



## P R E S S   R E L E A S E

**FOR IMMEDIATE RELEASE**

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### **SHIELD HEALTHCARE ANNOUNCES ELIMINATION OF ADVANCED WOUND CARE PRODUCTS IN CALIFORNIA DUE TO MEDI-CAL CONTRACTS**

Valencia, CA –The California Department of Health Services (CDHS) recently negotiated contracts with manufacturers to set a maximum acquisition cost (MAC) for alginate and collagen wound care products. The MAC contracts create a maximum amount that a manufacturer may charge a Medi-Cal provider purchasing the product. The negotiated rates will also reduce reimbursement rates to approximately 40% - 68%. The rates established by the contracts result in payment rate that falls 39% - 64% below Medicare. The manufacturer of the wound care products purchased by Shield Healthcare, Convatec, was unable to accept the contracted price required by Medi-Cal. As a result, Convatec alginate and collagen products will not be provided to Medi-Cal beneficiaries after July 1, 2007. The beneficiaries that are affected by the change have been mailed a letter explaining what has occurred. It should be noted that Medi-Cal did not establish contracts with any nationally known wound care product manufacturer. Shield Healthcare will not seek product replacement from any contracted manufacturer.

With 50 years of care giving experience, Shield Healthcare has become the industry leader in home-delivered Incontinence, Urological, Ostomy, and Enteral Nutrition supplies. Shield Healthcare is a service organization dedicated to fulfilling the medical supply needs of consumers and the care giving community with a focus on customer satisfaction.

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