Viemed Healthcare, Inc.
First Quarter 2024 Earnings Call
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Presenters
Todd Zehnder, Chief Operating Officer
Casey Hoyt, Chief Executive Officer

Q&A Participants
Brooks O'Neil - Lake Street Capital Markets
Doug Cooper - Beacon Securities
Alexander Graf - Riva Ridge capital
Jeff Bronchick - Cove Street Capital

Operator
Greetings, and welcome to the Viemed First Quarter 2024 Earnings Call.

At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press "*", "0" on your telephone keypad.

As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Todd Zehnder, Chief Operating Officer. Thank you.
You may begin.

Todd Zehnder
Thank you and good morning, everyone. Please note that our remarks in this conference call may include forward-looking statements under the U.S. Federal Securities Laws or forward-looking information under applicable Canadian Securities Legislation, which we collectively refer to as forward-looking statements. Such statements reflect the company's current views and intentions with respect to future results or events and are subject to certain risks and uncertainties, which could cause actual results or events to vary from those indicated in forward-looking statements.

Examples of such risks and uncertainties are discussed in our disclosure documents filed with the SEC or the Securities Regulatory Authorities in certain provinces of Canada. Because of these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

The forward-looking statements made in this conference call are made as of today, and the company undertakes no obligation to update or revise any forward-looking statements, except as required by law. The first quarter financial results news release, including the related financial statements, are available on the SEC's website.

Now I'll turn it over to Casey to get things started.

Casey Hoyt

Alright. Thank you, Todd, and good morning, everyone. Thank you for joining our call, today. I'm excited to share that the first quarter of 2024 has set the solid foundation for Viemed's trajectory, this year. Operationally, we are ahead of schedule, despite encountering some cash flow disruptions related to the Change Healthcare situation, which we'll cover later on in the call.

Our revenue grew by an impressive 28%, a testament to the dedication and tireless efforts of our more than 1,000 team members.

At Viemed, we recognize that our employees are our most valuable asset, and investing in their development and well-being is paramount to our success.

On to the quarter update. Our new sales restructuring is showing tremendous success with sales rep bid production up over 30% from Q4, putting us ahead of schedule of achieving our internal goals for the year.

The structure has proven out to help keep our managers and trainers closer to home, which is making them more effective in the field, working with new and existing reps. We have also been able to support more of their professional growth and ongoing development through offering more mentorship oversight and instruction.

Moreover, we are achieving a healthy work life balance for our people, which is creating an environment for further growth, within our existing infrastructure.

A lot of good work was completed on our first hospital joint venture project with HomeMed at the East Alabama Medical Center, which was completed on April 1. This partnership exemplifies our belief in leveraging synergies between Viemed's clinical expertise and business acumen with the immediate patient needs, within the hospital networks.

This model will account for bringing more service and technology into the home for the patients of East Alabama, while cultivating an improved complex respiratory program, inside of the medical center. Our team views this opportunity as a new way of growing our business and is laser focused on making this project a success, one that we will replicate around the country.

Discussions with other hospital JVs are actively underway.

Furthermore, our integration of HMP acquisition is hitting its stride and driving product diversification for our business. This product diversification and talent from our HMP team have been a major driver of our success, particularly with the hospital joint venture strategy. With the help and expertise of the HMP team, we were able to offer a full suite of DME products to help support the patients in East Alabama, extending our offering to go beyond respiratory.

By joining forces, we're not only poised to revolutionize care delivery, but also to drive tangible improvements in hospital profitability, while significantly expanding our reach into previously untapped markets.

Our merger and acquisition pipeline is gaining traction, and we are starting to see more conversations and activities from prospective targets. With that being said, we remain steadfast in our commitment to organic growth as a primary driver of our business.

We still view strategic acquisitions and joint ventures as complementary springboards to our organic growth strategy. This strategy allows us to focus on making prudent transactions, as we do not have to rely on M&A to grow the business.

