

Live Well, Heal Well and Age Well with Remote Monitoring.

While you are Aging Well, a Hospital is
Profiting Well, so your Care is Secure.



Jacques von Speyer
Chairman & CEO

The Current System of Caring For the Aging Population is No Longer Sufficient

“Patients receive only 55% of recommended chronic and preventive services.”



- About one-half of US adults have at least 1 chronic condition.
- **50%** of people with hypertension have uncontrolled blood pressures.
- More than **80%** of people with hyperlipidemia have not attained cholesterol control.
- **43%** of people with diagnosed diabetes have not achieved glycemic control.
- **78%** of those over 63 years prefer home care due to expenses, difficult mobility and time.

Annals of Family Medicine May 2013



If we were to change how we manage chronic conditions in the aging,

If we were to adopt evolutionary remote medical capabilities,

We would save healthcare.

Over 60%+ of every \$1 goes to chronic care management for the aged.

What if we could reduce that immediately, today, right now, by 15%?

We would save Healthcare.

We would save Hospitals.

We would save People.

**We would ensure our overwhelming aging population
access to the meaningful and supportive care
they need and deserve.**

Telemedicine



**Telemedicine connects patients with providers no matter
The distance between them and offers **meaningful** care.**

**Today 3,500,000 patients world-wide are enjoying remote
Healthcare in managing chronic issues and aging (RPM).**

**10,000,000 now have access to specialist care through a
telemedicine portal at local hospitals and clinics.**

**Why is Telemedicine so Important?
Because it is a Tool that when used Correctly,
Mitigates Uncontrollable Circumstances.**

**ACA and 35 Million new Patients in the Healthcare Rolls Promotes a
Disconnect with Patients**

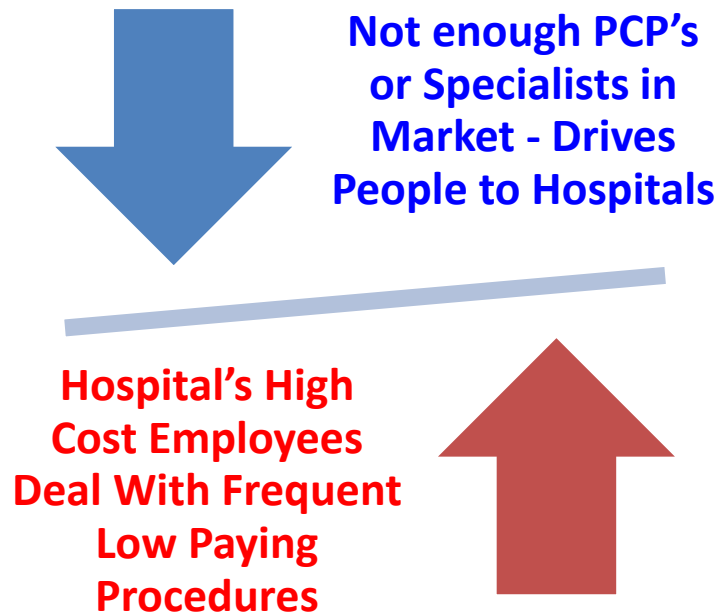
Lack of PCP's – Lower Reimbursement Rates – Higher Costs of Operations

**Ageing Population – Chronic Issues on the Rise &
Multiple Morbidity is Common = 65% + OF COSTS**

How are hospitals and ACO's , who are the primary providers for America's long-living aging society, going to cope with increasing numbers of elderly patients, who will have developed several chronic and care intensive morbidities?

THE TELEMEDICINE SOLUTION:

