



Hospital @ Home
The Transformation of Virtual Care

2024

Reach the *Right Outcome*



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H@H: The Transformation of Virtual Care



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OUTCOME
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Market Overview

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Current Healthcare Market Overview

* US & WORLDWIDE

U.S. Healthcare Industry Overview:

U.S. Healthcare Industry Size

\$728B

U.S. 2023

7% CAGR

U.S. Healthcare Sectors



Healthcare Services & Facilities



Pharmaceuticals & Related Segments



Medical Devices, Equipment & Hospital Supplies Manufacturers



Medical Insurance, Medical Services, & Managed Care

Key U.S. Healthcare Statistics

\$4.7T

of total nationwide spending in 2023 (18% of GDP)

64%

of the healthcare revenue comes from patient care

20%

of adult Americans don't have the means to access health care

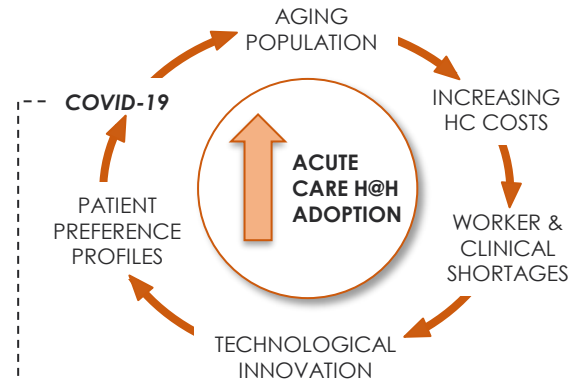
Rising health care costs for in-person hospital visits, particularly in rural areas due to travel, increases the difficulty in providing affordable, accessible & reliable care

Healthcare Is The Fastest-Growing Industry *

RISE OF ACUTE CARE HOSPITAL-AT-HOME

As consumers continue to heavily influence change, acute care in the home could be the most consumer-centric mechanism through which healthcare organizations strategically shift care delivery to attract & retain consumers in a quickly transforming healthcare landscape

DRIVERS FOR H@H



The COVID-19 pandemic required patients, healthcare providers & governments to reimagine the delivery of care at home; improving outcomes, reducing costs & changing patient experiences

BY THE NUMBERS:

1.75x

the number of seniors will need health care services in the U.S. over the next 27 years

12% (2022) to 21% (2050)

61%

of US healthcare patients have used various forms of virtual patient care in the past year; an increase from 5% pre-pandemic

>50M

in-person visits per year could be converted to virtual visits with improved patient access across varying patient segments


Despite Astronomical Healthcare Spending, Access To Care Remains A Challenge

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Addressing Further Expansion Of H@H

H@H intervention has proven to be a viable substitute for in-hospital stays for patients. Equipped with critical health data, providers can make more informed clinical decisions & deliver more efficient & effective care.



Clinician Shortages

Physicians | Nurses | Health Aides | Midwives

31%

of nurses anticipate leaving their direct patient care jobs (2022)

43%

increase in annual turnover rate among physicians in the US (2010 – 2018)


Leading Factors

Aging Population
Relative Pay
Suboptimal Mentorship
Burnout

200,000


NEW nurses a year are required to meet rising patient demands. Among support personnel, shortage of home health aides is most acute

McKinsey & Company
ORACLE CONSULTING
The Commonwealth Fund
REV CYCLE INTELLIGENCE




Technological Innovation


Rapid shift toward telehealth has accelerated the adoption of AI-enabled remote patient monitoring (RPM) & improved care delivery:



Increased patient adherence & self-management



Strong boost in clinical efficiency



Fostering of better patient outcomes

AI & ML provide more superior sensors, smaller & more portable devices & facilitate successful delivery of life-saving care to at-risk individuals in their homes

87%


&

77%

Fewer Hospitalizations*

Fewer Deaths*

PSQH
WIREs
Wiley Interdisciplinary Reviews
OXFORD ACADEMIC
KAISER PERMANENTE



Cost Reduction

Earlier detection of clinical deterioration & more timely care may reduce unnecessary emergency department (ED) visits & per-patient costs

20%

of all ER visits could potentially be avoided via virtual urgent care offerings

24%

of clinical office visits & outpatient volume could be delivered virtually

35%

of regular home health attendant services could be virtualized

\$250B

Within Medicare, Medicaid & Commercial OP, Office & Home Health spend could be shifted to virtual or near-virtual care

The New York Times
McKinsey & Company
SAGE GROWTH PARTNERS

* When compared to traditional, in-person on-site treatment

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Fundamentals Of Healthcare Are Changing:

