How to build a successful sleep and respiratory healthcare business Transcript

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Intro and Guest Introduction

All right. It's another episode, so that means it's time for recals. What's going on, Robert? Hey, hey. Today we have with us Zach Gant. He is the president and CEO of Encore Healthcare.

With over two decades of experience in post-acute respiratory care services, Zach dedicated his career to improving respiratory delivery through clinical excellence and innovative technologies.

Growing up in a family of successful respiratory therapists and entrepreneurs, Zach became a respiratory therapist himself and worked in acute care before transitioning to post-acute care.

He has held various leadership roles, including VP of Health Management and Chief Clinical Officer at Elena Healthcare, where he developed the CROM program.

Zach founded Encore Healthcare with a vision to revolutionize post-acute respiratory care using cutting edge technologies like the Nexus software. So we're super excited that we have a respiratory expert and post acute care.

Changes the topic up just a little bit today. It's not completely sleep focused, but it's definitely in our wheelhouse of sleep and respiratory. I think it's still in there because as we see what happened, what changes with the RAD policy, I mean, it is bi-level.

So our sleep people are still going to have to think about that for their OSA patients and their obesity hyperventilation patients. Still a topic that fits in our space, but I've watched Zach kind of over the, in my, at our time at Respironics and just seeing his growth is fantastic.

So I'm really looking forward to hearing a little bit more about his story and what they're doing now, because his journey has been fantastic For me, I'm excited to hear about the outcomes piece because that's something I've been fascinated.

I, as you guys know, dabbled a little bit in diabetes in between, and we did a lot of outcome stuff. So to here that on the respiratory slash sleep side about outcomes, it's always interesting for me.

And I find that fascinating. so I I enjoyed watching Zach and developed the Encore program and, or the Nexus platform rather, got to see that in another organization actually being put into use.

Then of course, seeing him at the conferences, that's always been fun. So I'm looking forward to today's conversation. That's right. I heard he had three fantastic sleep speakers last year at The Smoky Mountain Sleep Conference.

He had sleep tech talk all in the house at one time, which was great. Yeah, but only one epic putt-putt player. All right, let's not go there. Let's go to the show.

Yes. Now a word from our sponsor, MedBridge Healthcare.

Zach Gantt's Background in Respiratory Care

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Gerald George-Moneycrow. Folks, thank you so much for joining us once for all the support you've given us all these years. We just continue to grow and that's thanks to you.

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we have the latest information about sleep technology. And with that, we just want to also give a huge shout out to our sponsors. Be sure to check them out and also our clinical sponsors, Sleep Review Magazine.

With that Robert, what's going on today? Hey, Jerry, thanks for tossing it over here. I've got with us today, we have a great episode, maybe not so much sleep content today as maybe a little bit more respiratory focused, but we felt like this was a topic and an expert in the field.

So today we had Zach Gantt with is who is the president and CEO of Encore Healthcare. Zach, thanks for joining us. We wanted to touch base with you to find out a little bit about your journey, but then some of the things that you're working on related to post-acute care for patients who are these chronic respiratory patients, and maybe we can even touch on some the new proposed legislation that is potentially on the horizon.

Medicare has opened it up for some of the comments and those sort of things, but I think we're all holding our breath to see what the outcome is gonna be.

But welcome to the show, and Zach, tell us a little bit about yourself and your world at Encore Healthcare. Yeah. Well, first of all, thanks for having me guys.

Um, it's an honor to be on the show and, and congratulations on this success of the podcast. Uh, It's great to see. And, um, so awesome job. So about me, I I've been, tell people I'd been in DME since I was in diapers.

and so my father and uncle are both respiratory therapists. I'm a respiratory therapist. They, they started their first company when I, was, uh, the year I wasn't born.

their, their whole plan was they've got the business plan on their wall here in their office, actually. Whole plan was to make $2,500 a year in extra beer money.