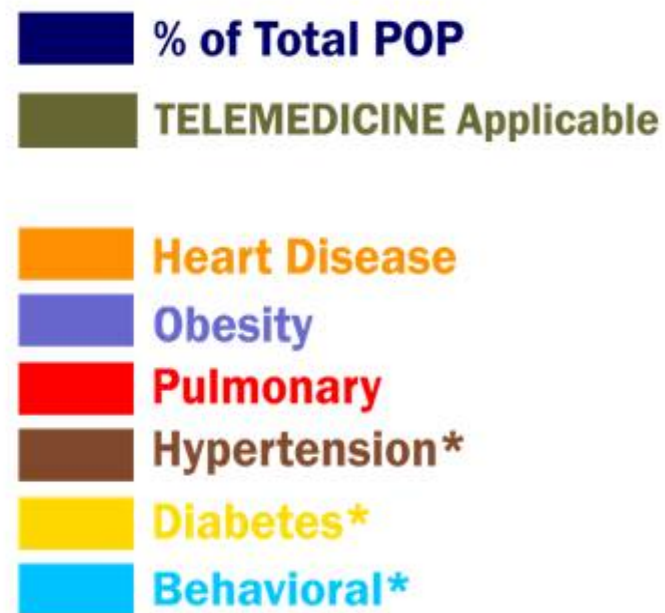
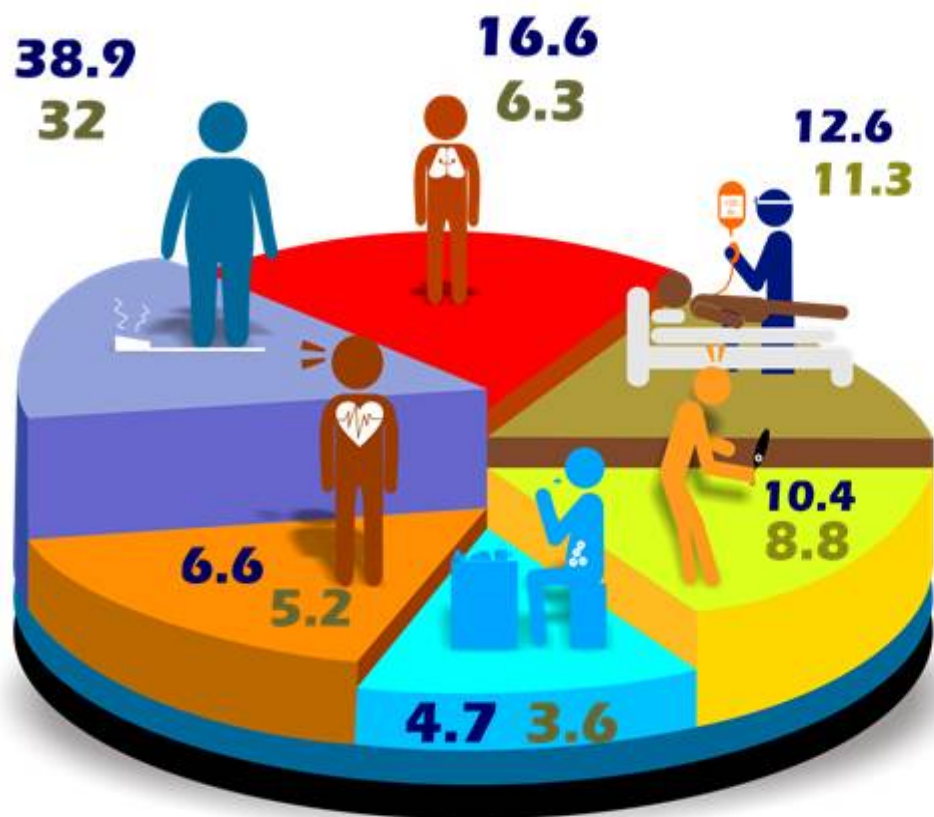
The Responsibility For Chronic Care of the Aging Rests with Hospitals and ACO's. But, at what Cost?

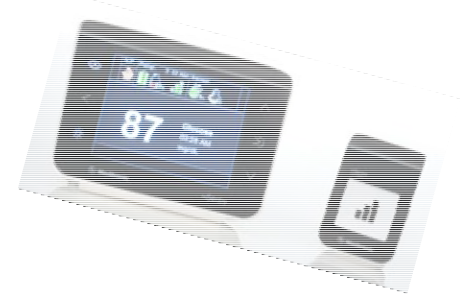


**Creates Imbalance in Utilization
of Staff and Premises.**

Chronic Conditions Solutions

Treatable through Telemedicine – with Better Outcomes At a fraction of your current costs.





Remote Devices for Diagnosed Populations

- Mobile Access anywhere in USA
- Instant Measuring of Vital Signs
- No technical Installation – Easy to Use
 - Diagnostic Tool Personalized
 - 24/7 Video Access to MD
- Access to Specific Educational Videos
- Programmable for Care Management



Pulse Oximeter



Blood Pressure



Weight Scale

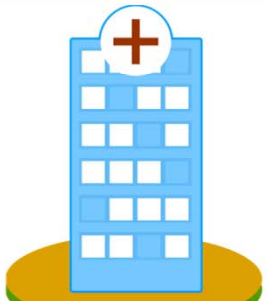
Spiro Meter, Stethoscope, Glucose Meter, Peak Flow



Today's Connectivity to Patients

No matter where...
No matter when...
No matter who...