We also focused a good portion of our efforts in Q1 around innovating our care delivery model.
We've implemented innovative technology processes that harness the power of machine learning capabilities, which are evolving our operations, particularly in streamlining time consuming back-office tasks, such as reauthorization submissions.

By automating these processes, we've not only enhanced efficiency, but also freed up valuable resources, allowing our team to redirect their efforts towards delivering high quality care to our patients.

We work closely with two of our vent manufacturers to connect their devices to Engage Care Manager 2.0, our proprietary clinical and operational platform. Effective care delivery in the modern health care landscape necessitates the seamless integration of exceptional service with cutting edge technology.

Our technology centric approach enables us to seize data driven opportunities, capitalize on emerging trends and strengthen our ability to deliver value driven solutions for our payers and hospital partners.

As legacy manufacturers, such as Philips, are gradually exiting certain product categories, the industry is paving the way for the emergence of new generation of manufacturers equipped with the expertise to develop and deliver more improved technologies in enhanced connected capabilities. Furthermore, we're poised to capitalize on incentive programs related to Phillips trade-ins and remediation on the Trilogy 100 ventilators, enabling us to significantly lower the age of our ventilator asset base in an extremely cost competitive manner.

ResMed has also completed a few studies on the effects of GLP-1 drugs for sleep apnea patients. The latest data is showing that there is a 10.5% higher propensity to start PAP over those not using the GLP-1 drug.

More patients are going to see the physician about their weight problems, and the data shows that while the drug does help reduce AHI 59% to 63%, the patients are still left with moderate sleep apnea, which means they will suffocate every three minutes of sleep after treatment of the drugs are administered.

We also saw an announcement that the Samsung Galaxy Watch is now De Novo authorized by the FDA to detect signs of sleep apnea, which should pave the way for the Google Fitbit and Apple Watch to follow suit.

The emergence of these technological advancements stands to streamline the diagnosis of sleep therapy into the mainstream population. We expect this development would be significant to grow in our sleep and resupply business.

On the regulatory front, Viemed continues to navigate the evolving landscape of health care policy and reimbursement. Despite industry efforts, the government is yet to resolve a regulatory relief package for the expiration of the 75-25 blended rate, a last remnant of the COVID related relief measures stemming from the pandemic.

As a reminder, our comprehensive analysis suggests that the long-term impact on our business is expected to be minimal, thanks to a combination of factors, including our diversified product mix and strategic rural concentration.

Looking ahead, we remain optimistic about the reimbursement environment and by the stability of rates indexed to inflation. The indexing mechanism serves as a natural hedge for our operations, providing a degree of predictability and financial security.

Moreover, our proactive approach to monitoring regulatory developments and engaging with policymakers positions us to adapt, swiftly, to changes and capitalize on emerging opportunities.

With more financial and operational updates on the quarter, I will now hand the call over to our Chief Operating Officer, Todd Zehnder. Todd.

Todd Zehnder
Thanks, Casey. In reviewing the financial results, all figures are in U.S. dollars and the full results have been made available on the SEC's website.

Our core business generated net revenue of $50.6 million during the first quarter of 2024 as compared to net revenues of $39.6 million in the first quarter of ‘23, which equates to a 28% increase. Our revenue was relatively flat, sequentially, which is not uncommon when comparing 4Q to 1Q. And as we'll discuss later, we expect rapid sequential growth throughout the year.

Operationally, the first quarter was extremely strong. But as we've indicated in the past, it also brings seasonal challenges, due to re-offs and patients switching or resetting insurance plans.

When comparing 1Q ‘24 to 4Q ‘23, our AR reserves were approximately $2.5 million higher in the current quarter, which shows how operationally strong the quarter was and why we're excited about the rest of this year.

As in the past, we continue to stay optimistic that we will be able to continue our high organic growth rates, as well as additional inorganic opportunities, on top of the recent joint venture.

Our first quarter revenue from vents was approximately 58%, as compared to 65% in the first quarter of 2023. Our gross and EBITDA margins are still strong as we are focused on both margin and diversification.

