

CGM Investor & Analyst Conference 2014

Rejuvenating Health Connectivity Services

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Koblenz

10 October, 2014



HCS revenue development

EUR million

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Workflow & Decision Support (W&D)	17	23	25	23	24	25	24	25	25	
W&D software for providers	2	7	8	8	9	10	10	11	12	↑
Admin software for German payers	4	4	4	4	4	4	3	2	0	
TPA services Turkey				3	4	5	4	5	5	↑
Payer services Germany & other	11	12	13	8	8	7	7	7	7	↑
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Communication & Data (C&D)	22	24	37	37	33	29	31	29	22	
Germany	22	24	36	36	31	26	27	25	18	↓
Other countries	0	0	1	1	2	3	4	4	4	↑
Other HCS (incl. ISP)	8	13	14	13	13	10	11	10	11	↑
Total HCS	47	61	75	72	69	64	66	64	58	↑
y-o-y growth		30%	24%	-4%	-4%	-8%	3%	-2%	-10%	

HCS mission



Harvard Business Review
THE MAGAZINE | BLOGS | VIDEOS
Guest | Subscribe today

Hot Topics: Health Data

A disconnected healthcare system adds to costs

PHARMA & HEALTHCARE | 12/12/2013 @ 3:49PM | 1,889 views

Healthcare Innovation Not Just About Cutting Costs

PHARMA & HEALTHCARE | 12/12/2013 @ 11:50AM | 6,059 views

Why Innovation In Health Care Is So Hard

by Regina E. Herzlinger

Hot Topics: Health Data

Fixing the 'disconnect' in health care

November 13, 2013 9:00 am by Lea M. Sims | 0 Comments

PHARMA & HEALTHCARE

The Shocking Truth About Medication Errors

PHARMA & HEALTHCARE | 12/12/2013 @ 11:50AM | 6,059 views

Meeting New Challenges in Improving Medication Safety

February 24, 2011

H&H Daily RSS

More

INNOVATION

Cures for an Industry Crisis: Big Pharma Scrambles to Find New Ways to Develop Drugs Faster

by James Greising

CLINICAL/ MEDICAL RESEARCH

Patient Recruitment: The Most Recognized Silent Driver of Clinical Development Costs

Medical errors kill hundreds of thousands each year



Unique position of CGM



Market penetration

- Over 200,000 GPs use software from CGM - on average for six hours per day

Acceptance

- At the moment of a medical decision, the software becomes a treasured advisor
 - individually for every patient
 - based on most current medical and scientific knowledge

Next generation HCS products

Workflow & Decision Support

- **SAM for compliance programs**
- CGM LIFE for health insurance membership services

Communication & Data

- Medical value communication
- eDetailing
- Clinical research support

SAM for compliance programs in USA

CUSTOMERS

- Accountable Care Organizations (ACOs)
- Patient-Centered Medical Home (PCMH)
- Affordable Care Act 2006

CGM OFFERING

- Portals for providers, patients and payers
- Reporting for entire patient population to meet quality requirements

BUSINESS MODEL

- Pay-for-performance for enrollment and compliance (fee per patient per month)
- EHR to participating physicians (derived revenue)

STATUS

- Contract with Managed Care Organization in Oregon
- Running pilots in 2 counties (up to ~15,000 patients)

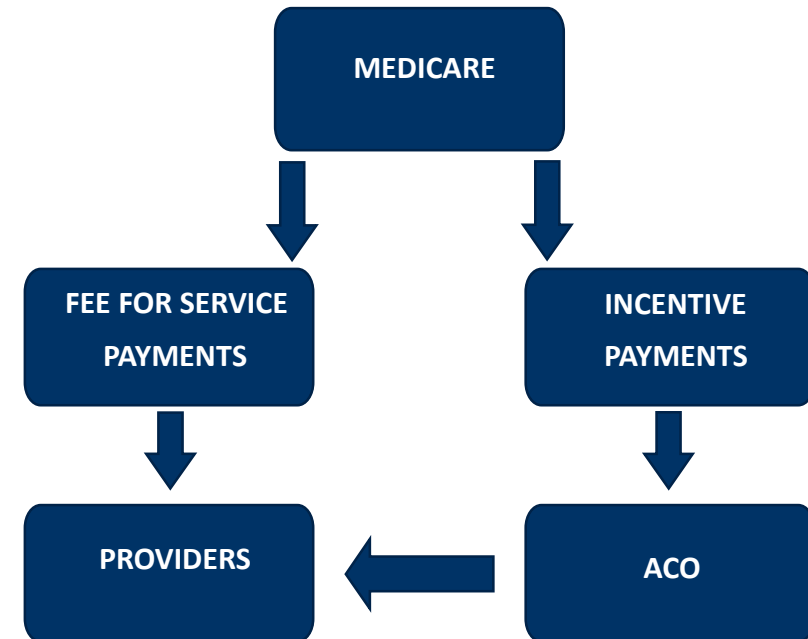
SAM in Germany – challenges for breakthrough



