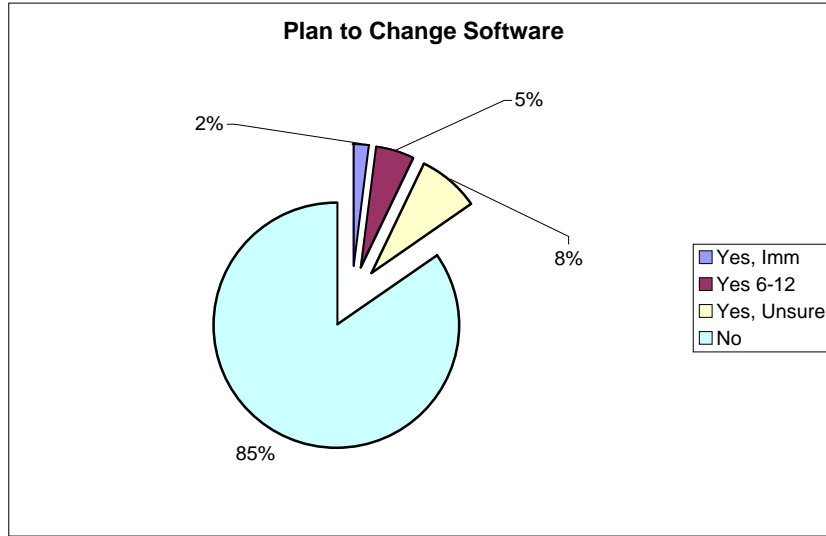
The following chart is based on responses to the “moved-from” and “moved-to” software solutions question. Results are based on aggregate data that reflect the net gains or losses that occurred from January 1, 2008 through July 31, 2008.



By-Brand Market Share Change 2007 -- 2008

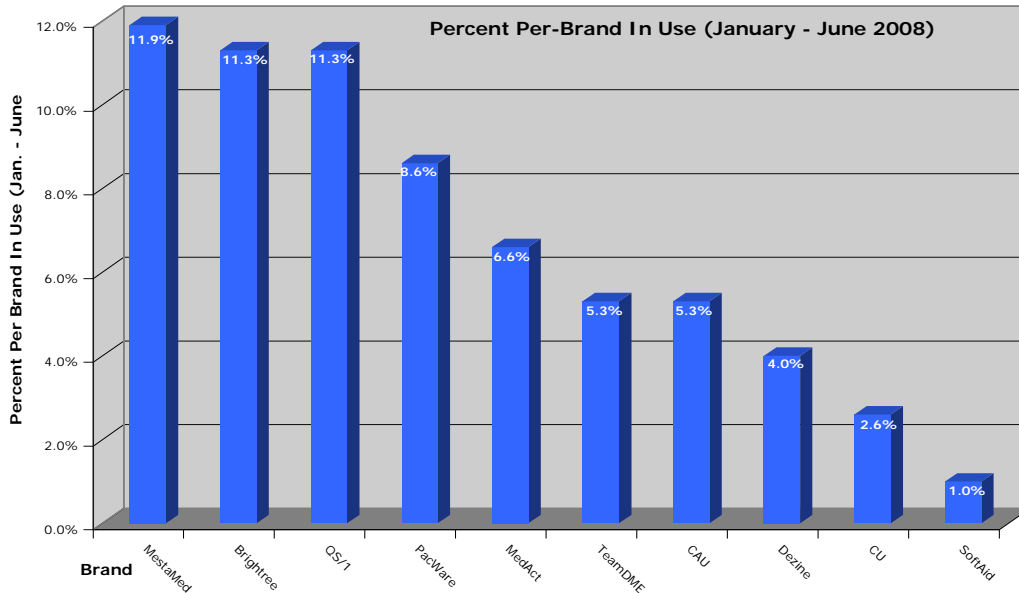
Brand	2007	2008
Brightree	117	188
PacWare	37	47
Bonafide	31	9
Fastrack	12	28
CAU / Solution 1	6	0
Ac-Cura	6	0
CU (TIMS)	6	9
QS/1	0	-47
SoftAid	-6	-9
Team DME	-12	-9
Dezine	-18	-28
MedAct	-25	-9
MestaMed	-25	-56

4. Are you considering implementing a new HME/DME business management solution? If so, when?



5a. Which system do you use today?

The following chart (which excludes non-branded billing services) shows systems in use as of July 31, 2008.



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5b. If you answered “yes” to Question 4, which system(s) will you consider for your next purchase (check N/A if Not Applicable)?

In this question, since respondents could check “as many as apply,” the numbers indicate all brand considerations indicated by respondents.