We continue to be successful in managing our cost structure this year, and it is showing in both gross and EBITDA contribution. Consistent with prior years, our first quarter margins are lower than other periods, due to higher bad debt reserves, as well as cyclical costs that tend to be higher, earlier in the year. Our gross and EBITDA margins during the quarter came in at 59% and 20%, respectively.

Our first quarter gross and EBITDA amounts came in at $29.8 million and $10.1 million, respectively. We are, once again, very excited to the beginning of the year from an operational perspective and know that the fast start will translate into solid financial performance throughout the year.

Our SG&A for the quarter totaled approximately $24.8 million, as compared to $19.8 million in the first quarter of 2023. G&A as a percentage of revenue decreased from 50% during the first quarter of '23 to 49% during 2024 and continues our theme of managing our G&A, well.

As mentioned, certain items such as payroll taxes and PTO accruals reset in the first quarter, each year. Therefore, the sequential comparison from 4Q to 1Q is always a challenge. We expect our annual margins to approximate prior years as these items normalize, throughout the year.

We will continue to invest in our patient and employee experiences and, once again, expect to grow revenues at a faster rate than expenses.

For the quarter, we invested approximately $5.8 million of capital expenditures, spread out amongst our various respiratory products. We continue to allocate capital across a diverse supplier network and, once again, have had no problems with procuring the equipment necessary to service our growing patient base.

We have, once again, funded our CapEx out of discretionary cash flow and continue to manage the business in order to drop free cash flow onto the balance sheet. Our percentage of CapEx to EBITDA was healthy at 57%. We will continue to disclose our annual discretionary free cash flow, but the quarter fluctuations in that metric make it less relevant. This quarter, in particular, saw a lower cash build and significant increase in our accounts receivable.

As most everyone is aware, the cyber-attack on Change Healthcare during February has put some operational and financial stresses on the healthcare system. As we briefly discussed during our last call, our team began to redirect certain claims during March to alternate payment clearing houses.

While we were able to move swiftly on some of our larger carriers, the process to redirect all of our payers remains ongoing. We are confident that we have moved the majority of the dollars and have seen payments pick up, over the last few weeks. We are optimistic that the vast majority of the delayed cash deposits should be caught up by the end of the second quarter.

Our goal, currently, is to make sure the Change situation turns out only to be a delay in cash collections. And in order to do that, our team is working diligently, to make sure all claims are filed and accepted, through alternate options. I'm very proud of the revenue cycle team, along with our workflow partner, Bonafide, and the diligence that we have shown in this process.

Our capital allocation opportunities remain consistent with last year, and we will reiterate that our organic growth is the highest priority. Our inorganic growth, debt pay down and then equity buybacks continue to fall into the two through four slots, as to priority.

We are happy to have recently announced our first joint venture and also remain very proud of our pristine balance sheet. We ended the quarter in a net cash positive position once again, and have total long-term debt of $5.9 million. Our working capital at the end of the quarter was $8.4 million.

All-in-all we remain excited and proud about all of our metrics and continue to look forward to upcoming quarterly results.

Moving on to the second quarter, we have provided net revenue guidance in the $53.8 million to $54.8 million range related to our core business, which includes approximately $1 million related to the recent joint venture. The midpoint of our net revenue guidance is up 25% over the core revenue in the second quarter of 2023 and is showing extremely impressive sequential growth.

As stated last quarter, the first quarter brings some seasonality challenges, but our operational success during the quarter has set up a path to rapid growth throughout the year. We remain active in our discussions with investors and analysts and, once again, have seen our U.S. institutional ownership increase, over the last couple of quarters.

We remain excited about telling our story of growth and see the current market as an opportunity to attract new investors.

At this time, I'm going to turn the call back over to Casey to wrap things up.

Casey Hoyt
Thank you, Todd. As we reflect on the remarkable achievements of the first quarter of 2024, we're filled with a profound sense of optimism and enthusiasm for our journey, ahead. Throughout the call, we've discussed our robust financial performance, strategic initiatives and the resilience of our team in the face of challenges.