- §140a-d integrated care start-up financing (“Anschubfinanzierung”) 2004-2008
- § 73b family doctor gatekeeper model (“Hausarztzentrierte Versorgung”) additional compensation removed 2010
- §137f-g Disease Management Program (DMP) tariffs drastically reduced in 2007 and further reduced in 2011

SAM for compliance programs – Incentive structures in the US

- **Patient Protection and Affordable Care Act 2010 (“Obamacare”)**: aims to reduce health care costs by encouraging health care providers to form networks which coordinate patient care
- **Prio 1 Target Customers:**
 - >450 ACOs (Accountable Care Organizations), today serving est. 15-20 percent of U.S. population
 - **Eligible for bonuses** (for delivering care more efficiently (**avoiding hospitalizations** by meeting quality benchmarks for prevention and **carefully managing patients with chronic diseases**))
 - In the first year of the Medicare ACO program, **provider groups saved a total of \$380 million** (Source: Center for Medicare & Medicaid services), further program expansion by U.S. Department of Health expected
 - **Shared savings** for ACOs typically **~50%** of the generated savings (CMS)



SAM for compliance programs: Payers portal supports improvement of the quality of care



- **Increased attractiveness** for payers to collaborate through economic benefit & transparency
- Reduced disease-related complications & **avoidable hospital admissions**
- **Precise targeting of at-risk members** & those already diagnosed

SAM for compliance programs – Patient Portal displays relevant personal health status information



- **Schedule appointments** and send **refill requests**
- Generate **actionable insight** about patients' health
- **Personalize health goals** unique to each patient

SAM Patient Portal, quick walk through

powered by SAM Diabetes

67 You have reached 67% of your goals, that's great John!

- Chart & Journal
 - Journal
 - Blood Glucose
 - HB1Ac
 - LDL
- Messages
- Calendar
- Goal Indicator
- Medication
- My Documents

Q3 Newsletter from Medistar
Paula Olson
Dear Medistar Subscriber,
Please find our third quarter newsletter.
Our new website is ...

RX Refill Due
Fri, November 22nd 2012

Southern Ophthalmology
Mon, November 19th 2012, 9:00 AM

DIABETES JOURNAL

MORNING VALUES CAPTURED

NOON VALUES

Glucose Level: 101 mg/dl
Weight: lbs

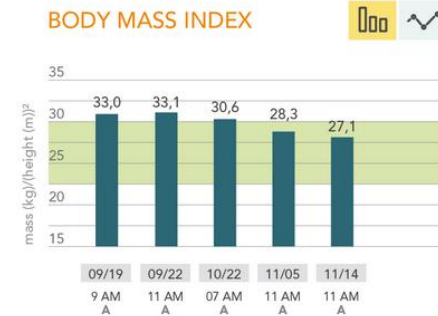
Blood Pressure Systolic: 85 mmHg
Diastolic: 138 mmHg

Evaluation Time: 11:00 AM after meal **Save**

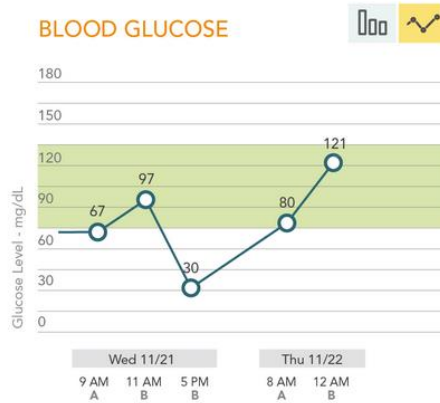
EVENING VALUES OUTSTANDING



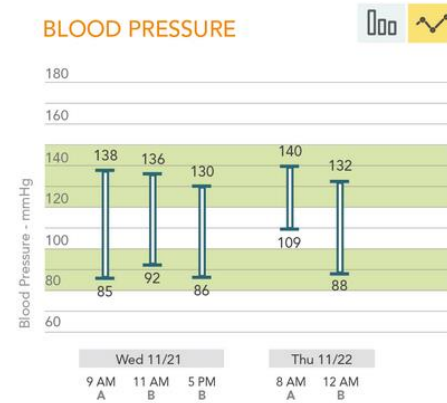
BODY MASS INDEX



BLOOD GLUCOSE



BLOOD PRESSURE



SAM for compliance programs – Provider Portal empowers improvement of disease management