People ALWAYS have access

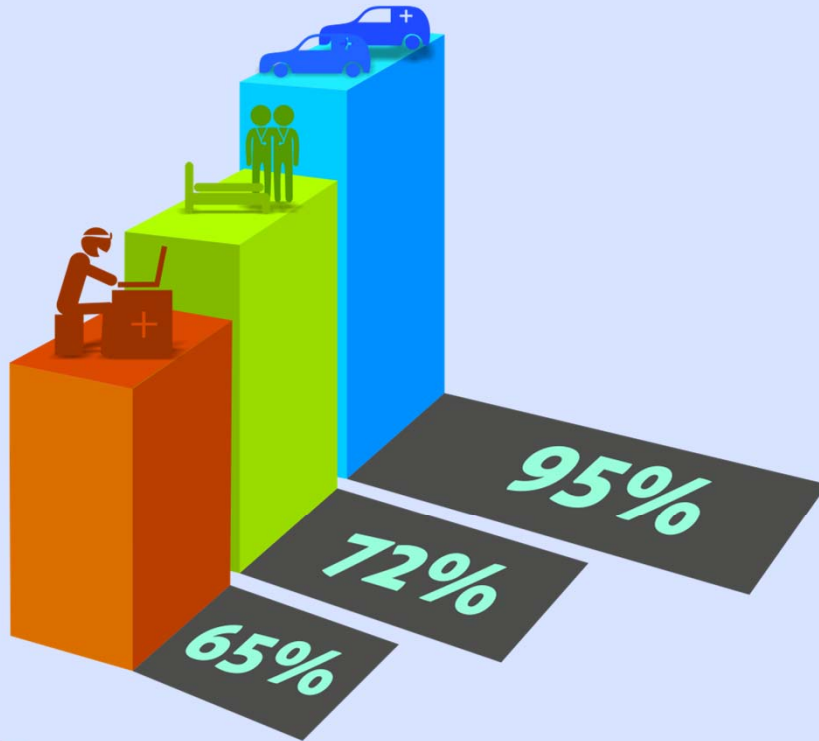


US Tele-Medicine



Resolution Rates for RPM

Rising Quality of Life in the ACO



REDUCTION in the average number of walk-in visits

REDUCTION in the average number of ER visits

REDUCTION in the average number of hospital re-admissions



A 2012 independent Price-Waterhouse-Coopers evaluation of Ontario Telemedicine Network's (OTN) 8,000 patient program



Dutch National Health System 3 Million patient Triage System



Veterans Administration 135,000 patient base

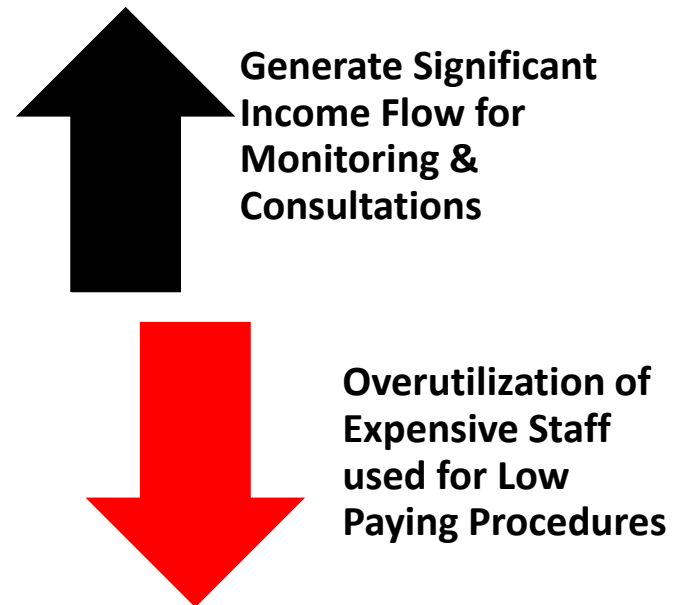
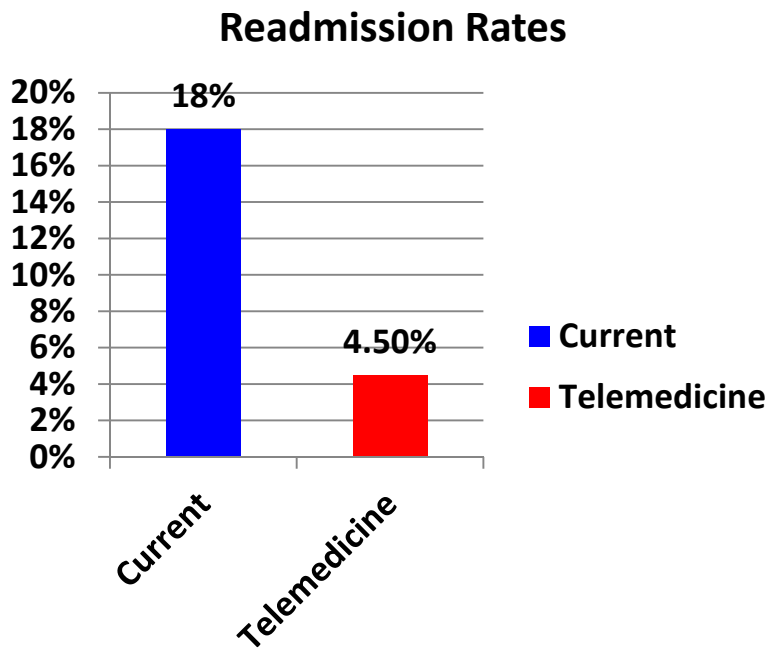


