



Healthcare Delivery. Reimagined.

Health Net Connect, Inc.
Whitepaper
2014

1.0 The Company

Health Net Connect's (HNC) telemedicine solution offers a unique combination of HIPAA and HITECH compliant video consultations combined with the ability to capture, secure, and retrieve patient physiologies. Our primary objective is to redefine the way in which care is delivered by providing software that integrates with hardware devices to facilitate patient-doctor interactions outside the confines of the traditional care delivery model of the medical facility. Health Net Connect is a patent-pending organization, defining the medical necessities, apparatus, and services required to deliver a virtual healthcare solution.

1.1 Mission

Health Net Connect's mission is to deliver globally innovative technology in a secure, HIPAA compliant, FDA and CE registered environment. HNC excels in overcoming traditional healthcare delivery challenges through a forward thinking innovative virtual clinic approach by providing clients with a clinical grade, all-in-one, user-friendly telemedicine platform.

1.2 Professional Relationships

J & B Medical Supply Company, Inc.

- Located in Wixom, MI and sister company to Health Net Connect
- Direct distributor with over 880 manufacturers in 48 states and 29 countries
- One of FedEx Home Delivery largest customers in the United States by cubic volume
- One of the Largest Medical Supplier for 3rd party payers in the United States
- Proprietary batch EDI checks
- 6500 touch points daily with customers and services over 1 million patients annually

Dell Inc.

- #1 HIT services provider internationally, 4 consecutive years, per Gartner
- Support greater than 50% of U.S. hospitals, providing care to >90 million Americans
- Support over 500 software, medical device, and scientific instruments partners
- Help drive day-to-day operations at over 50 health plans
- Service 7 of the top 10 pharmaceutical companies

2.0 Software/Products

2.1 User Interface

Our solutions are designed to meet the needs of the patients as well as the needs of the healthcare professionals. The icons are designed to make the patient experience as easy to use as an ATM. When patients take readings at home, they simply click one of the large, easy-to-read buttons to upload their data to their healthcare professional. Their physiological data and vitals are sent to their healthcare professional from anywhere in the world to anywhere in the world in a secure HIPAA and HITECH encrypted environment, which integrates with EHRs.

2.2 Connectivity

The HNC system delivers data and video via cellular (SIM) and internet connectivity to a Web-Based Virtual Clinic/Examination room and a home or remote clinic EMR portal. This means that our system is capable of functioning anywhere in the world where a cellular signal can be captured, as well as within normal WIFI or LAN zones. The HNC Telemedicine solution provides the ability to conduct face-to-face video examinations, patient interaction, transmission of physiological data and the ability to record entire video exams for claims and second opinion consultations, all while using only a fraction of the bandwidth of a YouTube™ video (133kbps).

2.3 Products

A myriad of peripherals are available to use with our telemedicine solution; everything from a glucometer to a 12-Lead ECG Glove. All peripherals are FDA-cleared, HIPAA and HITECH-compliant and connect wirelessly (e.g., Bluetooth). These peripherals make it possible for patients to have a quality, real-time, face-to-face interaction with their clinician from the comfort of their home.



23" VideoDoc

- All-in-One Medical PC
- Touchscreen
- Perfect for physician offices and hospital settings



11" Venue Terminal

- 11" Tablet given to patients for home use
- HIPAA and HITECH compliant videoconferencing solution



Stethoscope

- Wirelessly transmits sounds remotely from patient to clinician



12-Lead ECG Glove

- Place on body for a live-streaming 12-Lead ECG
- All 12-Leads are incorporated in the glove, eliminating incorrect placements.



2 in 1 Bp/BG Monitor

- Wireless blood pressure and blood glucose device
- For measuring systolic and diastolic pressure and blood sugar



Ultrasound

- Portable, lightweight, point-of-care
- Can be used as a stand-alone unit or with a computer

3.0 Security & Technology

3.1 Security

All of our devices and products/services offer complete record retention and back-up of computerized patient data. All patient data is encrypted via a military-grade, FIPS 140-2 Level 4 standard and is stored and backed up in our secure servers. Client https login and AD login secures retrieval on clinician side. Additionally, all virtual video exams are fully capable of being recorded and stored for future reference and second opinion consultations on secure servers. If a patient is not online, all data is securely encrypted for full store/forward capability.

3.2 Delivery Build-out and Offerings

HNC offers a wide variety of product offerings and pricing models. We accommodate capital expenditure, operational expenditure, and Service Agreement models, helping our customers to achieve the best pricing plan to suit their needs.