- Giving access to the most critical **patient data at a glance**
- Rule-based, automated process that generates the resources providers need to **improve disease management**
- Closely **monitor patient's progress** towards defined goals and quality metrics

SAM Provider Portal, quick walk through: Dashboard

SAM DIABETES
PROFILE | ADMIN | LOG OUT

Welcome, Dr. Leiderman

Congratulations! You are now in the t

To-Do List

OVERDUE	Dave Andrew Black	Complete Enrollment	4/22/2013
OVERDUE	Clare Heart	Complete Risk Assessment	5/9/2013
OVERDUE	Sam Rosewell	Complete Enrollment	5/20/2013
This Week	Matrim Cauthon	Complete Enrollment	5/28/2013
This Week	Perrin Aybara	Complete Enrollment	5/31/2013

Patient Lookup Add New Patient

Status	Last Name	First Name	DOB	SSN	Phone
	Tessla	Nikolla	11/14/1945	***-**-2817	(602) 555-1212
	Tillton	Geanie	02/17/1957	***-**-1901	(480) 555-0989
	Turock	Larry	12/10/1967	***-**-1014	(480) 555-4125

Status: (check) Enrolled (!) Declined Enrollment (: Not at Risk)

8:15A	Tessla, Nikolla	Follow-up
8:30A	Gore, Howard	Follow-up
8:45A	McCormick, Aviel	Follow-up
9:15A	Dunn, Robert	Follow-up

Unread Messages Compose

Referral Noodleman, Emilio

Dr. Leidermal need a new referral to see a kidney specialist. 6/5/2013 3:17P

Glucose Levels Gore, Howard

Dr. Leiberman For the past 2 days my daily glucose levels have been very high - 297 & higher. 6/5/2013 10:52A

YTD Bonus

■ Practice ■ Provider

Patient Enrollment

■ Compliant ■ Non-Compliant

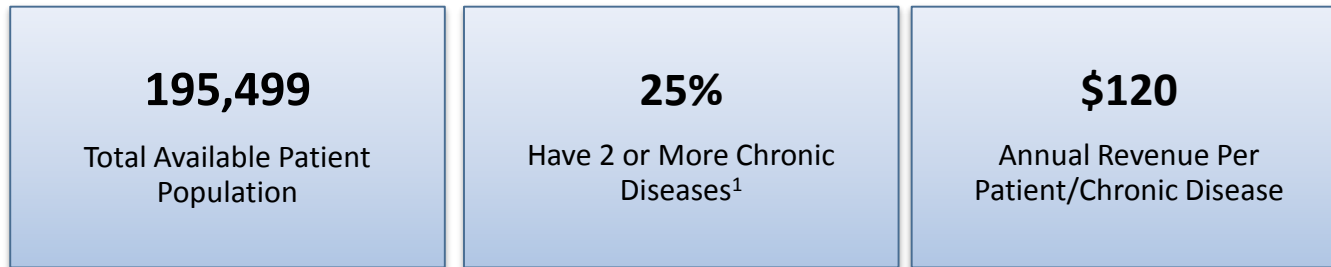
Version 0.1.4903.30759 (2013-06-05 00:05)

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SAM for compliance programs – Pilot in Oregon and Further Pipeline

- **Project with Behavioral Health Care Organization in Oregon started**
 - **15,200 potential patients (Mental Health focus)**
 - **Analytics Module: monthly fees per member per month**
 - **Enrollment of patients for mental disease management: fee per member per months for enrollment, separate bonus for compliance metrics**
 - **Larger patient enrollment expected for 2015**
- **Pipeline of ~50 opportunities, two in contract negotiation stage:**
 - **Nation-wide managed care network in Michigan**
 - **ACO in California**

SAM for compliance programs – Eastern Oregon Revenue Potential



Next generation HCS products

Workflow & Decision Support

- SAM for compliance programs
- **CGM LIFE for health insurance membership services**

Communication & Data

- Medical value communication
- eDetailing
- Clinical research support

CGM LIFE for payers – Established Technology for Online Patient Services

Facts:

- >250,000 users (mostly in Germany, >100% growth of base per year)
- > 5,000 registered physicians for eSERVICES
- Live in Germany, Austria, Italy, France, Czech Republic, United States
- Typically 20% of physician's patient pool use the service after few months