Our view of the emergence of GLP-1 drugs is aligned with the data available and should be a major opportunity for us. The technological advancements of mainstream wearables hold the potential to revolutionize the diagnosis and management of home sleep studies and drive tremendous patient volume our way.

Despite encountering some cash flow disruptions related to the Change Health Care situation, our unwavering commitment to operational excellence has propelled us forward, ensuring that Viemed remains well positioned for sustained growth and success.

First quarter of 2024 marked a significant milestone for Viemed with our net revenue growing by an impressive 28%, compared to the same period last year. Looking ahead to the second quarter and beyond, we remain extremely optimistic about our prospects for continued growth and success in all of our core products.

Our guidance for net revenue reflects our confidence in the strength of our core business and the effectiveness of our growth strategies.

As we embark on this exciting journey, we are deeply grateful for the ongoing support and confidence of our investors, analysts, employees and partners. Together, we will continue to push the boundaries of innovation, drive positive change and deliver superior value to all stakeholders.

Thank you, once again, for your continued trust and support. We look forward to sharing our progress with you in the quarters to come. This concludes our prepared remarks. Thank you. We'll now open up for further questions.

Operator

Thank you. We'll now conduct our question-and-answer session. If you would like to ask a question, please press "*", "1" on your telephone keypad. A confirmation tone will indicate that your line is in the question queue. You may press the "*" key, followed by the number "2" if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset, before pressing the star keys.

One moment please while we poll for questions.

Our first question comes from Brooks O'Neil with Lake Street Capital Markets. Please state your question.

Brooks O'Neil
Thank you. Good morning, everyone. I just want to welcome Glenn. I'm glad to see new face there. I think he'll help a lot to attract new investors out there. So, I just want to start off by asking a little bit. I know it's not your job, guys, to match my model, my modeling, who the heck knows. But expenses were a little bit higher than we were modeling for Q1. And if I was listening correctly, you would attribute the majority of that to the seasonal effects in Q1. But is there--are there any expense items you'd call out as maybe more of a trend or something than just a 1Q seasonal factor?

Todd Zehnder
No, no, not at all, Brooks. If you look back to the first quarter of last year, we kind of had the same trend. Things just reset at the beginning of the year. And if you look at our margins in conjunction with first quarter to first quarter, it's not really out of bounds. We completely are confident that expenses as a percentage of revenue will be in line or likely very much better than last year.

And then like I said in my prepared remarks, we think margins will, once again, kind of stay flat depending on diversification, a lot of different things. But we're confident that there's nothing that is setting up a bad trend, if you will.

Brooks O'Neil
Yeah, that's great, Todd. Thanks for that. Let me just ask you this. I don't think I recall hearing or thinking a lot about sales force restructuring. Are there any notable things you'd call out that you did that you think truly will drive--I mean, obviously, 30% improvement in productivity is pretty good. So that's fantastic. But what is it exactly that you guys did that you think has unlocked some of the productivity of the sales organization?

Casey Hoyt
Well, I think the most important driver, right now, is the fact that we've extended our reach with promoting 12 more territory managers. Those 12 managers are now out in the field working with veteran reps and new reps, helping them with training and development and so on and so forth. If you think about last year, last year we had three sales trainers and three managers doing that same work.

So, we've doubled the ability to get our experienced people out into the field. That's producing at a higher rate. We're actually doing some cleanup work. So, the good news is we're doing all of this growth with a little bit with less reps than we did last year. However, we are set up to grow at a higher rate now and expand with new reps.

We just saw a major opportunity in the restructuring and really the main thesis was let's get our middle tier reps up to top tier reps, come because we're really just getting started with it.

Brooks O'Neil
Great. So, my last question is, you guys hit on two of the big buzz topics going on in health care, today, the GLP-1s and the Change Healthcare thing. So, I guess I'd be remiss if I didn't ask you about is there going to be any impact in your business from AI?

