

A MESSAGE TO MEMBERS FROM YOUR DISTRIBUTOR, FLORIDAINFUSION COMPARING APPLES TO APPLES

(A SHORT GUIDE TO UNDERSTANDING EARLY PAYMENT DISCOUNTS)

By Tom Magoulis, Vice President, FloridaInfusion

At the extremely well organized, informative, and lively August OA Physicians conference held in Boston recently, I was asked by a number of distinguished members why FloridaInfusion does not offer discounts for paying invoices early as do our competitors in these tough financial times. Comments from members included, "I get a 2.5% discount if I pay using "direct debit." "I get 1.5% if I pay in 30 days"... "I get 1%," and so on. This perception has caused a good deal of confusion and misunderstandings among the membership.

The simple fact of the matter is that FloridaInfusion has always offered DISCOUNTS (a.k.a. lower prices) FOR EARLY PAYMENT. We prefer not to confuse our customers with clever offers of discount percentages (e.g. 2%) that would appear to actually lower prices by using *inflated prices* as the starting point from which discounts are taken. For example, other vendors use a "standard" or "base" price with Payment Terms of Net 75 days. Generally accepted business practices require that the longer *any* vendor gives a customer to pay a bill, the higher the cost of that bill to the customer will be. The higher price helps the vendor shift the additional expense of the "cost of money" or "carrying charge" to the customer. FloridaInfusion, on the other hand, sets their starting or base price at the more generally accepted and traditional payment terms plateau of Net 30 days. Typically, our Net 30 day price will be lower than the competitors' net 75-day price. The

competitors, by using a base price associated with Net 75 day payment terms, will then add their own spin and say, "If you pay in 30 days you are entitled to a 1.5% discount." Or, "If you use our direct debit program you can save 2.5%." This suggests additional

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savings, while in actuality they are not offering anything that FloridaInfusion hasn't offered for years.

Our pricing and payment terms formula is simple and matches up extremely well with all competitors. For the record, we offer Rapid Pay (direct debit), Net 15 Days, Net 30 Days, Net 45 Days, Net 60 Days and Net 75 Days. We start at Net 30 days. For every additional 30 days of payment terms that are either

extended or reduced from our starting point of Net 30 days, customer prices will either increase or decrease by a full 1%. Hence, if you are a customer who is currently receiving Net 75 day payment terms and you wish to change those payment terms to Net 30 days, you will effectively receive a 1.5% discount. If, in the same scenario, you wish to change to our Rapid Pay Program (direct debit), you would receive prices that are in fact, 2.5% lower than what you paid previously.

While all this may still be somewhat confusing, at the end of the day, it matters little what so-called discounts you are offered by others, what really matters is "WHAT AM I ACTUALLY PAYING FOR THIS PRODUCT?" For any member who is interested, we are pleased to offer a side-by-side analysis and comparison of our prices versus any other vendor.

FloridaInfusion is committed to keeping prices for Oncology Associates members as aggressive as possible in a very competitive market. Members can do their part by staying loyal to the group, utilizing the contracts that are available and helping OA executives and FloridaInfusion management stay on top of changing trends by openly communicating with us.

Please feel free to contact me directly at 800-624-0152 should you have any questions or concerns. We are dedicated to keeping you completely satisfied.

Tom Magoulis is Vice President of FloridaInfusion. Contact him directly at fm@floridainfusion.com or 800-624-0152 with any questions regarding ordering and payment terms.