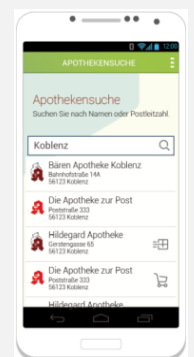
Medication record



Drug safety



Pharmacy Services



CGM LIFE eSERVICES

Onlinedienste für Patienten

CGM Life Key Konto
Angemeldet als: | Logout



Dr. med. Bernd Mayer
Zahnarzt, Parodontologie
Ärztelhaus Leipziger Str. 48
10115 Berlin, Mitte
Telefon: 030 / 125 454 893
Homepage: www.ah-leipziger.de

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Über Kalender buchen
Kostenfrei und sofort

Terminbuchung



Wege sparen
Rezepte verlängern
Schnell und online

Rezepte bestellen



Online Befundabfrage
Befunde einsehen und sichern
Immer aktuell und bequem

Befunde einsehen



Virtuell und kostenlos
Probleme, Fragen, Anliegen
SIE fragen - WIR antworten

Sprechstunde



Appointments Prescriptions Findings Dialogue



CGM LIFE for payers – Objectives and Use cases

Strategic objectives of payers

Reduce treatment cost

- Avoid hospitalizations
- Select providers
- Increase compliance

Appointment booking

Reduce medication cost

- Influence choice
- Avoid over-usage
- Enable tracking

Chronic disease management

Provider search

Excel in patient services

- Improve convenience
- Provide guidance
- Preserve exclusivity

Prescription management

Drug management & safety

Expand service portfolio

- Manage care
- Serve smaller payers
- Monetize expertise

Invoice management

Eligibility checks

CGM LIFE Solution Portfolio


CGM LIFE for payers – Example applications for the end user




myEmergency
Health Record, Careservice
Document safe, SOS button



myMedication
Medication management,
Adherence, Drug Safety



myDoctor
Provider search, Appoint-
ment booking, Prescrip-
tions, Findings



myPharmacy
Pharmacy and Drug search,
Order function



myVitalMonitor
Vitaldaten managen mit
Gerätekopplung

CGM LIFE for payers – Milestones and Business models

- **2014: Progressed discussions with payers in Germany and other European countries**
- We expect **first contracts with private and public payers in 2015** (starting with Germany and rolling out to further markets)
- **Business models:**
 - Account fees per user per month
 - Service usage fees (transaction fees per appointment/prescription etc.)
 - Pay-for-performance models (e.g., increased compliance of patients and providers alike)

Next generation HCS products

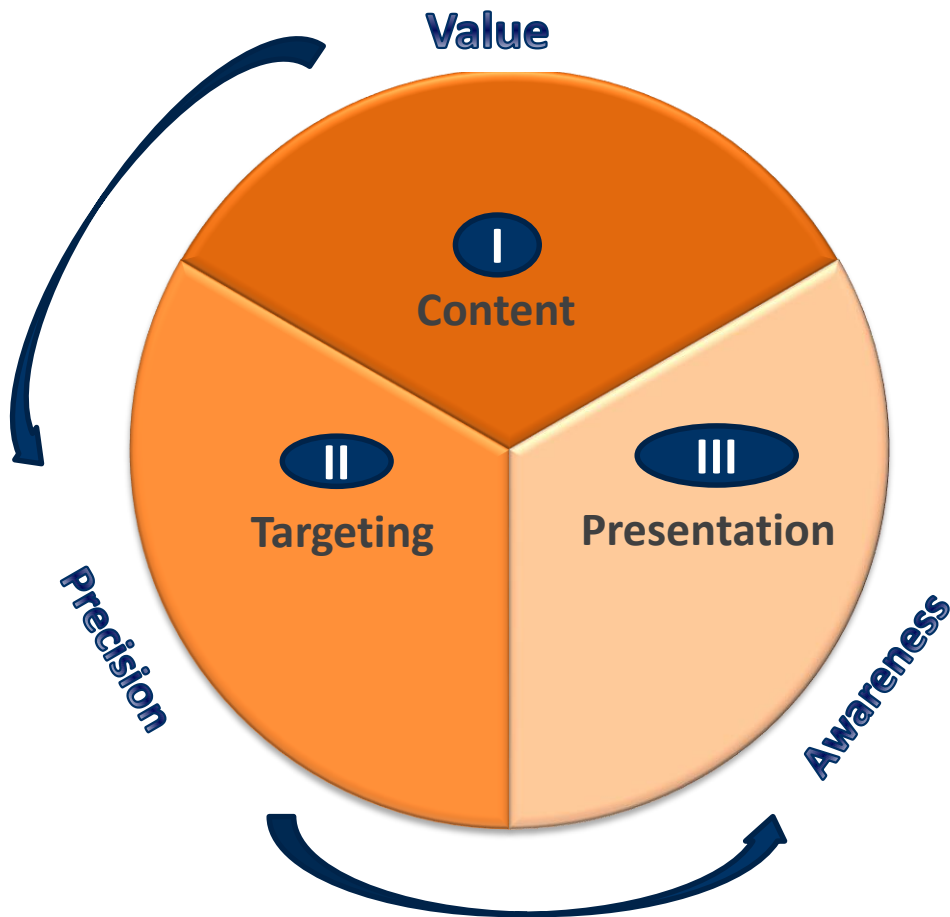
Workflow & Decision Support

- SAM for compliance programs
- CGM LIFE for health insurance membership services