Casey Hoyt
There already is some machine learning. We're hesitant to call it AI; call it machine learning. We've developed our own tool here in house that is going through some of the HIE exchanges, health information exchanges that are with Epic and Cerner and have all the hospital info into them to find some of the missing data with that we require for our reauthorizations. And that's exciting because it's getting smarter every day and starting to help us, operationally.

Now on the back end of that, in terms of just exploring AI solutions, we've had all of our head lieutenants, all of our VPs to go out and uncover solutions that will help us. And I will say that we're vetting a number of them, right now, that stand to improve operation efficiency. So, we're--I'm excited about this movement. It's--we've got our own tool in house, and we've got others that we're going to lean on, through various vendors.

Brooks O'Neil
Great. Guys, thanks a lot for taking my questions. Congratulations on the great start to the year, and I'm looking forward to the balance to see all you can accomplish.

Todd Zehnder
Thanks, Brooks.

Casey Hoyt
Thanks, Brooks.

Operator
Thank you. And our next question comes from Doug Cooper with Beacon Securities. Please state your question.

Doug Cooper
Hey, good morning everybody. Let's just talk about the sequential growth, 7% sequentially, very strong. Is there one particular product that's driving that growth, i.e., whether it be sleep or is it on the NIBs or sort of equally split?

Todd Zehnder
This quarter, I would say the strongest performers were vents and sleep, just from a 40,000 foot view. Resupply had a really good start to the year and vents, like Casey said, 30% higher productivity this quarter than we have. So, everything performed well across all the product lines, but those are the ones that stand out to us that led the charge.

Doug Cooper
Okay. You see obviously early in the game here, we're not even halfway through Q2, but do you see that 7%, 6%, 7% sequential growth continuing for the balance of the year? That would put you pretty much far in advance of where we're modeling right now.

Todd Zehnder
I think w-- I mean, just looking, I know we did the numbers for the call. I believe Q2 over Q1 was 5.5% sequential growth. So, we're very bullish on the way things are set up, right now.

Doug Cooper
Okay. The expiration of the 75/25, what was the actual impact of that? And then that was offset by what, CPI increases and, obviously, just some growth in the business. Can you segment those items?

Todd Zehnder
So, I'll keep growth in the business outside of the calculation and just tell you that roughly, $1 million--a little bit shy of $1 million was going to be the 75/25 impact across the Viemed HMP complex, combined. And then the CPI adjustment was slightly higher than that. So, I bet you we got probably somewhere between less than a quarter of million dollars benefit, when it comes to rate changes and then everything else would just be normal operations.

So, I pointed it out, while we stayed flat revenue wise, on a net revenue basis, I look at it on a gross number and say that we booked about $2.5 million more to the allowance, this quarter. That would be the growth piece that you're--the last piece that you're asking about.

Doug Cooper
Okay. You guys talked about, obviously, the GLP-1 drug and you referenced the ResMed study. I guess, subsequent to ResMed study that they talked about, Eli Lilly came out with their drug obviously, and some trials that were directly for sleep apnea, as opposed to weight loss. Any thoughts on that?

Casey Hoyt
I mean, I didn't--you're talking about the clinical trial that compared the safety of a vent drug to GLP-1 receptors and that. I didn't really get a chance to dig into that study yet, Doug. So, I don't want to comment.

Doug Cooper
I don't think it's released yet. I think it's just the highlights are. I think the study is out in July, I believe, right?

Casey Hoyt
Yeah, it's underway. I mean, I think look, here is the most important piece that we got just from the ResMed comments and their analysis of their 600,000 patients that were on path. And it does show that it reduces AHI, which it may bring a CPAP patient from severe down to moderate. But what they're seeing is a spike in volume of the patients that are going in to analyze their weight gain or weight loss scenario.

Doctors are still saying, no, we can put you on this drug and we'll get you down 40 pounds to 50 pounds, but you're still going to have moderate sleep apnea, and sleep apnea will be a part of your program in conjunction with the GLP-1 drug.

