



***Collecting Information From Patients with HF
in Time to Make a Difference***



- a•lere (əlere) *n.* 1. “to care for” or “to support” (Latin)**
- 2. a company dedicated to improving care and reducing costs for patients with chronic diseases**

Alere® Works Specifically by Providing...



What?

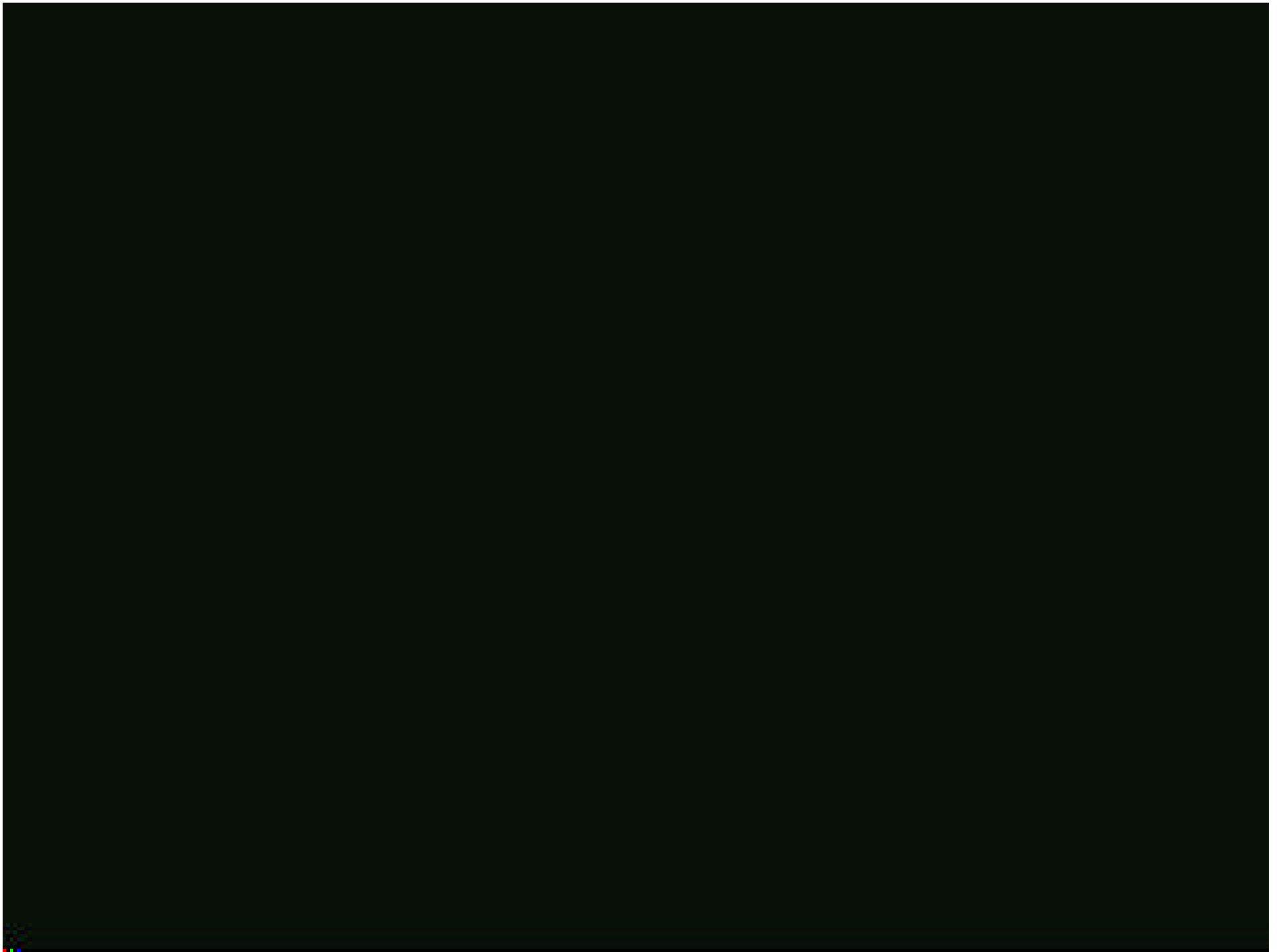
- Medical monitoring systems for patients with heart failure

How?