Fundamentals Of Healthcare Are Changing:

Acceleration Of Virtual Care

12x

increase in RPM-related claims volumes since 2019, driven by growing awareness & adoption rates

>300

health systems & hospitals have launched CMS-approved Acute Care Hospital Care at Home programs since 2020

~42%

of healthcare organizations will use AI / ML to assist with patient care, monitoring, imaging & diagnostics (by 2025)

Innovative Care Model

H@H Patients Experience Better Clinical Outcomes:



H@H effectively lowers rate of mortality, delirium, sedative medication use & patient restraints; resulting in significantly better satisfaction of patient & family, less caregiver stress & better functional outcomes

Superior Value Drivers

COST SAVINGS

of 19% to 30% compared to traditional inpatient care;

FEWER LAB & DIAGNOSTIC TESTS

compared with similar patients in acute hospital care;

LOWERS LENGTH OF STAY

for applicable patients using programmatic features

ADVANCES THE QUADRUPLE AIM

of clinical quality, affordability & improved patient & provider experiences

Comprehensive Capabilities:

Desired Programmatic Offerings For Stakeholders



Ensures urgent access to hospital-based diagnostics



Provides access to hospital-level interventions at home



Experienced clinical staff in treating patients in the home environment

Select Industry Leader Landscape

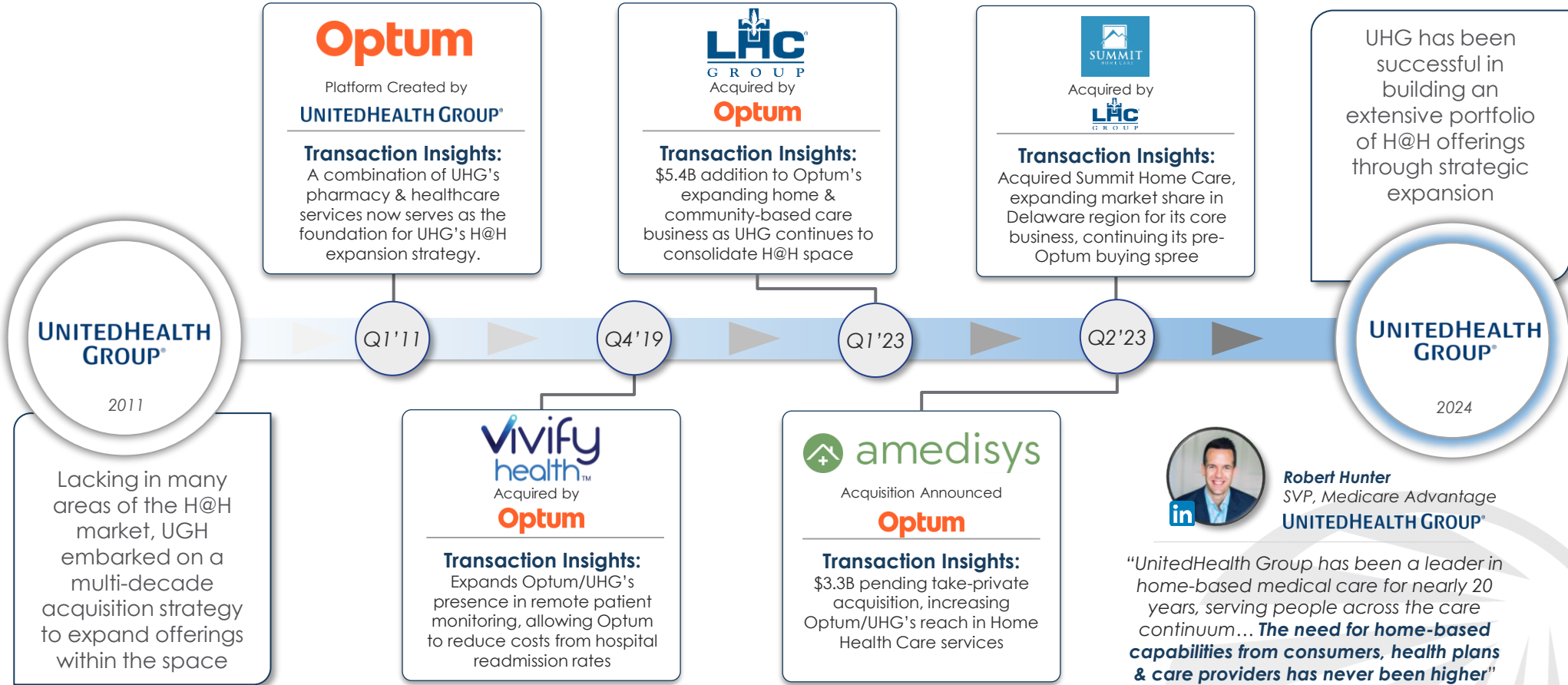


Virtual care saves both the patient's & the healthcare provider's time & cost of treatment by streamlining workflows within hospitals & clinics