Communication & Data

- **Medical value communication**
- eDetailing
- Clinical research support

Medical value communication: Governing thoughts



Our communication to providers and consumers must excel in...

- The **value** we bring through our beneficial content.
- The **precision** we have in targeting the right providers and consumers.
- The **awareness** we generate through the way of presenting the value offerings.

First project examples:

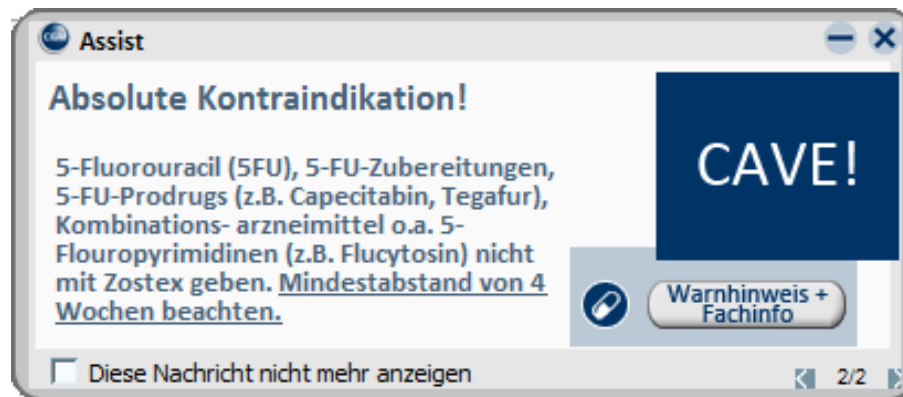
- Vaccination Reminder
- Genetic classification of patients
- Drug safety alerts
- Value tracking (for stroke risk patients)

Medical value communication: CGM ASSIST Drug Safety Alert

Customer: BERLIN-CHEMIE

Project: Warning of physician, that simultaneous prescription of FU-5 drug with Zostex can lead to serious drug-drug-interactions and hence unwanted side effects

Targeting of communication: Prescription of the named drugs for a given patient in a time frame of 4 weeks

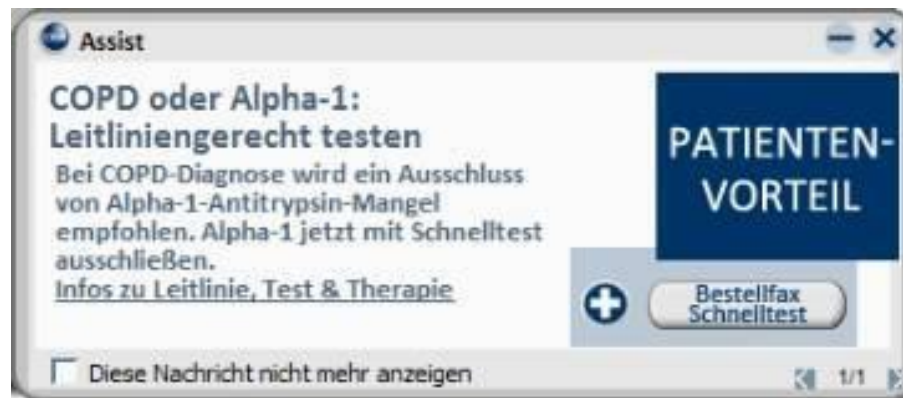


Medical value communication: CGM ASSIST Genetic Tests

Customer: GRIFOLS

Project: Identification of patients potentially affected by Alpha-1 deficiency, although having been diagnosed for COPD; Offering of free-of-charge genetic test and communication of treatment guidelines

Targeting of communication: General practitioners, internists, pneumologists, Patients below 50 years of age, Diagnosis COPD with additional diagnostic parameters (special range FEV-value)