Hardware

- Inexpensive, powerful tablets that put the hospital in the hands of individual consumers
- Continuously integrating best In-market innovative Clinical-grade peripherals that connect wirelessly (e.g., Bluetooth)



Software

- HIPAA and HITECH video conferencing environment for virtual visit paired with the software environment allows for the capture of patient data
- Cloud-based care management application & EMR with open API models to receive data that can be monitored systemically
- User-friendly care delivery model and support that capture data and enhance care management



Dell Partnership

- We partner with Dell's Healthcare and Life Sciences Services for EMR/EHRs integration
- Dell provides Data analytics, that support care management and improves outcomes
- Global support for large complex rollouts

4.0 Proof of Concepts

4.1 Home Telemedicine in Heart Failure: A Pilot Study of Integrated Telemonitoring and Virtual Provider Appointments

Shadi Idris, MD, Timothy R Larsen, DO, Wael Ghalayini, MD, George Degheim, MD, Shukri David, MD

From the Department of Internal Medicine, Section of Cardiology at Providence Hospital and Medical Center in Southfield, Michigan, USA, a congestive heart failure comparative study was conducted to examine the effectiveness of telemonitoring devices for congestive heart failure patients. The Health Net Connect system incorporated monitoring of physiologic data with regular virtual provider appointments.

Patients with NYHA II/III symptoms and left ventricular ejection fraction <35% were included. Patients were randomized into usual care and intervention groups. Usual care included standard medical therapy and regular office-based follow-up. The intervention group received standard care and a Health Net Connect telemedicine device for three months. The device allowed for daily monitoring of vital signs and weight and weekly virtual appointments. Primary outcome was all-cause and cardiac rehospitalization at three, six, and twelve months.

Results demonstrated 24 patients were enrolled; 12 usual care, 12 intervention. The control group was more likely to use tobacco, otherwise the groups were similar. There was no statistical difference in baseline clinical characteristics, laboratory characteristics, or heart failure medications. At one month, the monitored group had 1 readmission, usual care group had 7 ($p=0.03$). There was no difference at three or six months.

The Health Net Connect system integrates traditional telemedicine with virtual provider appointments. Virtual appointments empower patients to advocate for their own health by providing numerous opportunities for education and feedback. In addition to early identification of impending decompensation virtual appointments allow providers to address noncompliance – a major factor driving poor outcomes.

4.2 UAW GM / HNC Diabetic Population Management Program

The United Auto Workers/General Motors project focuses on one of the highest costing disease conditions for the UAW: diabetes. The population of the United Auto Workers (UAW) has even greater challenges with diabetes and associated co-morbidities than those in the nation's population. UAW (active and non-Medicare eligible retired) diabetics were offered to participate in this study from three different regions: Flint, Michigan; Anderson, Indiana; and Northeast Ohio. These areas are traditionally pockets of health issues for UAW members and there are coalitions in place to help coordinate care in these areas. This technology would allow for a virtual visit.

Each patient was to capture their vitals, blood pressure, blood sugar, and weight/BMI on a daily basis. For every 1% drop in HbA1C there is an \$8,600 annual savings, for every 10% drop in weight there is a \$4,000 savings in medical costs and for every 1% decrease in LDL there is a 1% decrease in CHD, which costs on average a million dollars over a lifetime.

For this demonstration project, there was a six-month aggregate decrease in HbA1C of 9.5 % and a 35% decrease in LDL. We are conservatively projecting at least \$8,600 cost savings per patient annually, \$111,600 total. In addition, there was a significant decrease in LDL, which is closely linked to decrease in costs with Coronary Heart Disease. Based on this assumption, a 35% decrease in LDL 7 out of the 16 patients will result in \$ 2,450,000.00. This project has, and currently, is demonstrating return on investment with cost savings, improved access for UAW members to their physician, improved clinical outcomes, and improved knowledge by UAW members on their disease condition.

5.0 Closing

Conclusion

The future of medicine is here. We are confident that our versatile VideoDoc™ solution will help you with your endeavors – whether that means providing more efficient, accessible care; reducing preventable hospital readmissions; or meeting patient demands. The Health Net Connect VideoDoc™ is your answer for a full-featured telemedicine device that incorporates video conferencing with a patient data center and patient monitoring devices.

We welcome any questions, comments, or concerns. We are happy to schedule demonstrations upon request.

5.1 Contact Us

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