Purpose-Fit Technologies Enable Hospital-At-home To Mirror The Care Patients Receive In The Hospital

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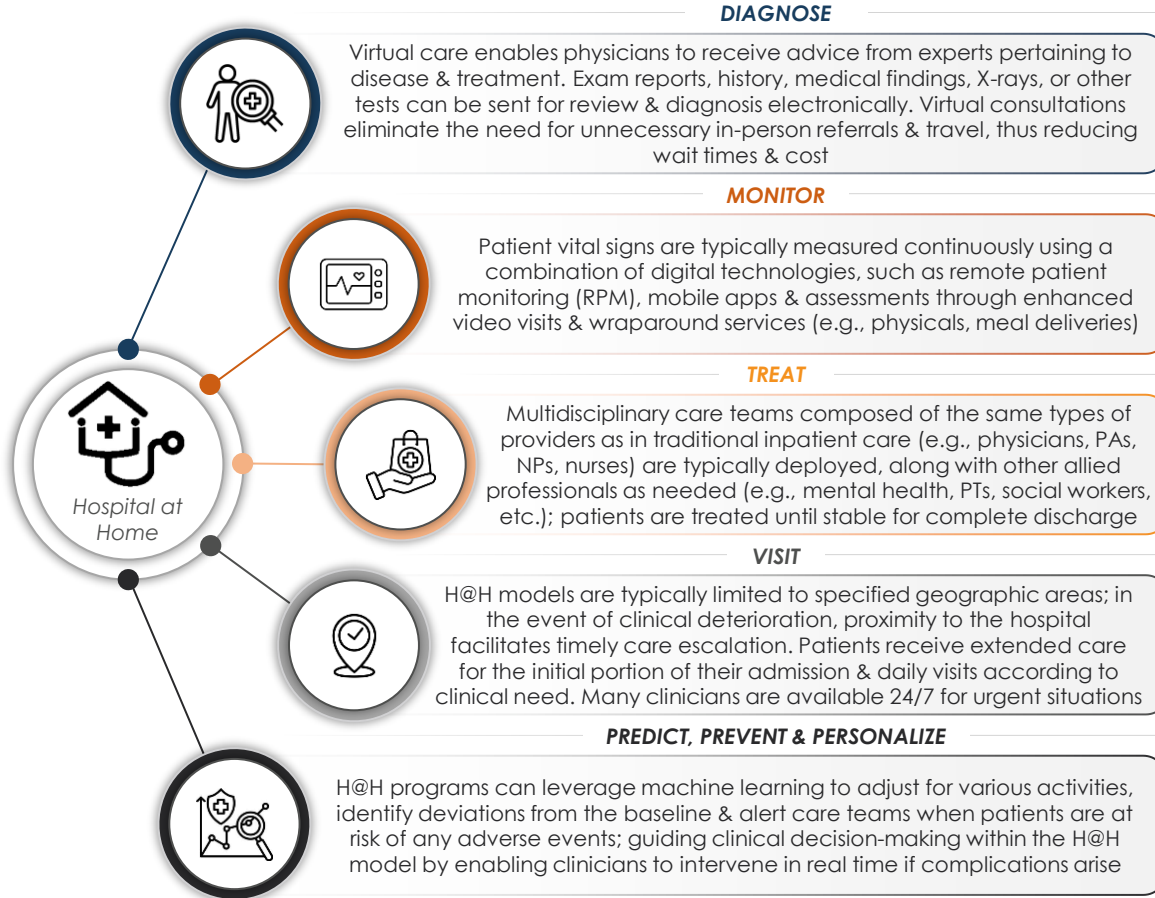
Insurance Providers Consolidate H@H Landscape



UnitedHealth Group's Aggressive Acquisition Strategy Consolidates Fragmented High-Demand H@H Services

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Virtual Patient Care Overview



The Key Elements For Success Of H@H programs:

Multidisciplinary & Connected Care Teams

Centralized virtual care delivery ensures access to specialized teams trained & focused on providing patient-by-patient care. Connected specialty physicians are critical in providing expanded continuity of care, particularly for advanced conditions requiring potential ancillary providers

A Single, Integrated, Virtual Care Platform

Smart referrals & increased data transferability support broader connectivity & interoperability across the clinical ecosystem (ensuring all member referrals, lab services, imaging & prescriptions stay in-network)