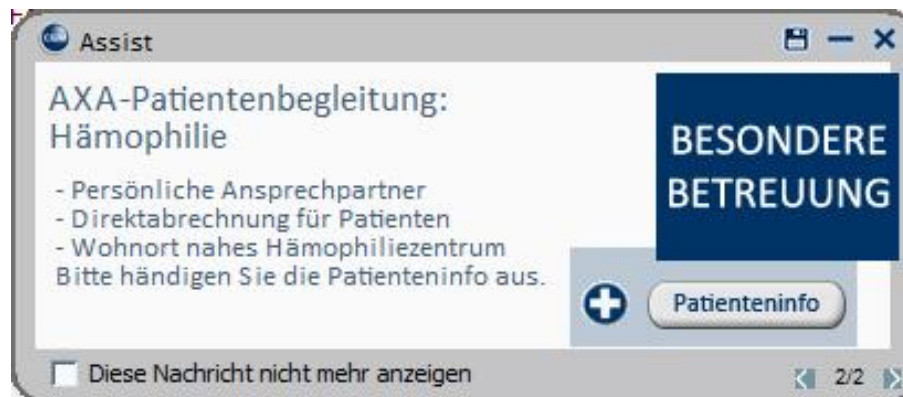


Medical value communication: CGM ASSIST Patient programs

Customer: AXA Insurance Group

Project: Indication about special and regional patient care program for rare disease hemophilia by AXA

Targeting of communication: AXA insured patients, diagnosis of hemophilia (ICD10 code)



Medical value communication: Performance-based Business Model

The business model for medical value communication consists of three parts:

- 1. One-time setup-fee (concept & development)**
- 2. Quarterly booking fee**
- 3. Performance-based remuneration: The key performance indicators are defined for each WICOM Assist campaign individually.**

Examples:

- Increase in targeted diagnoses
- Number of referrals to specialist
- Number of completed market research questionnaires
- Number of patients/physicians enrolled in market research panel
- Number of diagnostic tests ordered or conducted

Next generation HCS products

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- Medical value communication
- **eDetailing**
- Clinical research support

eDetailing: Advanced communication between physician and industry

The screenshot shows the Praxiswelt eDetailing interface. The main content area includes a personalized greeting "Guten Tag Herr Doctor" and a "Personal introduction" box. Below this is a "News" section with two articles: "Pantoprazol ratiopharm® GmbH ersetzt Pantoprazol ratiopharm® - seit 1. Oktober neue Pharmazentralnummern" and "Levetiracetam ratiopharm® Ftbl. - seit 1. Oktober auch als OP 100". A "ratiopharm" logo and "Alternativen von A-Z >>" link are also visible. At the bottom, a call-to-action says "Ihr persönlicher ratiopharm Betreuer ist nun rund um die Uhr für Sie da! Klicken Sie einfach auf mein Bild für weitere Informationen".

- **Direct channel to assigned pharmaceutical rep**
 - Contact
 - Appointment requests
 - Information about new product (forms)
- **Benefits:** Less waiting time for reps in physician office, more quality contacts
- **Pilot in Austria** (~100% online-penetration of physician customer base)
- **First customer: Ratiopharm**
- Strong market interest (Gx and Originator)



eDetailing: Business model

The business model for eDetailing consists of three parts:

1. One-time setup-fee (concept & development)
2. Quarterly booking fee
3. Performance-based remuneration: The key performance indicators are defined for each campaign individually

Examples:

- Access Frequency by doctors
- Duration of stay
- Number of Emails sent via the tool