And so it's on a napkin, a bar napking, and they framed it, but that was their whole strategy. My dad actually convinced my uncle to move from Charlotte, North Carolina to Livingston, Tennessee, instead of going to Florida, because they were going split $2500 a years on this new DME business they're going start.

And so that was the first business. So when I was a kid, my babysitters were respiratory therapists. They just took me to work, and I rode around with respiratory therapist.

After school, I wrote my bike over to the shop, And I worked in the warehouse. And, so, was transferring auction by the time I 12, working on concentrators.

As soon as I turned 16, I was doing deliveries and working in nursing homes. I've just been in this business my whole life. I can soup up a wheelchair and make it pop a wheelie.

Most kids were riding bikes. I was popping wheelies on wheelchairs. So it's just been who my family is our whole life. But also, my families has really been in this track of innovation.

And so my father and uncle, I saw them over the years when they would come up against a problem that ventilation wasn't paid for in nursing homes or whatever it was.

they would always find a way around the problem and not just stop at the problems. And so whether it was legislative action or, you know, going to work with with TennCare or Medicaid, whatever it, was they, would figure out a, way to get what was right for the patient and to fight for, the patients and, to, get people paid in the process and paid for outcomes.

So I kind of grew up seeing that. And when they sold their company, their last company they made more than $2,500, by the way. But when I sold our last companies to the Lindy Group, it was their first acquisition in the US before they bought Lendcare.

I left at that point because I'm not a corporate guy and went on to work for Alana Healthcare in Nashville and started doing clinical outcomes programs and then started Encore about 10 years ago, really with this idea that we needed outcomes in the DME space and nobody was tracking outcomes.

And so if we didn't do something, we were going to get left behind in this value-based world that were in.

Building Encore Healthcare Around Outcomes

Hey Zach, I know that you have talked to us in the past about, you know, that, and you sort of got into it a little bit, but I mean you really do dive into a world that a lot of home care companies and other providers in this space have a hard time sort of navigating, trying to monetize the activity and then also producing great patient care at the same time.

So how have you, and it seems like everybody in the world wants to be in this remote patient monitoring, chronic care management of patients. Can you tell us a little bit about that space and how you've been able to successful?

Yeah, when I first started doing this, people used to tell me I was crazy trying to do an outcomes play in a space where outcomes, I mean, we're so far in DME.

We were so from a value-based or clinical outcomes or population health style model because we literally get paid for a device that we provide. So it's kind of by definition, it is fee for service or fee-for-product.

And so people used to say, why would you even create a model and a business around something that didn't get reimbursed? And I would just say to the listeners that if you think that way forever, then we'll always stay in the same box that we're in.

Right? So if we want to innovate and change, sometimes you have to be a John the Baptist out in wilderness screaming from the rooftops that change is coming.

and then be able to really follow that through. And so our strategy from the very beginning was to say, OK, if we as DME in home care don't change our ways, then we're going to get replaced by FedEx and UPS because they can deliver a box faster than we can and cheaper.

So what is the value proposition of DMV and respiratory care and sleep in the home? And it's really got to be around outcomes. The model that we developed was how do we, number one, start tracking data, figure out how to use that data to tell a story to grow the DME business, and then long term, how we use it to kind of leverage the model and change up the outcomes.

And we're doing some of that now in pockets. We're helping DMEs to do that and to get into relationships or get in to those conversations with hospital systems and with payers.

But if we would have listened to everybody else in the beginning, we'd have never went down this path. But it's really, for me, it has always been about how do we take better care of patients and go, as I always say, beyond the box.

You know, we can't just focus on the device that we're providing for the patient. We've got to focus the whole

patient, and that should be all of our strategies in healthcare, is not to get so narrowly focused on what we get paid for or what were assigned to do, but look at how we holistically manage a patient?

Zach, you guys have been incredibly successful in that space, so congratulations. Thank you. When you look back and kind of do an analysis of your journey, where do you feel like was a surprising moment?