Artificial Intelligence & Machine Learning Tools

Increased automation provides clinical & administrative support to physicians & care teams to drive greater efficiency across diagnosis, monitoring & treatment, & can help to significantly improve health literacy & education & empower patients with the information & tools needed to reach their health goals

*Virtual patient care provides patients with preventive health, chronic care management, urgent care & integrated mental & behavioral health, as well as continuity of care. With backing from federal agencies, **health care organizations are continuing to rely on H@H programs** even though in-person care has largely resumed. This is mainly **due to the patient care benefits** afforded by the H@H model & its potential to help rein in costs*



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Diagnostics

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Accessibility of Diagnostic Solutions



Diagnosis

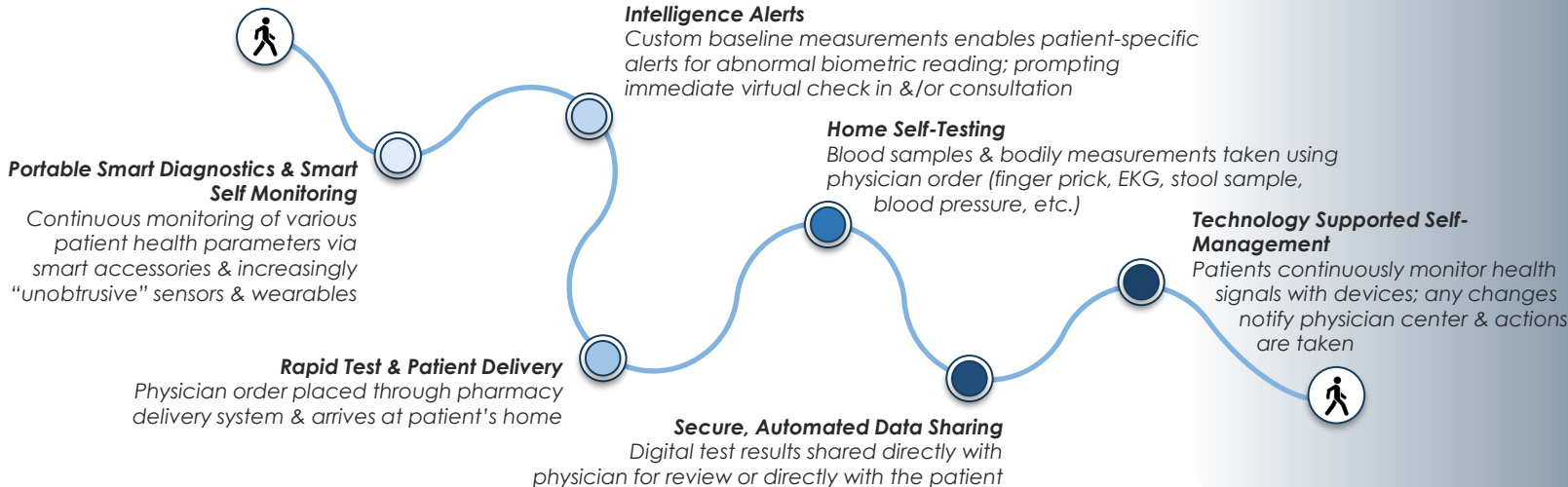
Prediction, prevention & early diagnosis will be central to the future of health & is driven by transformational, ubiquitous, proactive & disruptive diagnostic technologies. As the focus of healthcare shifts towards prevention instead of treatment, future devices will alert care teams, through real-time sensors, about potential health issues before they become symptomatic

“ I think telehealth is table stakes now... We want to basically support the provider & help them be much more insightful when they're having the patient interaction based on biometrics & lab values & based on things that are much more useful. Consumers come to us with symptoms & they want to address their symptoms, that's their pain point. Being able to offer a test & have them follow-up with a doctor, all baked into the test cost is a nice, seamless experience. ”



Liz Kwo, MD, MBA, MPH
Chief Commercial Officer
everly health

Innovations in Dx Accessibility & Integration



Comprehensive Services Include:

- Virtual Primary & Urgent Care
- Behavioral Health
- At-Home Lab Testing
- Genomics Testing
- Chronic Care Management
- Pharmacy & Care Navigation

Diagnostics & Accompanying Diagnostic Services Are Becoming More Efficient & More Tightly Integrated Into Care

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Shifting Diagnostic Paradigm