Next generation HCS products

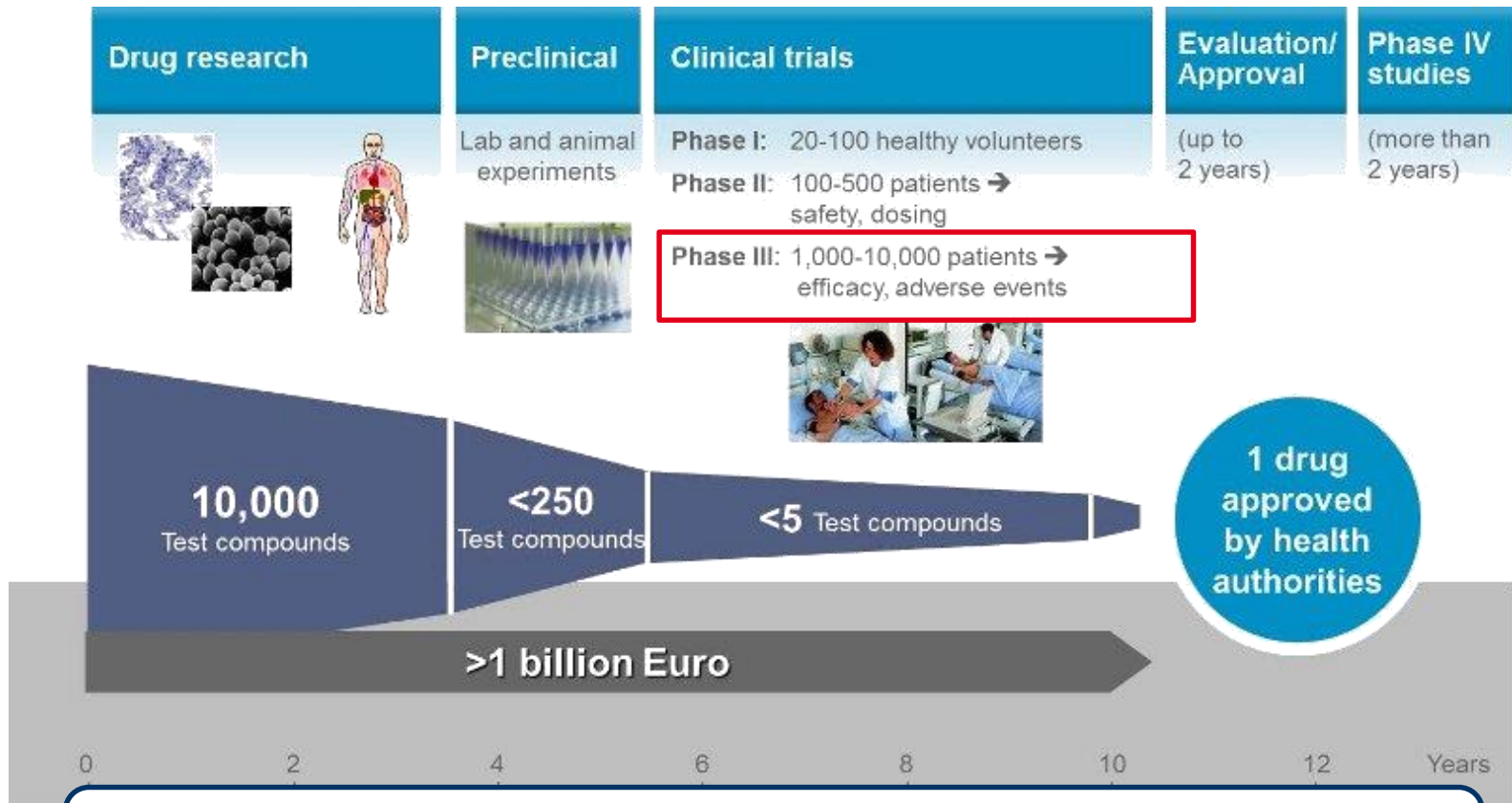
Workflow & Decision Support

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Communication & Data

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- **Clinical research support**

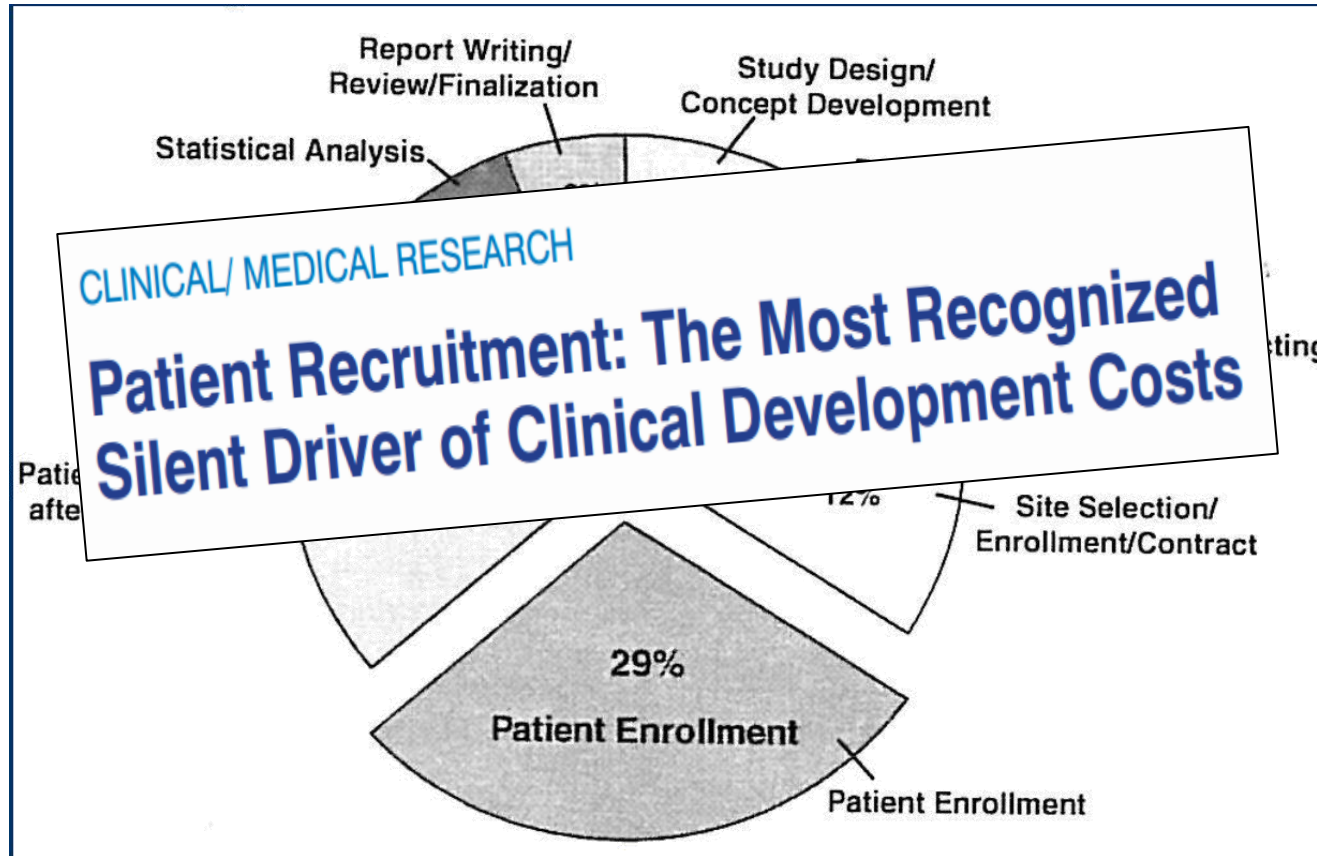
Support of clinical research: Market need



