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HOMECARE

FOR BUSINESS LEADERS IN HOME MEDICAL EQUIPMENT

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It's Caldwellness

L.M. Caldwell Pharmacist goes green, goes without Medicare and goes the distance with patients

By Susan Hopkins

At a time when many pharmacy-home medical providers are hunkering down and simply hoping that their companies won't be decimated by competitive bidding, the 36-month oxygen cap and the 9.5 percent Medicare reimbursement cut, L.M. Caldwell Pharmacist is embarking on a new way of doing business.

It's going green, and it's likely going without Medicare.

The 62-year old company, which has two locations in Santa Barbara, Calif., has never simply maintained the status quo, and owner and pharmacist Peter Caldwell sees no reason to change now.

"We've always been ahead of the curve," he says.

That's been apparent since Caldwell's dad Mike started the company in 1947.

"When my father designed the (State Street) store 62 years ago, there was a front door you walked in, took about two steps and there was the pharmacy counter. The pharmacists were always right there," recalls Caldwell. "We did counseling before there was counseling."

State licensing agents took issue with that design.

"At that time, (pharmacists) were up high, behind walls," Caldwell says. "You didn't talk to your patients. Dad objected to the state licensing folks who said he had to put

up a barrier between him and his patients. He wanted to get to know them, learn about their families and their needs. He wanted to help them.

It's a philosophy that has paid off for more than six decades.

The Green Scene

While the philosophy has stayed the same the business has not.

Mike Caldwell opened a pharmacy but he was always on the lookout to fulfill patients needs. So in 1967, as a convenience to his patients, he opened a second store right across from a Santa Barbara hospital. Sparked by a surgeon's need for someone in the area to provide ostomy supplies, he enlarged the companies focus to do just that. That grew into a line of home health care supplies.



Peter Caldwell

Now, says Peter who took over the business from his dad in 1976, "we are a full-service prescription pharmacist with specialties in compounding and home health care supplies."

The compounding business is generally centered at the original State Street location, while the Pueblo Street location across from the hospital houses the home health services. About half the business is home health care, Caldwell says.

"We focus on wellness, kind of a holistic approach to health care," Caldwell says. Indeed, the company's motto is "Naturally,

everything for your good health is Caldwellness."

"DME fits into the wellness area because it allows people to do what they want to do rather than be stuck somewhere," Caldwell says. "A walker allows them to get up and do something; an aid allows them to reach for something. We can get people back to doing something."

That's proven doubly rewarding for Caldwell and his staff of nine. "We didn't go to school to be paper-pushers. And we have spent the majority of our life lately doing just that," he says, referring to the ever-increasing pharmacy paperwork load. "One of the advantages of home health is that it's hands on. When you have someone who needs support stockings or needs wound care, you're right there talking to the person and working with them. It's a more gratifying type of business to be able to work directly with the patient or the caregiver."

As satisfying as the home health side of the business was, however, the Pueblo Street store was beginning to show its age.

"It was 40 years old and it was in need of an extreme makeover," Caldwell says. "It was getting old, awkward to work in. I needed to redesign it so it would be more efficient and functional. People kept bumping into each other, and merchandise was on top of merchandise."

As if that weren't impetus enough, Cottage Hospital across the street was going through a major renovation. "They were

Four Keys to Success

Even in the current challenging environment for pharmacist-HME providers, there are four keys to success, according to Peter Caldwell.

1) **Stay patient-focused.** "You're going to go back to the restaurant that paid attention to you, not the one that ignored you," Caldwell says, adding that the same is true for HME providers.

2) **The personal touch is important.** "I think the thing that we have always stressed is the direct association with our patients," Caldwell says. "I know 75 percent of the people who walk in the door. My staff always introduces themselves to the patient and builds a relationship with that person. They feel comfortable asking us to provide a service to them."

3) **Take care of the people who do come in.** "I've always said if I can get the people in the front door, I've got them. They expect something special when they come in here."

4) **Hire the best employees you can find.** "The ones that don't grasp the store philosophy don't make it," Caldwell says. "Most of my employees have been with me a long time."

Indeed, his other pharmacist has been with L.M. Caldwell for 32 years, while several other employees have racked up 10 or more years.

going to be all brand new. I figured I would be all brand new before they were."

He didn't simply want to expand the HME showroom or add fancy display units. Caldwell wanted to do a major renovation that would honor the earth.

"I've always been 'green,'" he explains, "and this was an opportunity for us to do certain things. We all ought to be able to do our part."

Working with an architect, he completely redesigned the location. "We gutted the entire building and started from the walls in," he says, adding that the store was closed for months.

"All the lighting is energy-conserving, we put solar film on the windows to cut down on the sunlight, the paint is all low-VOC (volatile organic compound). Bamboo flooring replaced the carpeting and tile. The carpeting in the pharmacy section is recycled carpet product."

Caldwell says he got good help from several Santa Barbara organizations that focus on green design, but he still ran into roadblocks with the city. "The bureaucracy was a challenge," he admits. "Everybody had to have a piece of the action, and what you want doesn't necessarily fit with what someone else wants."

For example, he says, the architect designed

a fine sloping ramp from the sidewalk to the door to accommodate wheelchairs.

"They made me tear it out and do a zigzag ramp," Caldwell says, noting wryly that he now has a "\$8,000 state-of-the-art ramp. He and the city also went round and round about where to put the handicap parking spot. (Caldwell won that one.)

Despite the hassles, he believes the money, the time and the effort have paid off.

"It's a more comfortable environment in which to work. I think the patients enjoy that," he says. "It's a lot easier to see things, the lighting is much better and the shelving is all the same.

It's worked so well that Caldwell is thinking of making a few changes to his State



Street store by going solar and getting a hybrid or all-electric delivery vehicle.

Minus Medicare

Caldwell has revamped his HME location, but not with an eye to increasing his Medicare business.

He's pretty sure he'll be getting out of the Medicare business. He's not accredited, and the accreditation deadline for DME providers who want to continue to bill Medicare is Sept. 30.

"I'm not sure who is going to be accredited in all of Santa Barbara," Caldwell says,

noting there are only five independent pharmacies in the city and he owns two of them. He believes most are, like him, moving to cash only.

"They shouldn't put our patients in that position," he says of the Centers for Medicare and Medicaid Services. "We're a pharmacy. We're terribly regulated and licensed. Why do I have to be overly regulated and licensed? There's just too much bureaucracy involved."

He's lucky, he says, because Medicare isn't a huge part of his business. "But it is unfortunate. It's not necessarily something I want to do, but I don't think I can afford it. If it costs me \$10 for something and I get paid \$9, how am I supposed to stay in business?"

Caldwell says his biggest challenge is what he calls the "bureaucracy of providing care."

"It's so cumbersome now," he says about both pharmacy and HME. "It doesn't have to be this complicated. But as long as you give control to an insurance agency, it will be complicated."

So, as of Sept. 30, he will likely be out of the Medicare business. But he'll still be doing what L.M. Caldwell Pharmacist has always done: focusing on its patients.

"I try to focus mostly on my Caldwellness protocol to get my patients to think in a



holistic mode," he says, adding that he talks to his clients about nutrition, exercise and high-antioxidant vitamin and mineral supplements. "The better we can make them, the better the medical [equipment] and pharmaceuticals will work."

And that's what it's always been about for L.M. Caldwell Pharmacist.