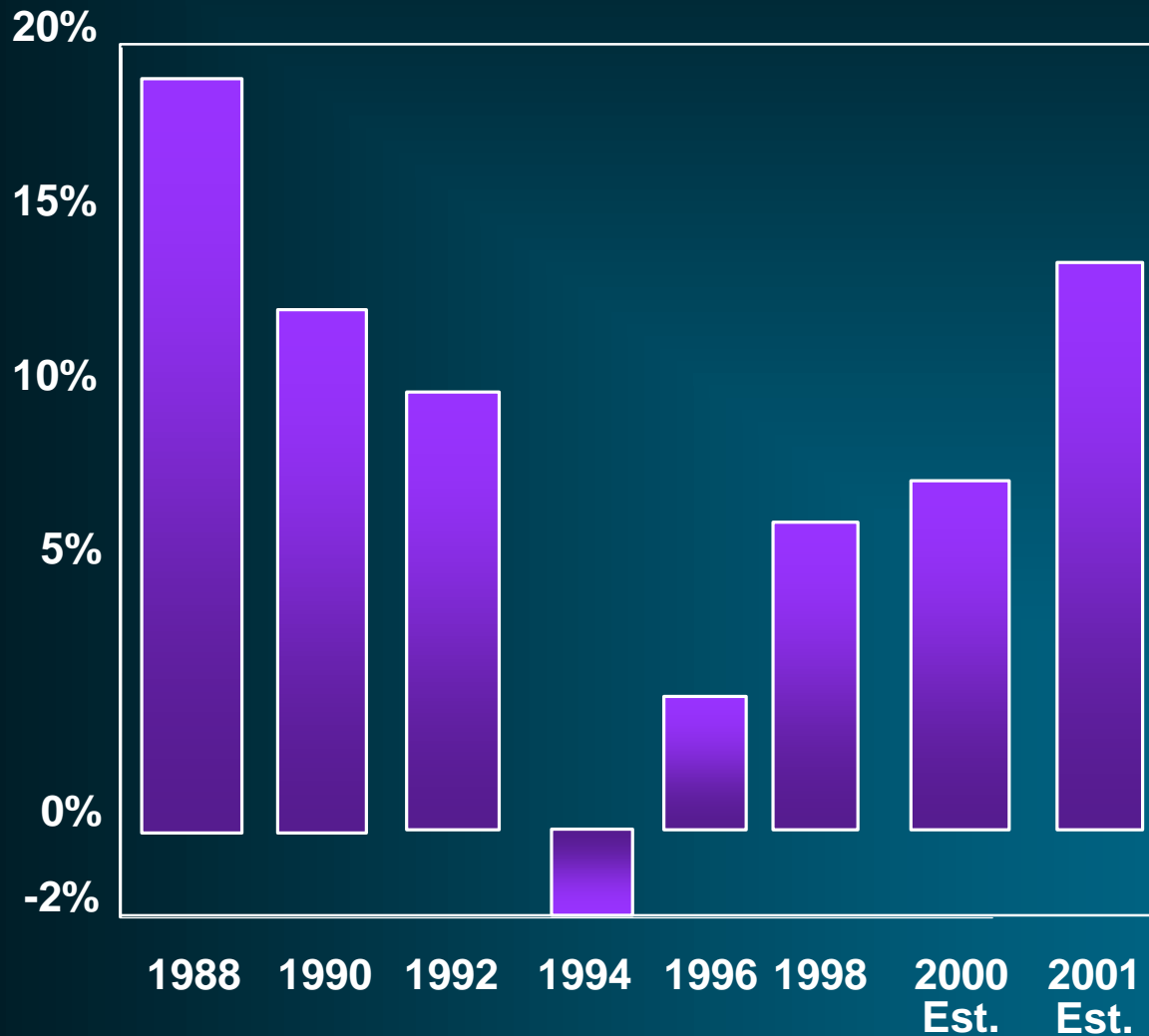
- With our *AlereNet™* system and patented *DayLink® monitor*, using telephone and Web technology, establishing remote connectivity and communication between patients, their physicians, family members and care managers.