Because a lot of people have tried to do what you have done successfully and have really struggled with execution. Where do feel was that turning point or surprise moment that really pushed you to the next level?

Well, I think the key is oftentimes what I've seen in this space is people come up against the first roadblock or the second road block, and they kind of stop there and say, well, this didn't work.

And so God blessed me with one of two things, either persistence or stupidity, but either one it worked. But I just kept going after it. So when we had the vision and the mission in the beginning, If you looked at our vision and mission from day one, it's the same as what it is today.

And so we've had the plan of what we're going to do. No matter what roadblocks we come up against, we pivoted, and we changed, of course. But I think the defining moment was really recognizing that it was the process of getting buy-in.

You've got to get to the tipping point, It's going to be hard, and it's scrappy, you got to do the hard things. But for us, defining moment has been about how do we come alongside of a DME?

And really, in the early days, You'd find me in docs offices most days doing sales calls with a sales rep from a DME. And that was what my week looked like.

Because if we were going find somebody to partner with us to think outside the box and to innovative, Then we had to make sure they were successful to do a model like this.

And so our whole strategy was we'll be on the streets with you and figured out early on that the service that comes along with something like, you've got to be a concierge service to help people walk through that process.

Otherwise, they're not going to get there because in DME, home care, we've always thought a certain way. And if we keep thinking that way, it's never going to change, right?

So we had to a change of mindset all the way down to the respiratory therapist, the sales reps, and then all of the up to leadership of a company. So Zach, as you think about the world of post-acute respiratory care.

We talked about, you know, We've had conversations in the past about sort of lack of focus in that specific patient population.

Adapting to Medicare and Post-Acute Care Changes

How do you feel like that you're services in your programs and also with some of the potential changes that are on the horizon from a respiratory management standpoint and what Medicare will pay for and not pay.

For from qualifying standpoint, you know, what do you see like that for encore? Where do You fit today? And then how do Well, that's a good question. And I think in the beginning, like I said, we were kind of the early adopters were using us.

Now we're seeing more mass adoption across the industry, where it's getting to the point, if you don't have some kind outcomes, then it is harder to get business from referral sources.

But to your point I, think we are getting that tipping point that I was talking about, and now with this new NCD, potential N CD around ventilation, which is going to change the game quite a bit.

I think it opens up even more opportunities for an outcomes play, right? Because even in this NCD, you can see how Medicare is thinking. They're thinking about clinical outcomes, clinical data, wanting DMEs to track hospitalizations.

I mean, this is the first time we've ever seen that in a document from Medicare asking DME to attract hospitalization. So that's never been done before.

But then also wanting us to check outcomes of ABGs and all these other things, on an ongoing basis for ventilator patients. And so that's really a mindset shift, paradigm shift of what we're being asked to do.

So I think from our perspective, it's going to be more complicated, but it also opens the door to say, okay, you got to have these clinical outcomes to continue to And if you're going to do RAD or ventilation, you've got to have a way to track it.

Because if don't, You're not going get paid anymore. And so I think it's really opens the door to say, how do we, number one, have the data? And then number two, do what we've been doing the last three or four years is a lot more remote care, right?

You can't send a respiratory therapist in the home to manage a patient on BiPAP or RAAD because the reimbursement just isn't there. But we can do it remotely.

and manage their care through telemedicine or tele-respiratory. And so I think it opens up the door for us to innovate more as an industry and opens the doors for to track data.

Once we start tracking that data, the key is now we can tell the story. I don't want to invest in tracking data or tracking outcomes, but if we don t tell our story, then we become obsolete at some point because everybody else has data and so as an industry, I think it's going to be challenging to go to this new NCD if it gets published as written, but also it opens the door for us to have more sustainable data as a industry of what's happening with patients and how do we manage that.

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Now back to the show. Zach, it's really interesting what you're saying. And then when you think about the patient journey from hospital into the home, how does this tracking affect that particular transition and then ultimately to better patient outcomes?