- **Our focus is on Phase III in Europe:** EUR 12 billion spent per year by the industry
- **Service areas:** Planning, Recruitment, Documentation, Risk management

Support of clinical research: Delays in Patient Recruiting cause tremendous risk and costs for the industry

Costs of clinical drug development



Almost 80% of clinical trials fail to meet enrolment timelines.

Support of clinical research: Market potential of product categories

eDC / ePRO	<ul style="list-style-type: none">• Single Source• Patient Reported Outcomes	TMP € 1,0 bn
Patient Recruitment	<ul style="list-style-type: none">• Accelerate Trial Execution• Leverage Market Reach	TMP € 1,1 bn
Predictive Study Nav / CTMS	<ul style="list-style-type: none">• Risk Control• Predict last patient in	TMP € 120 - 470 M
Study Planner	<ul style="list-style-type: none">• Feasibility / Plan Studies• Sales Tool	TMP € 210 M
Patient Pre-Screening	<ul style="list-style-type: none">• Establishing market reach• Build customer network	TMP \$56 M

Support of clinical research: Customer groups



Pharma
Sponsors

CRO -
Contract
Research
Organiz.

SMO



Site Management Organizations – Trial Sites



Support of clinical research: 2014 – Proof-of-concept

Setting the scene / First Milestones

- Pilot with able SMO in Saxony
- Confirm Price Points and Process
- Ensure legal setting and cooperation with relevant bodies
 - Ethics commissions
 - Data privacy registrar
 - Medical Chambers...
- Physicians



Service Charges

- Setup per Trial
- Amendments
- Early Termination

Risk Sharing Model / Pay for Performance

- Sponsor / CRO define qualified patients
 - Prequalified patients detected automatically by AIS
 - Manual review by GP (compensated activity)
- CGMR receives fee per qualified patient (projected range of 500-1,000 EUR per patient for most trials)

Support of clinical research: Milestones



2014 – Setting the scene and first milestones

- Customers: Individual Study Centers in Germany
 - Recruiting support for running Phase III Studies
 - Focus on metabolic therapies in primary care
-



2015 – Scaling-up in Germany and internationally

- Customers: CRO / supported by Pharma
 - + Planning of Studies
 - + More Indications, + Secondary care
 - + Internationalization (F, I, CZ)
-

Solid underlying growth in our “Bread-and-Butter” Businesses

Business units showing >5% y-o-y revenue growth in 2014

Communication & Data

- Intermedix
 - France
 - Austria
- Ifap
 - Drug database
 - Pharmaceutical data for 3rd parties

Workflow & Decision Support

- Germany Payer and Care Management Services
 - Cardtrust
 - Medication intelligence
 - Billing Services
- Turkey Payer Services (TPA)

Thank you for your attention!

CompuGroup Medical AG

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