So, ResMed and our view as well, because of our numbers and because of the growth that we've been experiencing in sleep--throughout the country for the last a year and half, two years, since these drugs have been out, it's kind of proven that these things are going to help with our growth versus be against us.

And so, we're excited about that. And I think that all the technology on the back end that I was talking about in the call with making home sleep testing more mainstream through wearables is going to just going to just drive more and more patients into addressing their sleep concerns ,which would play into our hand down the road, as well.

Doug Cooper
So, two follow ups on that, Casey. Just what do you think the regulatory reimbursement will be there? Will there be any change in that, given what's happening in the industry? Part A and B, your M&A strategy going forward, is it focused on respiratory still or sleep and/or other areas? And have you seen multiples come down that people want to pay? Obviously, the public companies have taken it to pretty big multiple hit, over the past few months.

Casey Hoyt
Yeah, I mean, we haven't seen much of a shift in multiples. However, our respiratory focus is still at the top of mind whenever we're strategizing M&A targets. There are other bolt on products that we are intrigued about that some of these targets have that are different than what we have. I'll comment on HMP and how their additional business that make them full line DME was a key driver in our conversations with landing our first joint venture.

And so, it helped us to just realize that this is the holistic offering that maybe the JV and the hospital systems need. And so, we're building that model out and its entire value props as we speak with other JV targets, around the country. So, I guess our M&A strategy has changed from the standpoint that we're not just after the respiratory DME, we're also after the hospital owned DME that is more full line. And so, we'll--and we've already got those guys in the pipeline and the conversations are teed up.

Doug Cooper
Okay. And just one last one for me if I could, Todd. The resupply revenue, I think, last quarter was $5 million on 33,000 patients. Could you have just an update on what it was this quarter, revenue in patients?

Todd Zehnder
It looks like I've got that at $4 million, right now. So, $5 million might be a little heavy because I think we're up, quarter-over-quarter, but I'll have to get back to you on that.

Doug Cooper
Okay. Thanks, guys.

Todd Zehnder
Sure.

Operator
Thank you. And our next question comes from Alexander Graf with Riva Ridge Capital. Please state your question.

Alexander Graf
Thanks for taking my question. Just had a quick one on the automating of reauthorization. Could you maybe give us a better sense of a little bit more granularity in terms of what resources will be freed up and how Viemed intends to use those resources?

Todd Zehnder
Yeah, I mean, what we're piloting at this point is using our Engage software, which is proprietary, to pull downloads for compliance and then using another tool that we've developed internally that will go and scour the HIEs that Casey was talking about, earlier. And in the event that we can match up a good download with good notes, it will free up a variety of people. We have a back office--our corporate office team that works on the gathering of data.

In certain circumstances, it might free up a service respiratory therapist who doesn't have to go to the house to pull a download from the machine. It could, potentially, free up a salesperson who doesn't have to go and call on a physician's office to get notes if we're having trouble from the corporate office. So, it's a variety of people. It hasn't hit full scale yet to where we're really getting a full benefit, but it's something we've been working on.

And then at that point, what you could do is you're keeping salespeople are selling, you're keeping therapists out there servicing new patients and more patients. And then your back office can just turn more orders around. So it's a variety.

Alexander Graf
Understood. That's helpful. So, I guess, overall, the takeaway should be that that largely should help kind of build revenue and become more efficient from a cost perspective. So, in terms of cost as a percentage of sales, this initiative you guys think should lead to an improvement of that or continued improvement?

Todd Zehnder
Yeah, and I also think that if we're able to do it on a more timely basis, we can turn around reauthorizations on a faster basis, which keeps people off of hold for lesser time, which should help with overall realizations. So that's something, whether we're using our technological tools or just trying to staff up to make sure that those patients aren't on hold as long, we're always trying to make improvements in.

Alexander Graf
Understood, got it. That's helpful. Thank you so much.