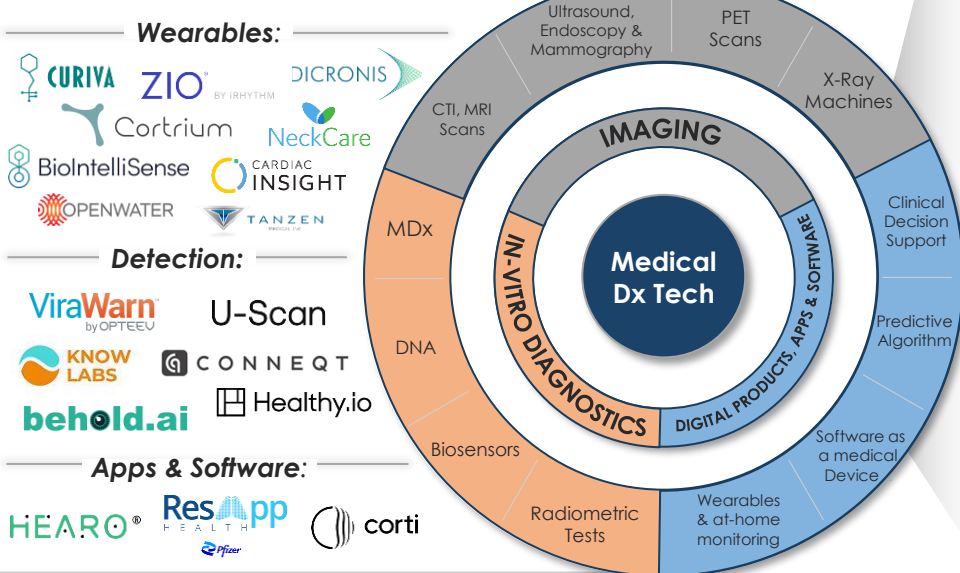


Diagnosis

A new diagnostic paradigm is emerging in which digitalization, robotization & automation are giving rise to smart laboratories & imaging systems with greater speed & lower costs. Key technological building blocks are essential for the continued transformation of virtual diagnosis & provide a stable platform on which future diagnostic technologies may be constructed

Current Diagnostic Offering Overview

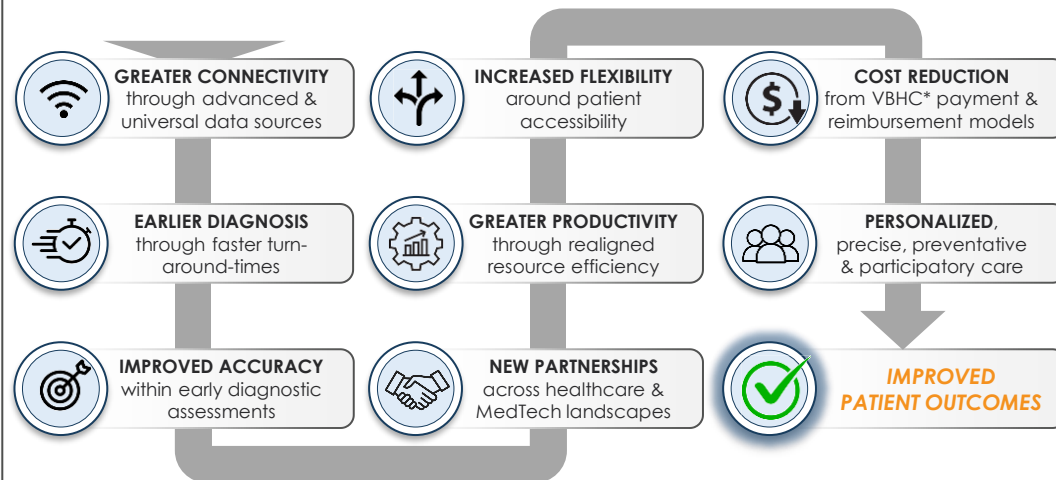
Select Emerging Players:



Key Technological Building Blocks

The capability & accuracy of smart diagnostics are increasing at a rapid rate; as a result, the diagnostics landscape is undergoing an accelerated transformation, leading to a new diagnostic paradigm:

New Diagnostic Paradigm



Internet of Medical Things (IoMT)

* Value-Based Health Care

IoMT is a network of connected medical devices, software applications, health systems & services that will help healthcare organizations streamline clinical operations & workflow management. The collection, analysis & transmission of data will enable improvements to current patient care, especially from remote locations

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Significant Technological Advancements



Diagnosis

IoMT is an automated system that **aids in bridging the gap between isolated & rural communities & the critical healthcare services** that are available in more populated & urban areas. Many technological aspects of IoMT are still being researched & developed, with the **objective of minimizing the cost & improving the performance of the overall healthcare system**

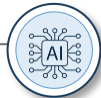
Key Industry Considerations

Internet of Medical Things (IoMT)

