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## AMMED DIRECT TO LAYOFF AND CLOSE



The odds are that most of you are not familiar with the company AmMed Direct. For those of you who are not familiar with AmMed Direct here is a look at how the [company describes itself](#): “AmMed Direct serves people with diabetes by providing test supplies and support through our exclusive Better Care Program®, an ongoing educational service to help people better manage diabetes. Over two million people have benefited from this helpful service, which include 5 Free Cookbooks and a Free Meal Planning Guide that are full of information to make life with diabetes easier. AmMed Direct accepts Medicare, Blue Cross/Blue Shield, Humana and is a participating Medicaid provider in many states. You can get all your test supplies from a company that specializes in the unique needs of persons with diabetes.” The odds are that if you have ever been sick at home and watching daytime TV then you have seen one of their commercials. The company is getting ready to layoff about 223 of its workers. The announcement, which came earlier in this week, is part of a larger plan to sell off some of its assets to the a competitor, Arriva Medical which is located in Coral Springs, Florida. Arriva Medical is, as you may have guessed already, is another diabetes supply company. This will be the second acquisition for the Arriva Company in the last 30 days. At some point after the sale of the assets the company is also slated to shut down. The company is attributing the shut down to the Medicare regulatory changes in the mail-order diabetic supply business. In the near future Medicare will be rolling out a new competitive bidding system that is designed to get the beneficiaries supplies at the lowest possible rate. This change is prompting many companies to buy and sell in order to become more competitive under the new bidding system. Tom Milam, an industry consultant, told a reporter for [the Tennessean](#) the following about the changes, “Several companies are trying to get bigger because they know there's going to be fewer companies, and they want to be one of the survivors.” He is predicting that of the 200 or so companies out there that about 50 may remain when all of the consolidations are said and done. He did not comment on how many, if any, companies he expects will simply go out of business without an offer to sell. At the current moment the company is giving no official word on what kind of severance package they are offering and what chances, if any, the workers have to find positions with the new company. All of these layoff come despite an overall good outlook for health care workers. For those of you who missed our [recent article](#) here is an excerpt: “According to data being put out by the Bureau of Labor Statistics there were a lower number of mass layoffs in the health care industry in 2011 that there were in 2008. They were also lower than the number in 2009 and the number in 2010. In 2011 there were only 121 mass layoffs in hospitals. While that was a grand total of about 8,098 people claiming unemployment benefits that year as a result of mass layoffs the numbers are down.”

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