5.5 Million Swiss citizens are on the National Tele-Triage system



USTM Four year operational base, all showed the following results within a margin of 2%-4%

Why would Hospitals need RPM Telemedicine When Confronting an Aging Population?



SOUTHERN CALIFORNIA HOSPITALS CAN...

More Patients – More Income

Expand the Numbers of New Patients Using services; Because 60% of the aging “Frequent Flyers” are at home, not using the plant resources, but still, *generating income* for disease management and consults.

Grow the Geographical Reach to the Retiree Population Centers

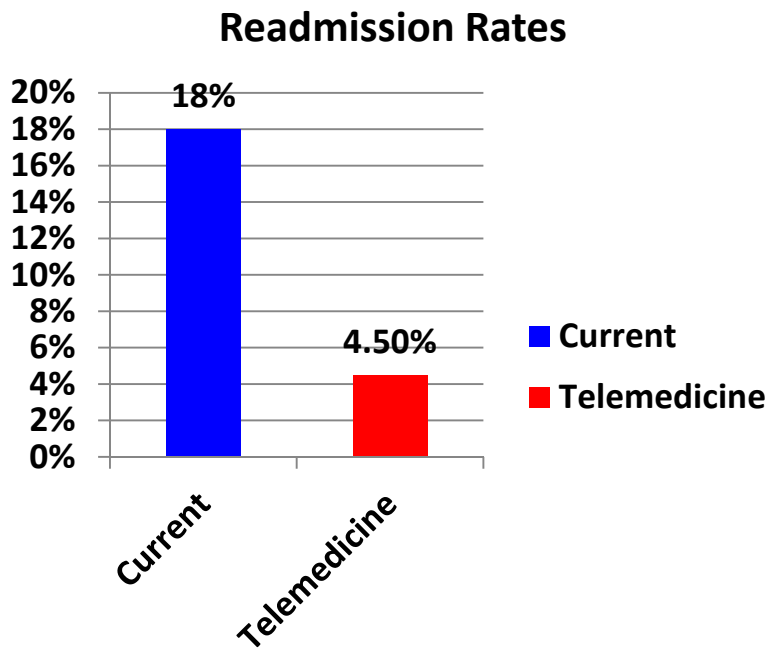
Provide Distant Specialist Care on Existing Network Now and Future

No Up Front Costs To Hospital from Vendors
Hospital is Re-Seller With Low Overhead

24/7 Monitoring of Patients

Reimbursement Rates in California are Excellent

Why would ACO's RPM Telemedicine When Confronting an Aging Population?



**Better and Faster
Medical Outcomes**

**Savings of 30% or
More on the cost
of Chronic Care
Members.**



National Healthcare \$3 Trillion In 2014

Cost of Care for People 65-85 Aging in California*

2013 – 5,250,000 - \$ 101 Billion
2020 - 6,353,000 (21%) - \$ 188 Billion (86%)
2030 - 8,836,000 (39%) - \$ 419 Billion (122%)*

It is estimated that by 2016,
72% of All Healthcare Costs will be directed
to Chronic Diseases of the Aging Population.

What will you capture of this market?