The health care system has received a major boost due to the significant contributions to disease prevention by enabling earlier & more efficient screening, triage, diagnosis, risk & care management & general patient support. **The ease of use of these technologies – & their “smart” & evidence-based deployment – for healthcare monitoring has been proven to reduce preventable hospital visits, stays & readmissions**

Methods of Data Collection

IoMT applications play a pivotal role in improving healthcare delivery & the ability of its key stakeholders to analyze relevant metrics across research & clinical studies, pilots, patient interventions, population health initiatives & the vast amounts of data being generated across all of the many interoperable systems, saving untold hours in the identification of effective solutions – made possible via:



AI / ML / Algorithms

Application Layer

Interpretation of data to comprehend various EMR data & monitor trends to generate decisions about diagnosis & treatment possibilities



Wireless / 5G

Gateway Layer

Short-range networks communicating & storing information through Bluetooth, Zigbee, low-power Wi-Fi or long range like cloud computing, block chain etc.



AR / VR / MR / XR*

Perception Layer

Data sources like smart objects, health monitoring devices, mobile apps that are integrated with various sensors for downstream monitoring & assessment



Digital Twins / Trial Enablement

Perception Layer

Memory analytics aids to cache large volumes of data in random access memory (RAM) format to reduce the time for data query & fasten decision-making; providing scalability & flexibility



Microfluidics

Perception Layer

Sensing systems perceive change in an environment & recognize object, location, demographics, magnitude etc. & convert the information into digital signals

* refers to the ecosystem revolving around AR, VR, MR, etc.

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Diagnostic Solutions & Associated Hurdles



Diagnosis

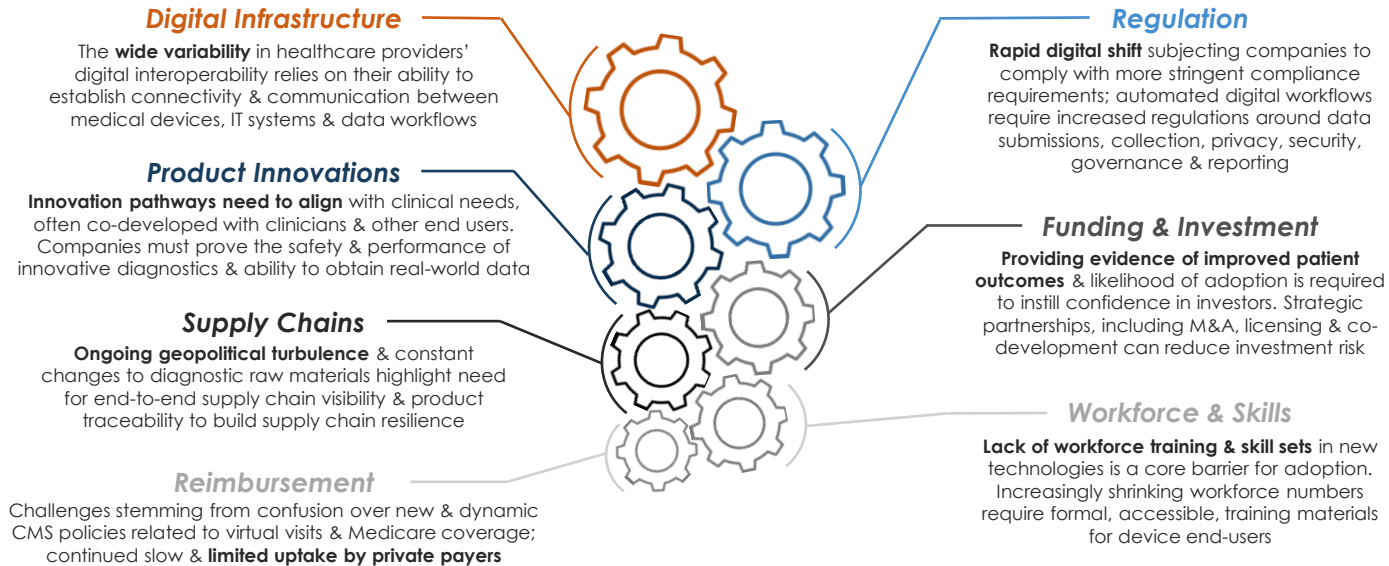
Diagnostic companies face many challenges in the design, development, funding, regulation & adoption of new products. These challenges, together with growing demands within health care & a shortage of skilled staff & other resources, have led to patient backlogs & highlight the need for radical transformation of diagnostic services. **Innovative companies continue to develop & provide new diagnostic modalities, technologies, business models & care paths**

