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**Medline Offers Industry's First Automated Reporting Tool
To Manage Medical Supply Usage and Costs under PPS 2008
Through A Technology Partnership with Strategic Healthcare Programs (SHP)**

October 5, 2007 - Medline Industries, Inc., Mundelein, IL, the nation's largest privately held manufacturer and distributor of health care supplies, announced the upcoming launch of its real-time solution to the unique medical supply issues created by CMS' new PPS rules taking effect January 1, 2008. The solution was developed in conjunction with Strategic Healthcare Programs, LLC (SHP), the nation's leading real-time data service, outcomes, and benchmarking company serving the post-acute market.

What began as a pilot project with ten home health agencies, spearheaded by Laff Associates to gather benchmark information on supply usage and costs by disease, developed into an automated reporting tool that links individual medical supplies to patients, ICD-9 codes, cost, final claims, and clinical outcomes. Customers of Medline will be able to access powerful data critical to managing non-routine medical supplies under PPS 2008. The data will provide guidance to agencies on supply usage, monitor best practices, and determine if billing of supplies (new in 2008) transpired at the end-of-care. The live application interface eliminates any data transmission on the part of the agency.

According to Barbara Rosenblum, Chief Executive Officer of SHP, "Our mutual customers will benefit significantly from this interface through instant and simple access to information never-before available. A few disease processes consume the largest quantity of supplies, and industry benchmarks by disease will form the basis for others to evaluate their practices. A low percentage of agencies enter non-routine medical supplies on final claims, and they will now need to develop processes. This solution monitors the process and helps agencies capture payment available to them in 2008."

According to Mike Lee, President of Medline HomeCare, "This program is consistent with our mission to provide quality medical products along with superior value added services. It provides our shared customers with a strong tool for dealing with the complexities of non-routine medical supplies in the new era of PPS 2008."

According to Pat Laff of Laff Associates, “The financial implications of the diagnostically related costs of supplies, especially relative to wound care patients and the clinical outcomes, now takes on a heightened importance going into PPS 2008.”

According to Lynda Laff, “As a director of home care operations, I have always wanted to know how much I was spending on supplies and whether that expense was similar in any way to what other home health agencies were spending for the same diagnosis. In light of PPS 2008 changes, medical supply benchmarks and clinical best practices are now not only critical to achieving good patient outcomes, but also to the organization’s financial success.”

About Medline

Medline, headquartered in Mundelein, Ill., manufactures and distributes more than 100,000 products to hospitals, extended-care facilities, surgery centers, home care dealers and agencies and other markets. Total revenue for Medline in 2006 exceeded \$2.45 billion. Medline has more than 800 dedicated sales representatives and 56 wound care specialists nationwide to support its broad product line and cost-management services. Meeting the highest level of national and international quality standards, Medline is FDA QSR compliant and ISO 13485 registered. Medline serves on major industry quality committees to develop guidelines and standards for medical product use, including the FDA Midwest Steering Committee, AAMI Sterilization and Packaging Committee and various ASTM committees. For more information on Medline, visit www.Medline.com.

About SHP

Strategic Healthcare Programs, LLC, is based in Santa Barbara, California. SHP offers award-winning performance data services, industry benchmarks, and patient satisfaction programs to over 1500 customers. SHP sweeps data from software applications and automatically returns real-time, actionable information. Web-based analytic tools and drill downs make ad hoc reporting available to the entire home health organization. To learn more about SHP for Agencies™ or other programs for the sub-acute market, visit www.SHPdata.com.

About Laff Associates

Pat and Lynda Laff, principal partners of Laff Associates, based in Hilton Head, South Carolina, are nationally known, experienced and credentialed consultants with backgrounds in areas specific to home care and hospice. Consulting services include: PPS 2008 financial and operational strategies, operational review and work process analysis; financial review and analysis; compliance plan review and auditing; organizational re-structuring; cost report preparation; employee incentive compensation programs; telehealth implementation; clinical management; performance improvement; and outcomes monitoring. For more information, visit www.laffassociates.com.