The Aging of America Means Hospitals Need to Expand Now

Option #1 - Construction

100 Double rooms
10 Single rooms
10 Acute Beds
20 Intensive Care Beds
1 Outpatient Clinics

Construction Cost \$26,803,661
Medical Equipment Costs \$25,190,416

Total Cost: **\$51,994,077 and 3 years**

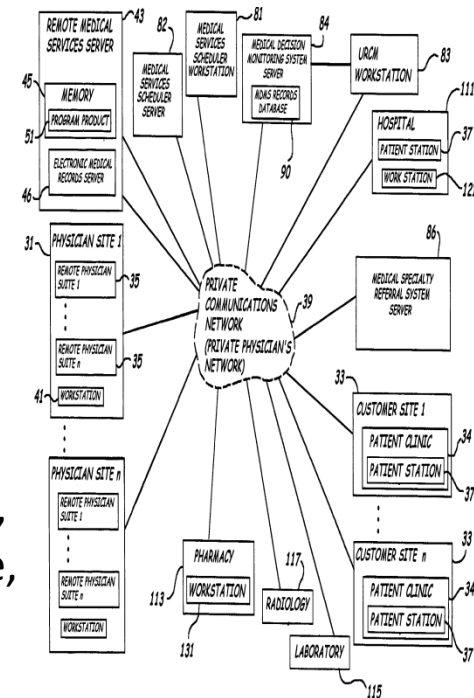


Option #2

Build an In-House Telemedicine Program To reach 50,000+ patients

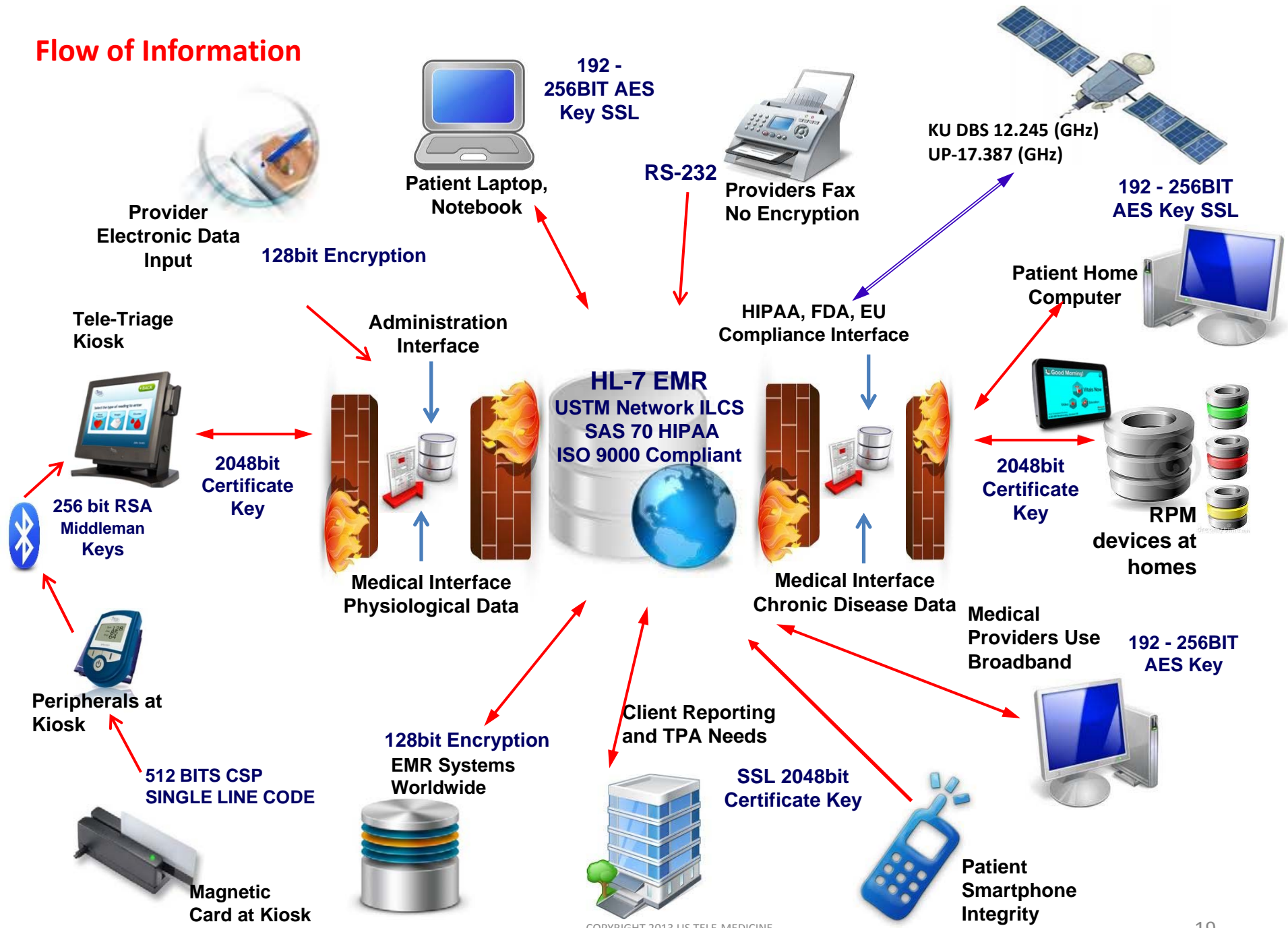
Estimated costs for :