Key Industry Considerations

Value Drivers

 Commodity Devices at Lower Costs	 Clinically Differentiated Devices	 Theranostics	 End-to-End Solutions for Specific Diseases	 Data, Analytics & Algorithms	 Smart Health Devices & Platforms
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Overarching Challenges



Significance

75% of clinical decisions are based on diagnostic tests with the goal of identifying a disease or confirming its presence. One of the main **hurdles in providing proper diagnostic care is creating an accessible network of diagnostic treatment options**

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Relevant Diagnostic Transactions



Target



Investors

Date: August 2023

Type: **Financing**

\$49M
CLOSED

Target Description: Provider of FDA-cleared remote handheld medical examination device replacing patient-physician appointments by facilitating virtual home diagnostic & physiological examinations

Transaction Insights

- Proceeds from financing will be used to continue further development solutions providing novel uses of AI in diagnostic support & remote exam assistance
- TytoCare technology addresses lagging audio-video optionality within remote health



Target



Buyer

Date: October 2022

Type: **M&A**

\$116M
CLOSED

Target Description: Developer of a mobile app that diagnoses chronic & acute respiratory diseases (asthma, pneumonia, bronchiolitis & COPD), & COVID-19, through patient recorded coughing with up to 96% accuracy

Transaction Insights

- ResApp Health's technology can integrate with telehealth platforms, emergency departments & primary care settings; strengthening H@H offerings
- Adds to Pfizer's rising digital capabilities & bolsters efforts within digital wellbeing



Target



Investors

Date: January 2022

Type: **Financing**

\$175M
CLOSED

Target Description: Operator of an integrated, diagnostic-driven, digital care platform with the support of a national clinician network (physicians, nurses, genetic counselors & member care specialists) enabling access to convenient, comprehensive health testing

Transaction Insights

- The company plans to use the funds to expand its virtual care offerings, scale its testing & infrastructure, drive clinical research & strengthen its disease management offerings within the at-home testing market



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Remote Patient Monitoring

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Monitoring Through RPM

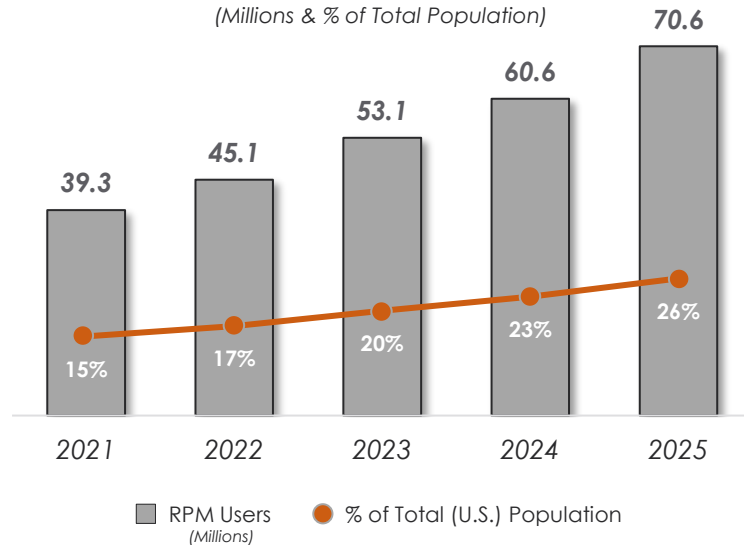


Monitor

Remote patient monitoring (RPM) is a form of virtual healthcare, delivered over a distance, usually via phone, video or wearables, in which a provider collects & monitors a patient's physiologic data remotely. This data may include a patient's heart rate, blood pressure, blood oxygen level, weight, neurological activity, or any number of other physiologic metrics

RPM Procedure Volume Growth

U.S., 2021 – 2025P
(Millions & % of Total Population)



Rapid Expansion Within RPM Service Landscape

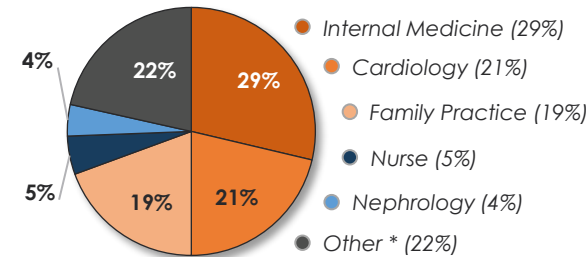
- Virtual Primary & Urgent Care
- Behavioral Health
- At-Home Lab Testing
- Genomics Testing
- Chronic Care Management
- Pharmacy & Care Navigation