Why?

- To reduce Heart Failure hospitalizations and related costs for managed care, hospital and IDS/IDN customers and ultimately Medicare/HCFA



Resurging Health Care Costs...



**Annual
increase in
health care
costs for public
and private
employers**

Data:

William M. Mercer inc.

AlereNet[®] system Options



➤ AlereNet[®] (Subscription/Full Service)

- Physician Communication/Patient Education
- Patient Enrollment
- Alere's Nurses
- Per Patient Per Month Fee (average \$150.00 pepm)

➤ AlereNet[®] (Hosted/ASP)

- Web Browser Access/Data Base
- Managed by Alere
- Dedicated Clinical & Systems Coordinator
- Customers nurses
- Annual Maintenance Fee + Per Patient Per Month Fee (average \$5,000 per site + \$75.00 pepm)

Alere's Demonstrated Value ...



RESULTS TO DATE WITH ALERENET SYSTEM:

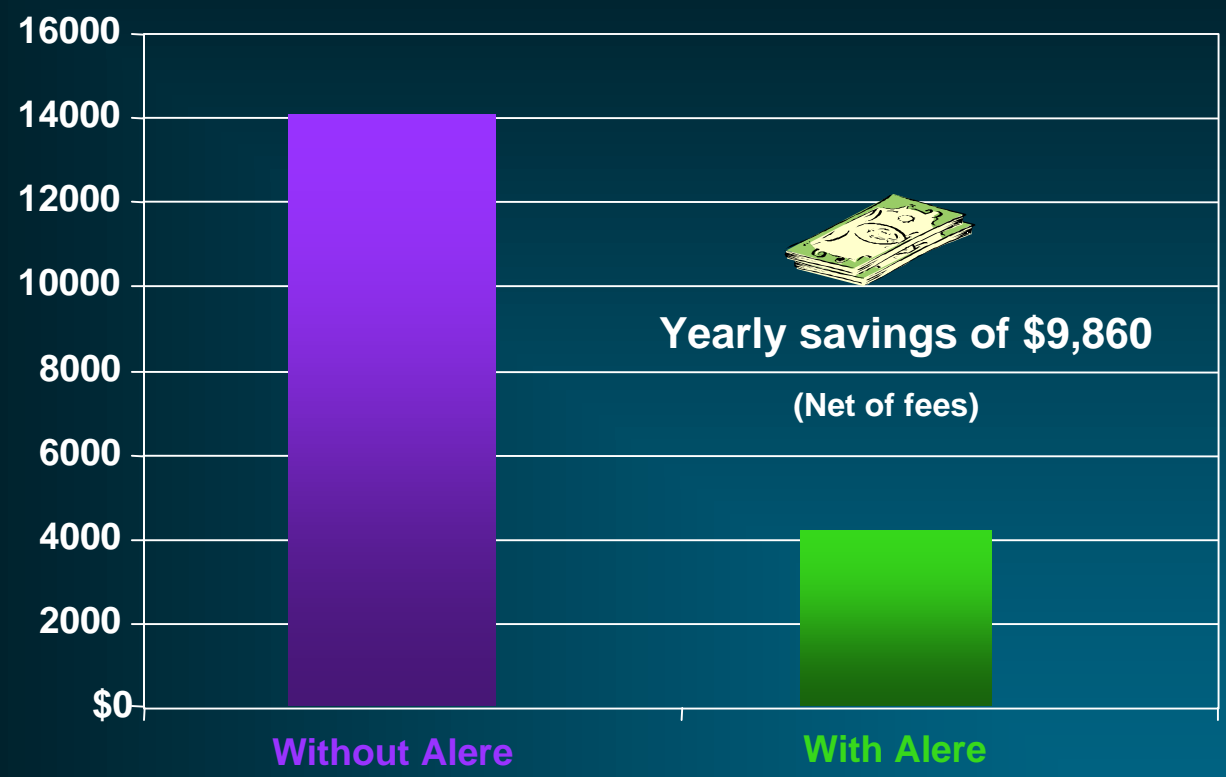
- 95% patient compliance
- .3 hospitalization rate per patient per year on average
- 100% customer retention
- NurseStation optimizes RN efficiency five fold (1:175ratio)