- HL-7 EMR driven system,
- Remote vital sign collection,
- Video conferencing and TPA Integration,
- Disease management protocols,
- 24/7 Monitoring stations and Intervention Teams,
- Care coordination,
- Portability to medical devices,
- Connectivity on bandwidth, 3G – 4G WiFi configurations,
- IT server integration FDA / HIPAA Encryption Compliance,
- Staff training, support teams for technology, medical outcomes, patients and providers and more....



\$23,680,000 and 2 years

Flow of Information



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The only architecture of its kind in the USA

Option #3

Hospitals and ACO's

**Contract and Re-Sell a Turn-Key
Telemedicine Program From a
Vendor, to reach 50,000+ patients.**

Up Front Cost: \$00.00

A 200 Bed Hospital Generates
17,510 RPM Eligible Patients
of which 88% are aged 61-85+

Hospital "Leases" a full
White Label
Telemedicine Service for
\$350 PPPM* with NO Up-Front
Development Costs.

RPM SERVICES INCLUDE 2 MD CONSULTS PER MONTH

Hospital Charges Payer \$450* for 24/7 Monitoring	\$94,554,000
Hospital Charges \$150 for 2 MD Consults	\$31,518,000
Paid To Telemedicine Vendor	\$73,542,000
Annual Net To Hospital	\$52,530,000

Enough Revenue for Construction!

* National Averages

ACO's Save Significant Money

DIAGNOSED POPULATIONS - CHRONIC ILLNESS	
Number of Patients with Chronic Issues	20,000
<i>Payer Analysis of Costs</i>	
Average Specialist Visit Cost	\$300.00
Average ER visit	\$800.00
Average MD Office visit	\$125.00
Annual Health Care Cost Per Subscriber	\$19,000.00
Total Annual Budget For ACO	\$380,000,000.00
<i>Chronic Care - Disease Management</i>	
Suffer from chronic illness	50,000
Sufferers visit a MD/Hospital per Year	24
Total Visits to Medical Professional	1,200,000
<i>Analysis of the type of care provided</i>	
Total Cost for Specialist charges 75% of visits	\$270,000,000.00
Total Cost for MD Charges 15% of visits	\$22,500,000.00
Total Cost for ED Charges 10% of Visits	\$96,000,000.00
Total Cost of Chronic Care for Medical Intervention Only	\$388,500,000.00
Cost of Telemedicine Program Per Patient Per Month	\$350.00
Total Cost Telemedicine Monitoring Program	\$210,000,000.00
Savings	\$178,500,000.00
Savings to Annual Budget	46.97%

SUMMARY – TAKE AWAY

Telemedicine RPM

- ✓ **It is Available Today without huge Up-Front Costs.**
- ✓ **Produces Significant Income with Low Attributed Overheads for Hospitals.**
- ✓ **Saves significant costs for ACO's.**
- ✓ **Promotes Better and Faster Health Outcomes in Aging Patients.**
- ✓ **Allows for an Increase in Patient Base, without Costly Expansion.**
- ✓ **Immediately Reduces Re-Admission Rates.**
- ✓ **Extends the Reach to Retirement Communities across California.**
- ✓ **Rebalances Overutilization of Expensive Staff.**
- ✓ **It is the Desired Method of Care by almost all Seniors.**
- ✓ **Provide New Services with Remote Specialty Care.**

**Can Actually Save The Healthcare System by
Reducing Costs Associated with Aging.**



Thank you for your attention.

Jacques von Speyer