Corporate office
Eatontown, NJ

Founded in 1983
178 employees
Over 50,000 Patients in 11 states

Recipient of 2 Medicare Demonstration Projects

Over 15,000 physicians participating

11 Satellite offices throughout the U.S.

QMED
Interactive Heart Management
21st Century Medicare

Medicare's traditional approach, paying only for discrete visits and services, has denied many chronically ill seniors the opportunity of advances pioneered by Disease Management in coordinating care for complex conditions and chronic diseases. These programs can lead to better health outcomes and reduce total medical costs by avoiding complications and hospitalizations.

Numerous Medicare documents suggest that by “DM” Medicare implies “Care Coordination”, which is the QMed approach - an advantage for Medicare and for QMed.
Sec HHS Tommy Thompson:

- Is seeking Medicare Contractor Reform legislation to incorporate care coordination.
- Has stated publicly that progress or success in demonstrations will be the criterion for an organization obtaining a contract.

Medicare is the growth area of health care and demonstration participation is essential.
QMed & CMS Demonstrations

- MCCD 1400 CAD Patients = July ’02 start
- DM Demo 21000 CHF Patients = Mid/Late ’03 start
- Capitation Demo \((CAD+CHD+DM)\) = Potential QMed bid*

* Possibly part of multiple project bids
Medicare Coordinated Care Demonstration

- One of 15 projects awarded from more than 60 proposals
- The only CAD project in the MCCD
- QMed incorporates a modest prescription drug subsidy
- Treatment and control groups expanded for higher statistical validity upon initial full enrollment
- June 30 is the one year anniversary upon which initial evaluation will be based
- We expect to save Medicare money and to grow in the program
Coordinating Critical Elements of Care to Meet Medicare Needs

• **Docs must centrally be involved** - CMS concluded that “Non-involvement of physicians from the beginning” caused failure of a 1997 demonstration. Physician coordination is unique to QMed and the driver for our enrollment success.

• **Must have near real-time/interactive clinical information loop to impact care/costs** - QMed coordinates physicians, patients, nurses, medical records, clinical labs, pharmacy, other therapy and formulary into an interactive clinical information loop.

• **Must coordinate compliance to operate cost effectively** - The administrative information loop allows reports of compliance by patient and physician, of medical therapy efficacy, and of costs.
Coordinated via Interactive Information Loop

Claims
Lab Results
Pharmacy Use
Patient Chart Data
CMS

QMed Database
Best Practice Algorithms
Evidence Based Recommendations

Patient Compliance
Physician Compliance
QMed Clinical Loop

Data

Patient Charts
Claims
Pharmacy
Clinical Labs

Reiterate

Patient

Nurse

Database/Algorithm

Individualized Best Practice Recommendations

Family Physician
Administrative Loop

To Physicians, Nurses, Patients

Data from Clinical Loop → Reiterate → Database → Reports
Compliance (Doc & Pt) Efficacy HEDIS
Summary

- Medicare has nearly 40,000,000 members
- Medicare spends $350,000,000,000 annually
- Both are growing and reform is both needed and coming
- This is the biggest healthcare services market in the world

We believe that QMed is part of the solution because, uniquely, we coordinate all the critical elements of care. We will work with CMS on its Medicare reform project as led by the Demonstration Division and the Administrator’s Office.
FINIS