

Making a Difference

The Benefits of Infusion

An Interview with Eric Steen,
Chief Executive Officer, InfuSystem Holdings, Inc.



A sample of InfuSystem's infusion pumps

EDITORS' NOTE Eric Steen was named to his current post in March of 2013. He previously served as President of Central Admixture Pharmacy Services, turning a start-up into a successful \$150-million pharmacy services organization with 25 locations nationwide. Concurrently, Steen served as Chief Marketing Officer for B. Braun Medical Inc. Since February 2012, he has been Principal of Eric K. Steen & Associates, a consulting business that provides services to medical device and pharmaceutical companies, including InfuSystem.



Eric Steen

COMPANY BRIEF InfuSystem (infusystem.com) is a growing healthcare company that provides infusion pumps and related products and services for patients in the home, in oncology clinics, at ambulatory surgery centers, and other sites of care from five locations serving all 50 states and Canada.

Would you provide a brief overview of InfuSystem Holdings?

About 25 years ago in the Detroit area, a group started the company with the intent of finding a way to allow oncology patients to receive chemotherapy in their homes.

This was part of a new treatment where the patients would receive some drugs in the doctor's office via intravenous infusion, but also receive treatment at home, with the drugs being delivered intravenously over time to kill the cancer cells as they replicate. The technique of continuous infusion over two days was found to be the best method.

InfuSystem grew from there, but the primary revenue source and the company's center of gravity is still providing these pumps to oncology clinics. Their patients can go home with a lightweight, ambulatory infusion pump in a convenient fanny pack, and remain at home or go to work while they receive chemotherapy infusion.

InfuSystem branched out in 2010 and bought a company in Kansas City called First Biomedical. That company rents infusion pumps to home-care organizations and hospitals, and also services and repairs infusion pumps.

More recently, we have diversified into another area of infusion, which is providing pumps to outpatient surgery centers and acute-care hospital surgery centers. This allows patients

to receive a continuous infusion of a local anesthetic, similar to receiving Novocain, after orthopedic surgery. Instead of going home with a jar of oral narcotics, the patient receives the anesthetic infusion into the nerve – it's called a peripheral nerve block and it continuously blocks the pain at the site of the surgery. This is a good alternative because of the dangers of oral narcotics being used by people they weren't meant for, and sometimes even leading to addiction and illness.

We also sell disposable products related to infusion therapy. Some of these are focused around chemotherapy safety and protecting nurses and pharmacists who handle the chemotherapeutic agents. These agents are also called cytotoxic drugs and are administered to destroy cancer cells in the body. While effective at battling cancer cells, these drugs can be dangerous and can even cause cancer in the medical professionals who are trying to help cancer patients.

What are the benefits of at-home treatment?

In terms of general intravenous therapy, the home is the most cost-effective place to receive treatment, and the most enjoyable for the patient. It is also safer because, while U.S. hospitals today are fine, if you want to stay healthy, I wouldn't recommend going where sick people congregate.

Every private insurer reimburses fully for home infusion because they understand that it saves money. The one insurer who is behind the times is our own federal government. If my 88-year-old mother needs something as simple as fluid-replacement therapy, she has to go to a nursing home or emergency room, which is more expensive for our healthcare system and she's more likely to pick up an infection.

There is legislation pending in Congress that will allow Medicare to more fully reimburse for home infusion. I meet with legislators in Washington, D.C., especially those from states where InfuSystem has a location, to make the advantages of this bill known to members of Congress. The National Home Infusion Association is also explaining to Congress that the nation's senior citizens need to receive the same level of home infusion care as anybody else with insurance.

Are you optimistic that the right dialogue is taking place to enact the necessary legislation?

Yes, there is bipartisan support and no opposition. The National Home Infusion Association has commissioned a study by third-party independents and the study has come back showing savings. This is the time for action.

Is it possible for patients to be monitored at home the way they are in a hospital setting?

Absolutely. We treated 50,000 patients in the home setting last year and we didn't have any issues.

For some patients, it's as simple as needing an antibiotic infusion. Intravenous therapy is very effective at delivering drugs because, unlike taking a pill and having your stomach digest it, the drug goes immediately into the bloodstream and is 100 percent bioavailable.

Other people may have intestinal diseases that prevent them from absorbing nutrition normally. Intravenous feeding can be an alternative for these people.

There are two new drugs that InfuSystem is working with that have just been approved for use. One is for leukemia and the other is for Parkinson's disease. The benefits of delivering these drugs in slow infusions over time have been clinically proven.

Will the growth for InfuSystem come from the core business of infusion pumps or from new areas?

More growth will come from the new areas. However, cancer rates are sadly increasing in this country, and with the dietary, exercise, and lifestyle habits of Americans today, we are serving more patients every year.

I see the opportunity for significant growth in the post-orthopedic surgery area. It is a field where many oral narcotics, whose addictive dangers are well documented, are being prescribed and then paid for by insurance companies. These insurance companies see the costs associated with narcotics and other traditional treatments sky-rocketing, as do the workman's compensation providers. This offers a great opportunity for significant growth.

Our rental business, where we rent, repair, sell, and lease infusion pumps to other providers, has potential for considerable growth. Medicare reimbursing for in-home care will also provide growth.

Another avenue for growth will be from new drugs in the pharmaceutical pipeline. Many of those drugs are best introduced by slow, continuous infusion. ●