P Alere's system approach works!



...has a Compelling Cost-Benefit Analysis

**Class III / IV
Annual CHF
Profile**



Without Alere: Two hospitalizations / yr. @ \$7,000 per day

With Alere: Hospitalizations reduced 85% , patient compliance 95%

Alere Results Through 5/4/01



Annualized Managed Care Cost Reductions

Average Rate of HF Admissions per Patient Year	2
ALERE's Rate of HF Admissions per Patient Year	0.27
ALERE'S Reduction of HF Admissions	87%
Annual HF Admissions for 100 Enrolled Patients at Average Rate	200
Annual HF Admissions for 100 Enrolled Patients at ALERE's Rate	27
Net Reductions per Year with ALERE	173
Estimated Cost per HF Admission	\$7,000

Managed Care Cost Reductions

Per Year: \$1,211,000 Per Patient Year: \$12,110 Per Patient Month: \$1,009



HealthPartners and *Alere*[®] The HealthPartners Heart Monitor Program

Jan Wuorenma, RN, BSN
Sr. Director, Disease Management
HealthPartners
Minneapolis, MN



“Crossing the Quality Chasm” Findings

- Care does not consistently match best practice
- Care costs too much-- a minority of the population consumes the majority of resources
- It doesn't satisfy patients, their providers or their employers
- We have an aging population and chronic conditions will be more prevalent.....



HealthPartners Commitments

- Public statements developed after listening sessions with our members
- Drive directly at the issues identified in the recently “Crossing the Quality Chasm” IOM Report
-
- Available at www.healthpartners.com website



The 10 Commitments

1. HealthPartners is committed to giving you the expanded health care choices you want—in benefit levels, physician networks and care.
2. HealthPartners is committed to supporting and reinforcing your relationship with your doctor—creating quality care, not roadblocks to care.
3. HealthPartners is committed to giving you exceptional personal services—working with you to resolve your issues and provide the information you need about your benefits and your care.
4. HealthPartners is committed to making your health benefits much easier to understand and use—giving you full information about care guidelines, medical coverage criteria, benefit interpretations and medical best practices.
5. HealthPartners is committed to supporting doctor-led, systematic care improvement approaches designed to provide you with the best quality and safe care.



The 10 Commitments (*Continued*)

6. HelathPartners is committed to providing you with the information you need to help make good personal health care and doctor choices.
7. HealthPartners is committed to expanding the effectiveness, reach and personal impact of the health improvement programs you want to help you stay healthy.
8. HealthPartners is committed to using as little money as possible for plan administrative costs and profits—maximizing the percentage of your premium dollars available for your benefits and care.
9. HealthPartners is committed to continue being a valuable contributing member of the health care community—providing care to the underserved, sponsoring medical research and education, and generally improving the health of our members, patients and the community.
10. HealthPartners is committed to listening to you, to hearing what you have to say, and to directly responding to your suggestions, wants and needs.