Because at the end of the day, that's ultimately what we're looking. So could you talk a little to that, please? Yeah, so the challenge in today's world is that as hospital has an EHR and they've got all the data, payers have all claims data.

As DMEs, we just don't have access to that much data and so we don' have the infrastructure to track some of that. So it's either patient reported or it is connecting software to software.

And so one of the things we're working on now is an epic integration. We've integration with other billing system, DMA billing systems. But the whole idea of we've got to get to interoperability, which means we got get the point where we have the data, especially if we're going to be on the hook to track it.

So to your point, knowing that somebody went to the hospital a bunch of times and knowing what happened in the matters in the transition, but then the farther they get away from their hospitalization, the less it matters.

And what I mean by that is, if you're six months out after hospitalisation, your pulse ox reading doesn't really tell

much of a story, right? What tells the story is how you feel and what are your symptoms and are you able to move around in your home.

And so the farther we get away from the hospitalization, we got to look at data differently and it's more subjective than objective data. And I think that's the thing that we've always, because we have always had an acute care mindset is we're always looking for what's, the objective date of what the pulse like say, what does this say?

What's that say. We don't have those things in the home. So what matters in a home is how somebody feels. I mean, you could feel great as a COPD patient and your SATs are 85. You could feel horrible and your stats are 95, but it's because you're not managing your symptoms the right way, right nutrition, all those things.

So it really depends on what stage you are in that transition, But that's why data matters is because if we have that long-term data, then we know in the first two weeks, we treat somebody differently than we do six months after the discharge.

But having that data tells that story of what's the important things to engage on and what support important to pay attention to.

Data, Interoperability, and Patient Transitions

Zach, you know, I'm going to pretend I am a DME and I hearing you today and thinking this is overwhelming. I have had a great business for years. We have provided great service.

These changes are coming. and I don't even know where to begin. So they connect with you. What kind of conversation happens when you can connect a company that's seeing this happening, feels overwhelmed, and feels like a lot of what you're seeing is out of reach?

What's the next conversation you have? Well, that's a really good question. And the thing about that is, is when we first started this, it was complicated.

You know, you had to understand outcomes to track data and so we've kind of walked backwards into how do we get started with any DME and meaning that whether you want to do the work or we do it for you and teach you how to it along the way, that's kind of our model is we have this hybrid capability of we can actually come in, do a lot of the works for through telemedicine or tele-respiratory as we call it, engage with patients and then teach how you do along way and transition you into doing it.

So the thing about it is no matter where you're at in that process, if you understand it and you are an expert in ventilation, expert and home care, know how to manage RAD patients, or if you're just kind of getting started and now this NCD is scaring you off, don't let it because if your NDME very long, you know that there's going to be evolution and that evolution, the ones that last through the evolution are the one's that are successful, right?

And so you don t last to the revolution without number one, understanding it, number two, hitting it head on and engaging And then number three, becoming relevant with the referral sources, because the people that are willing to go head on into this thing and say, hey, I'll be the solution for the referrals source, they're the ones that get the referrals, right?

And so I think that's the key is that no matter where you're at in that process, there's, the ability for you to manage this and either do it yourself or outsource some of those services to be able to help you manage.

All right, can I shift gears just a little bit on you, Zach? Yeah. So I know that at least from a sleep perspective, so I'm going to add a bit of sleep to the conversation today, remote patient monitoring seems to be something that a lot of providers desire to have as part of their practice.

But being able to implement it with providers who offer the service, it's either At least in my experience, it's that it is so expensive that there's essentially no profit margin in it from a provider's standpoint, and it would essentially just

be offering a service on the patient's behalf.

And then from a home care perspective, home cares don't get paid to do remote patient monitoring beyond what the payers pay them to provide the CPAP device and the service in general.

So what would your advice be for a sleep program to try to get into the RPM space? So the RPM space, as you said, there's a couple of challenges and we could do a whole podcast on this.

