

## Better Business Beyond the Turf Wars

Sleep awareness has blossomed over the last decade, and it's hard to find anyone who believes the market is anywhere near its peak. Consumers and members of the medical community increasingly agree that better sleep is a must for improved overall health.

With all that positivity, Jeremy Andra still wonders why the business climate surrounding sleep remains unsettled. "We know things are changing, and have to change even more with health care the way it is right now," says Andra, sleep products manager for Washington-based Cadwell Laboratories. "It's not going to be back the way it was. Do we want to sit around and wait for insurance companies to figure it out? I don't think so, because they usually get it wrong. In fact, many misunderstandings can happen."

As one example, Andra points out that the phenomenon of home sleep testing was never meant to hurt the sleep market, but instead to help it. That message may be getting through in much the same way that it did years ago in the cardiology market.

"Cardiologists once complained that family practice physicians wanted to do their own EKG strips," explains Andra, who has opened up more than 100 sleep clinics in a lengthy sleep-related career. "They were crying foul saying this will hurt us, and you don't know enough about the heart like we do. Family practice came back and said, 'You're right, but we do know what a normal EKG looks like, and if it's abnormal, we'll send them to you.'"

Andra is keen to examine the progress of relevant specialties in an effort to develop and expand Cadwell's sleep diagnostic products (which includes digital video software that allows users to display video movement as a channel in recording montages). Ultimately, Andra is intent on bringing disparate groups together to better all facets of the sleep industry.

*Sleep Diagnosis & Therapy* sat down with Andra to talk about better ways that sleep physicians, non-sleep physicians, and sleep labs can work together more effectively. Matching business savvy to clinical excellence is a top priority in this dialogue.

### You Compared the Sleep World to the Cardiology Situation from Many Years Ago. Once the Turf wars Subsided in Cardiology, what was the Outcome?

The cardiologists became so busy they didn't know what to do. When in doubt, family practice will send patients to specialists to be sure. I think home sleep testing was really meant to be the same thing where if it looks like something is going on, patients are sent to a specialist.

### Why is it So Important for this to Happen in the Real World?

It's necessary if we want to take care of the population that we are still not reaching. Home sleep testing offers a chance to find the people who are having a problem, and do it very affordably. If it's inexpensive, people are going to do it. Then we can let the sleep labs do what they were meant to do—take care of the complex problems.

For patients who have insurance, and the deductible has been met, these home sleep tests are maybe \$40 for the patient (out of pocket), and they don't mind getting the test because it's inexpensive. Once something is found, then they don't mind spending the money to take care of it. Without insurance, it may be \$200 to \$300 for a home study.



## How are Home Sleep Tests an Improvement Over the Past?

In the past, we were pretty sure patients had sleep apnea just by looking at them and talking with them. At the time, we could not do cheaper or easier tests. When they found out there was a problem, they did not mind taking care of the problem. They just don't want to spend money to find out there is nothing.

## What does your Company do to Grow/Expand Sleep and Dental Opportunities?

It's all about becoming a multi-modality type of industry. Right now, you need to be able to do more with what you have. A prime example is when I was out in my own sleep world, we would try to create areas where we could do EEGs, sleep, dental, and run the regular practice all in one area so we had the same overhead. If you had an area during the night that wasn't being used, that would be the ideal area for your sleep lab, and during the day it is also being used so you get full service out of it.

When we look at equipment we do the same thing. We want to test a new type of patient or see how can we draw more patients in, or how can we tie communities together to get more referrals. That's my direction since I've joined Cadwell. Let's try to get a better referral source.

## How would Characterize the Level of Compliance these Days among Sleep Patients?

There's a reason why CPAP compliance has gone down. You talk to people involved and it's very confusing. Originally, CPAP machines were bigger, louder with much fewer comfort technologies. The original CPAP mask was glued to the face, but we had a higher compliance rate back then.

They keep making better machines and the compliance is going down. There is something that we are missing. Not all patients are alike and not all patients should be treated with the same solution. Is there something we're missing?

## What Factor do you Think the Industry is Failing to take into Account?

The truth is when we originally started in this industry, we were mostly taking the train wreck patients

who were really going to die if they did not take care of their severe sleep apnea. These were really sick patients, and they used CPAP units because they had to.

Now sleep disorder awareness has really gotten out in the public. You can't listen to the news without somebody talking about sleep. You're getting a new demographic in, a younger demographic, and they aren't to the point where they feel like it's a life or death situation. That is where different solutions for therapy as well as for the diagnostic testing needs to come into play.

## What is the Attitude of the Younger Person and how should we Respond?

Why is it important for diagnostic manufacturers to pay attention to these trends? In the testing industry, we have to be keenly aware of the changes. It's not as simple as 'use' the same therapy on everybody. When we're reporting and using this technology, we need to make sure it's compatible with the different products coming out on the market. For example, how does the diagnostic equipment deal with a titration of an oral appliance or a split night study using an oral appliance?

## How does the Clinical Side Compare to the Business Side of Sleep these Days?

The business of sleep medicine is much more difficult than the medicine of sleep medicine. It's almost worth getting some business as part of your medical degree. People are looking for help with their business now and looking for business models that will work.



There used to be so many choices in equipment companies. Now we wonder; Which products will be discontinued? Do I want to invest in something and try to make it work only to find out that the product is not going to be around?

### **What Kind of Equipment are People Looking for these Days?**

People want the very lowest price they can get. But they really should ask, "What are my needs as a business person, and how am I going to run my business?" If you're going to be a single lab with a few beds, you should probably look for the lowest price system. If you want to have several labs or more than one testing site, you might want to look for one that's better at networking and tying things together.

At Cadwell, We are trying to get equipment here that ties in to sleep labs with home sleep testing and physicians in local communities. At the end of the day, if people are out buying our equipment, and that equipment is bringing in more referrals to the local sleep lab, rather than competing against them—it becomes easy to pay for that equipment. It has value, and draws business in.



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