The Potentials for Disease Management

- On the Plus side:
 - provider/care team/patient integration
 - patient-focus
 - targeted interventions based on risks
 - accountability for performance
 - financial, satisfaction, quality of life, care



If not done well,

- Carve-out models
- Dis-integration of care
- Extra complexity
- Lack of financial performance
- One-size-fits-all interventions



HealthPartners' Goals with CHF

- Improve clinical outcomes
- Enhance patient and provider satisfaction
- Improve quality of life
- Avoid preventable hospitalizations



***“Chronic Disease has
its tentacles in every
facet of a person’s
life.”***

Rhoda Levin, 1998

The Needs and Interests of Patients

Picker Institute Findings 2001



- Respecting patient's values, preferences and needs
- Information and education
- Access to care
- Emotional support
- Involvement of family and friends
- Continuity and transition
- Physical comfort
- Coordination of care



The Needs and Interests of our Providers and Care Teams



- Help me use what's available and make it easy for me to access it....
- Don't add more complexity or work--I can't add on one more thing....
- Don't penalize me for keeping patients well and out of the hospital
- Help me tie up the loose ends so that at the end of the day, I feel good that things aren't slipping through the cracks....

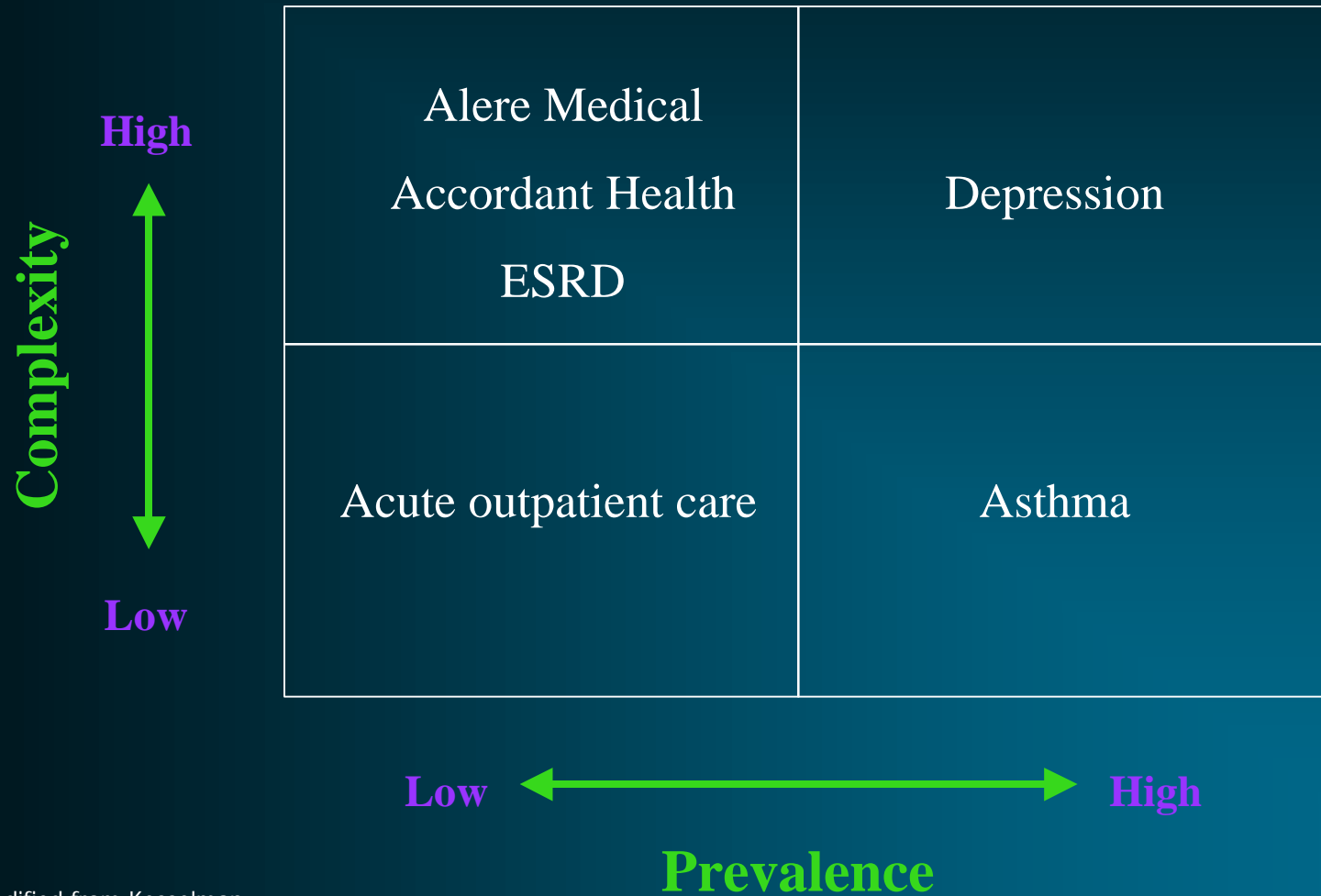


Key Congestive Heart Failure Strategies

- Risk Stratification
- Self-Management
- Daily Monitoring
- Medication Adherence
- Timely symptom management



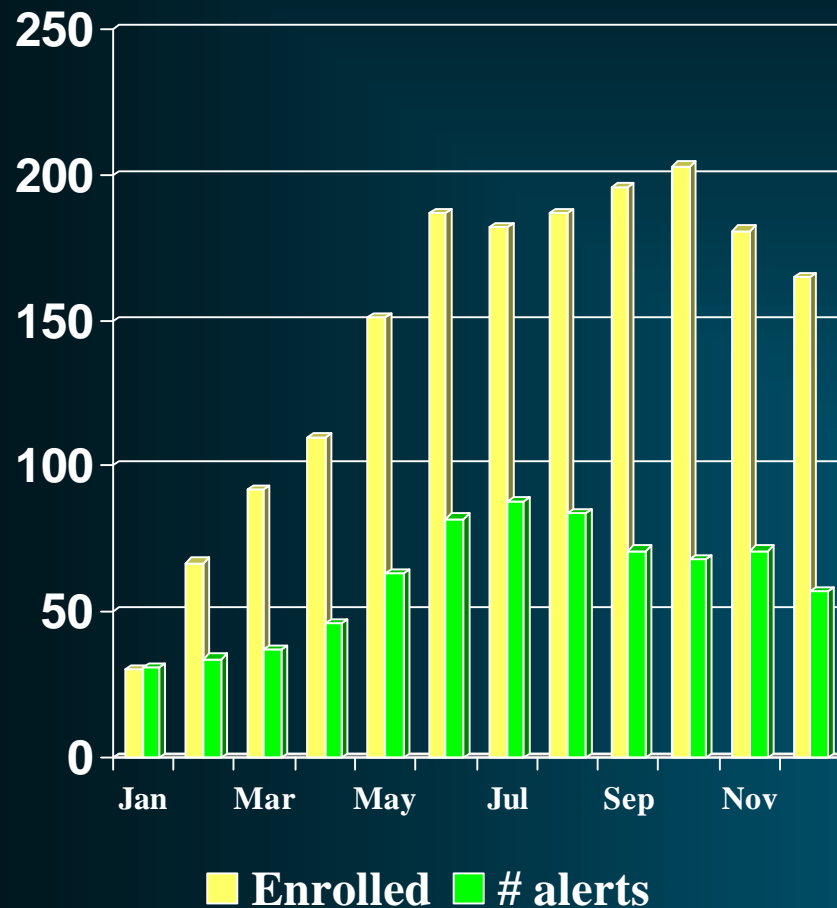
Intervention Choices with Population Management