There's couple challenges. One is, is that if you use good technology, then it costs too much and you can't make money. If you used bad technology then you're using bad and the data is not that good.

So there is kind of this catch 22 just from the get go. But then when you are thinking about getting into the space you got to think about do I have the volume to scale something like this?

So if I'm a sleep doc, do have enough patience to really scale a program, right? So if I'm an individual doc and sleep is just part of my practice, the answer is probably no.

But if i'm a network of 10 sleep physicians or even three and we've got all of our practice asleep, well the answers probably yes. And so understanding the logistics of this is not something that you can just get into with 20 patients and make money and have good outcomes.

You've gotta have enough scale to make it work and to spin up a call center And you also have to understand that there's different ways to skin a cat, and that is you can do it yourself, have your own call center, or you could outsource that service, which means you're going to give up part of the margin, but you don't have worry about all the expense.

And oftentimes that's the way to do if you are a smaller practice.

Remote Patient Monitoring for Sleep and DME

I would say from a DME perspective, the value comes in is that if I'm a DME and I manage a sleep patient, we've seen this model recently where now you can get software registered as a medical device.

And if you get a software register as medical devices, you could actually use the device data coming off of the CPAP as the RPM device, and so that's a whole new angle on RPM that we haven't seen before, don't have enough time to dive way into it.

But the idea being that, if i could use to PAP data, then I could really have physicians and an RPM program managing compliance. And so that reduces the cost for the DME.

So for a DMV, it's often you should be looking at RPM as I'm not going to make money off of RPM, but can I reduce my costs? Because now I've got a care team coming in to help me manage a patient.

And really, if you think about it, as DMEs, oftentimes we only manage patients for three months until they're compliant. Well, there's a huge drop-off between three and seven months.

And so we're losing all these patients after the three-month mark because there is no more reimbursement or there are no requirements after three to continue to engage.

with an RPM program, you would have those patients on longer. And so that means better outcomes for the patient, better compliance, means resupply for DME.

So all those things add up when you include an RPM program on the sleep side, it just makes a lot of sense. But you got to look at it from reducing costs, not making money, because it is kind of a challenge of how does a DMA make money.

There's been models out there where RPM companies pay a couple bucks per patient to the DME, gets a little bit gray sometimes in doing that. So you should be looking at it from a DMV perspective of how do I reduce costs, not how to make a profit and reducing costs means profit.

Zach, we are getting on for time, but would you mind just shifting gears a bit and talk a lit bit about the Smoky Mountain Symposium? I'd love to. So the Smoky Mountain Symposium as a conference actually started about 16 years ago, I started it and it was just an idea.

I used to do programs for the Tennessee Society for Respiratory Care, helped input on their conference and started doing one myself. It became successful, became a statewide meeting, now it's become kind of a regional meeting.

It's very much sleep, DME focused, and so it has got that post-acute theme. We do have some acute care topics for respiratory therapists, but we try to do some motivational talks.

some interesting things, you know, different speakers that we bring in. We've got national speakers, and I'm hoping that you guys are going to be involved in this year's as well.

But 16th year, it's in the Smoky Mountains. Beautiful. we do it in October, November, so the leaves are changing there in Gatlinburg area. So it is a beautiful place to come.

You can do all your shopping, Christmas shopping. Just a great time to be in that area. Generally, it's 250, 300 people. We have the online offering as well.

And so it has just been a fun show. It started out being about making money. Now it is really about networking and getting people together and just having a place where a lot of DME's come together.

A lot sleep techs come and fellowship can interact with each other. And see vendors we usually have about 30 vendors that show up hopefully this year we're going to have several more on the sleep side as well.

But it's a fun time it was one of my favorite times of the year going on that Show. It's just a fine thing to put on I love conferences. I loved being interacting with with colleagues and coworkers and so For me, it's one of the most exciting weeks of year is to go to that show and to be able to interact with people.