Todd Zehnder
Sure thing, Alex.

Operator
Thank you. And just a reminder, to ask a question, press "*", "1" on your phone. Our next question comes from Jeff Bronchick with Cove Street Capital. Please state your question.

Jeff Bronchick
Hey, guys. How are you? Hey, just could you go over--you made a sort of a comment about the receivables from the UNH situation. And are you worried or is there a sense that this is so messy that there's a write off, not a material business thing. How does this progress, financially?

Todd Zehnder
Yeah, so, at this point, that is like our entire focus is to make sure there isn't a write off. At this point, like I said, it's a cash flow impact. I want to say we're probably $4 million heavy at Q1 on AR versus cash

collections. And then as I mentioned, we've worked that number down. But it takes a carrier-by-carrier change from Change Healthcare to an alternate clearinghouse.

So, you have to have your data in order. You have to make sure that once the changes are made that they're accepted, there's not rejections. So, there's more work to go in, but that's entirely what our team is focused on to make sure that we don't have the smaller carriers not get through to where we would have timely filing, six months down the road. So, at this point, we don't expect to have any additional write offs. I'm confident in saying that. But it is work that's being done and I think the entire industry is facing that, right now.

Jeff Bronchick
And just again, just will you again, recap the regulatory environment? And my guess is nothing happens this year because it's an election year. But maybe just talk about some of the things that, aside from the 75/25, that have come up or not, are positive or not, just an overall viewpoint?

Casey Hoyt
I mean, the--I guess some of the positive things that we've seen from a regulatory basis have started on a state-by-state basis. There's a thing called Step Therapy where some of the payers' medical policies are asking you to try and fail a lesser device before approving a ventilator, and it adds another layer of authorization and burden on, frankly, the patient more or less than us.

I mean, for sure our business but more about the patient trying a lesser device and suffocating and then having a document failure, before they go into a ventilator. That is wrong and, clinically, there's no data that proves that that is a method that we should be embracing.

So, we've been able to change legislation around Oklahoma, Louisiana. We're working on Louisiana and Mississippi, and there's really been no opposition to those efforts because it's kind of common sense. We're seeing some of that activity up on the Hill in D.C., as well.

AA Home Care is now one of our industry associations that's behind this movement that's also spreading this message throughout the country. And I just think that's an overall positive win for us. I mean, we're dealing with that--we've been dealing with that burden for the last two to three years, and to get some relief on that would be huge.

But other than that, there's really, I mean, there's some things that don't really affect Viemed, but I mean like with diabetes regulations and stuff like that, but really we're pretty stable from the standpoint of the things that we're focused on or that would affect our business. There's nothing outside of 75/25 that are pressures on reimbursement.

And as we've communicated, it's really not that much of a pressure for our business. So again, we couldn't be more pleased, I guess, with the current state of affairs with on the regulatory front. And frankly, it's the most stable it's ever been, since I've been running the business.

Todd Zehnder
Yeah, and I'll add one thing. I mean, the question we always get is competitive bidding and is it coming back. And while we don't have an answer to say yes or no, it might. We're at the point, we're getting close to the point where we can say that we're confident it won't be here for 2025. And generally, it gets announced, if you will, about 18 months ahead of time.

So, if we don't hear anything from CMS over the next few months, we're going to be at a point where we don't think it'll be around for 2026, either. While we don't--we're not afraid of competitive bidding, we bid in the last round, which got canceled. We just don't see it coming back in the near term just because it has not been sort of rolled out properly, if it's coming back anytime soon.

Jeff Bronchick
Alright, thanks, guys.

Todd Zehnder
Alright, Jeff, thanks.

Casey Hoyt
Thank you.

Operator
There are no further questions at this time. I'll hand the floor over to Todd Zehnder for closing comments.

Todd Zehnder
All right. We want to thank everybody for their participation, and please follow-up if you have any additional questions. Thank you.

Operator
This concludes today's conference call. All parties may disconnect. Have a good day.