Modified from Kesselman



Heart Monitor Program: Results

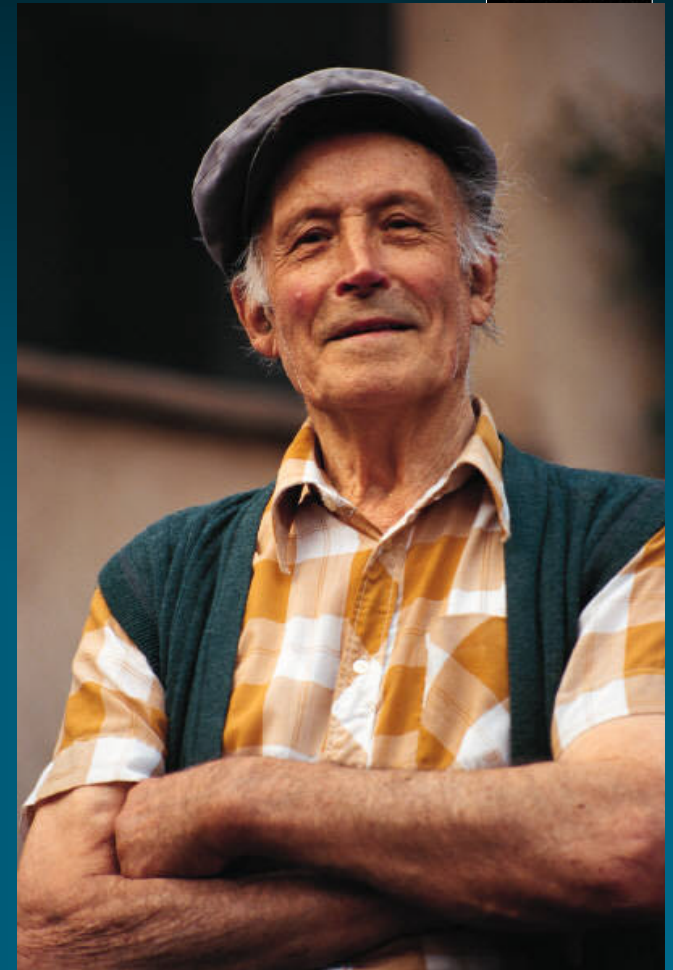


- 295+ patients enrolled to date
- Averaging 0.2 admissions per patient per year
- 30-50% generate monthly alerts
- High levels of patient satisfaction
- High levels of physician satisfaction



CHF: *I have a life to live.....*

"Since my wife died, I go hunting and fishing with my nephew--if I can't do that *and* take all these pills, life's not worth living."





Heart Monitor Results: From the Physician's Perspective



- I feel more confident that my patients are monitored daily--less worry for me
- I thought it would be more work for me--that's not the case
- Quality of care for my patients is significantly improved
- Sometimes I have trouble convincing patients to start--once they're enrolled, they're convinced--it's a safety net for them....



My dad is too nice.....





Our learnings.....

- Working with an external partner
- Patient privacy concerns and interests
- Continuously improving processes and systems
- Matching needs with services
- Involving and communicating with providers and office staff



Our Next Steps.....

- Streamline enrollment using new approach to eligible patient identification
- Continue monitoring outcomes of all types
- Explore co-morbidity management
- Continue pushing Randall and his team with our ideas!



Overcoming Physician Reservations

- ***Involve Physicians in the Selection Process***
- ***Provide Current Data***
- ***Compare 2-3 Programs, Outcomes and Projections***

Alere's Outcomes Validated by PacifiCare & Tillinghast-Towers Perrin



➤ Results:

- Alere® CHF Program Cohort Demonstrated a 61.6% reduction in All Cause Costs (IP hospitalizations and ED visits) from Control Group
- Alere® CHF Program Cohort Enrollment Rate
 - ✓ 13.9% Enrollment Rate = **173.8% ROI (Actual)**
 - ✓ 100% Enrollment Rate = 265.8% ROI (Estimated)



PacifiCare of Texas Outcomes

- *PacifiCare Health Plans Contracts with Alere*
- *Physician and Member Satisfaction*
- *86% Reduction in CHF Hospitalizations*