So glad you guys have been a part of it the last several years. Really appreciate that and hopefully we can do more together. Well, Zach, thank you so much.

It's been great. Where can people get more information about Encore and the Smokey Mountain Symposium? It's all on the website. So it's www.ancorhc.com and all the information about Encore as well as the Smoky Mountain Symposium is there.

And then one last thing, a shameless plug is that we're actually working on them. I've got construction going on in my office. We're building out a podcast room to start doing a respiratory podcast because there's really nothing out there for post-acute care, respiratory care.

Love to partner up with you guys any way we can on that. hoping to launch it in the next couple of months. But again, respiratory post-acute podcast that will be coming out very soon.

Looking forward to it. It's going to be fun to collaborate with that as well. So thank you. Thank you guys so much for having me. Folks out there, thank you so much for joining us.

Smoky Mountain Symposium and Closing Remarks

It's been an immense pleasure to bring this content over to you and continue to like, to subscribe and most importantly share. And thanks to all our guests.

Thanks to Zach today and a huge shout out to our sponsors without who we can't continue do this and be sure to check them out. Until next time we say lights on.

Before we go, we would like to thank our sponsor, MedBridge Healthcare. MedBridge Healthcare is developing innovative inpatient, post-discharge, and population health programs to screen comorbid conditions, diagnose and treat sleep disorders.

Learn more about their innovative solutions and career opportunities at medbridgehealthcare.com. Once again, you can learn more their solutions, career and solutions at MedbridgeHealthcare dot com.

Be sure to check out our clinical sponsor, Sleep Review Magazine. More details in show notes. All right. Another one in the books. And you know what that means?

That means it's time for some post cows. So what do you think, gents? Well, that was very fascinating. I mean, we talked about it on the pre-show, Zach's journey, but man, he is a wealth of information.

You know, for any company out there that's looking for a partner to help walk them through this, I can't imagine why you would overlook what Zach's doing.

I mean, he sounds like he could help any country, especially through what could be coming from CMS and those changes. So what a fantastic resource for our industry.

I find it fascinating when we have people like him on that come up with these innovations, the ideas that, hey, this little piece is missing here. What can I do to bridge that gap and make health care that much better?

And to hear that specific journey on his part, I just found absolutely fascinating that how can we improve outcomes by tracking data? Most of us, like you said, we just kind of just drop it off after we've done the necessity and just kinda forget about it.

The thing that stood out to me is, and maybe it's sort of the unspoken part of this new potential Medicare change, is that they seem to want programs and outcomes to be the driver of care of these patients post-acute.

rather than just it being a piece of equipment that is sort of what is relied upon to take care of the patient. Because I think we've learned some lessons in the industry that sometimes the equipment will not always work the way that we think it's gonna work.

And some of those outcomes are not what we would want for our patients. But man, his business, I love the whole idea of the fact that if you take care of the patient, you do a great job for your provider and your referral source, the business will come and you'll be successful if just do those things.

I agree. Do the right thing and the whole build it and they would come kind of thing. Well, he's such offers such a unique view, though. I mean, growing up in the business, literally growing out this business.

You know, He's he he is able to really represent all aspects of the home care provider space. And that's really unique. We've we see lots of people do consulting, you know at that level, but not to the depth I think he can provide with the journey that he and his family been on these many years.

Agreed. And it definitely brings a unique perspective. When people ask him, they know very well that he knows what he's talking about for sure. But he did leave us with a cliffhanger.

What is Sleep Tech Talk going to do with Smokey Mountain? So that's it to be continued. Our listeners can look forward to some news on that. So we'll be excited to see where that goes.

Stay tuned. Same bat time, same bat channel. Right. Nice. And who doesn't love Pigeon Forge at Christmas time? I mean, it's beautiful. You know, the decorations, It's a great meeting.

So we're looking forward to maybe being a part of that. We'll see. Yeah. All right. Alright folks, you heard it here. Until next time. Cheers.