



TFSA Picks: 1 Healthcare Value Stock with Significant Growth Opportunities

Description

Viemed Healthcare ([TSX:VMD](#))([NASDAQ:VMD](#)) is a participating medicare [durable medical equipment supplier](#) that provides post-acute respiratory care services in the United States. The company operates through two wholly-owned subsidiaries, Sleep Management and Home Sleep.

Viemed's primary objective is to solidify the company's position as the largest independent leader in home therapy of patients suffering from respiratory diseases that require a high level of service. The company's programs are designed specifically for payors to gain the ability to treat patients in the home for less total cost and with a superior quality of care.

Organic growth model

The services of the company's subsidiaries include respiratory disease management, neuromuscular care, in-home sleep testing and sleep apnea treatment, oxygen therapy, and respiratory equipment rentals. Viemed adopts an [organic growth model](#) whereby expansion is effectuated through existing service areas as well as in new regions through a cost-efficient launch that reduces location expenses.

Viemed employs more respiratory therapists than any other independent provider in the United States. By focusing overhead costs to personnel that service the patient rather than physical location costs, Viemed anticipates efficiently scaling the company's business in regions that are currently not being effectively serviced.

Significant growth opportunities

The continued trend of servicing patients in the home rather than in hospitals is aligned with Viemed's vision, and management anticipates that it will continue to offer growth opportunities for Viemed. Viemed expects to continue to be a solution to the rising health costs in the United States by offering more cost-effective home based solutions while increasing the quality of life for patients fighting serious respiratory diseases.

Revenue from ventilator products represented approximately 87% and 92% of total revenues. Viamed's management believes that the company's subsidiaries are poised for organic growth moving forward. The company focuses on disease management and improving the quality of life for respiratory patients through clinical excellence, education and technology.

Variety of service offerings

Viamed's service offerings are based on effective home treatment with respiratory care practitioners providing therapy and counseling to patients at homes using cutting-edge technology. The company's home sleep division focuses on providing in-home sleep testing for sleep apnea sufferers.

Further, Viamed is one of the largest independent non-invasive ventilator provider in the United States with a service coverage area of 24 states in the United States and prospects to grow. The company's respiratory disease management service aims at improving quality of life and reducing hospital re-admissions by using proven methodology and leading technologies such as counseling on proper diet, activity level, smoking cessation and inhaler use.

Value-added services

Viamed sources hardware from vendors and pairs them with industry leading respiratory therapy. The company's neuromuscular care service is focused on helping neuromuscular patients to breathe more comfortably while living an active, healthier life, and uses respiratory therapy treatments which can lessen the effort required to breathe.

Also, the company's oxygen therapy service provides the patient with extra oxygen, which is sometimes used to manage certain chronic health problems. Overall, the extent of value-added services provided by Viamed should add significant intrinsic company value over the long term.

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