Potential Of Remote Patient Monitoring

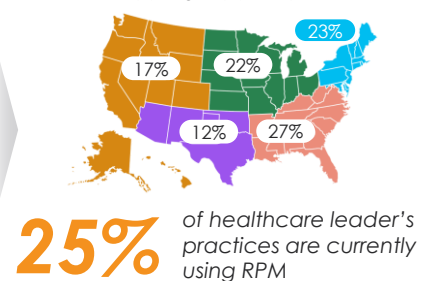
- ✓ **Enhances clinical trial recruitment & compliance** through simple, remote, transmission of health data
- ✓ **Reduces hospital readmissions** by simplifying the identification & monitoring of high-risk patients
- ✓ **Streamlines telehealth methods,** enabling a broader variety of remote services for improved patient treatments

RPM Insights

Specialties With Highest Share Of RPM-Related Claims



RPM-Related Procedures Breakdown (By Region (%), 2022)



* Emergency Medicine, Pain & Anesthesiology, General Practice, Allergy/Immunology, Psychiatry

The Benefits Of RPM Extend Beyond The Scope Of Provider-Patient Interactions & Day-To-Day Conveniences

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Accelerating RPM Adoption Through AI / ML

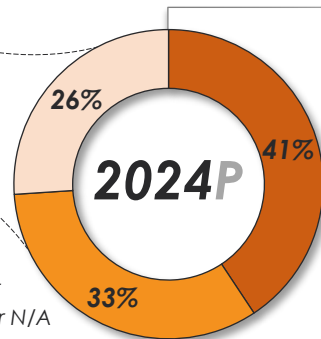
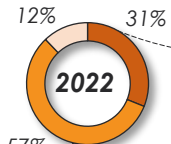


Monitor

The challenges facing RPM are systemic, indicative of a healthcare system that has yet to adapt to its own rapidly evolving technological capabilities & the shifting needs & preferences of its constituents. **Technology-enabled RPM is centered around data acquisition & securing accurate data transmission to different end-users.** Implementing AI within RPM empowers the monitoring process through the automated prediction & classification of patient data

Rapid Shift In AI/ML Usage

Share of U.S. Organizations Using AI/ML for RPM



- Currently Using AI/ML
- Not Using AI/ML
- Unsure or N/A

70%

of the leading causes of death (U.S.) can be effectively monitored via digital health solutions

86%

of U.S. health expenditures attributed to people with chronic medical or mental health conditions

Organizations able to effectively implement AI/ML will save time, money & training requirements associated with RPM

Accelerating the Adoption of RPM:

Innovative Technologies

IoMT
(Internet of Medical Things)

Responsible for interconnecting innovative wearable sensors to various monitoring networks & exchanging real-time patient data with clinicians

Cloud Computing

An essential component of continuous patient monitoring systems

Fog Computing

A decentralized virtual network combating increased threats like security, performance, latency & network breakdown

Edge Computing

Enablement of real-time monitoring with a decentralized approach for personalized care

“ AI can tie [more] different data points together than we can now ... AI can help a lot with triaging & getting the sicker patients with these red flag warning signs to their cardiologist, a new cardiologist, or someone on their cardiologist's team a lot quicker. ”



James Cireddu, MD, FACC
Medical Director & CEO



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New Methods & Modalities For RPM



Monitor

Innovative technologies are driving increased adoption of wearable sensors to monitor their activity levels. Despite its origin in simple step counting, **the market for wearable sensors is expanding into the more complex arena of health monitoring.** Robust, efficient collection of more frequent vital signs via RPM could expand patient eligibility for H@H & create a “digital health safety net” that enables high quality care. **Innovations within wearable sensor technology will continue to expand the capabilities of personal & accessible biometric data**

Disruptive Technologies Underpinning Value



Motion Sensors

Continuous & real-time feedback to monitor irregularities in respiratory & heart rates



Optical Sensors

Predictive features examine variations in blood vessel volume & associated cardiac cycles



Electrode Sensors

Continuous conversion of bio-signals through the change in current, resistance into usable data



Chemical Sensors

Clinically useful information from monitoring of bodily fluids to measure relevant biomarkers

Wearable Tech in Healthcare:



Applications Beyond Simple Biometrics

Greater Economies of Scale

✓
INCREASE
in patient eligibility

✓
REASSURANCE
of patient safety

✓
ENHANCEMENT
of operational efficiencies

✓
DECREASE
in per patient cost structure

3.5%

Robust, efficient collection of vital signs via RPM expands patient eligibility

reduction in allocated fixed costs on a per-episode basis *

Advancing digital health safety net enables high quality care



Roy Schoenberg, MD, MPH
President, Co-CEO



“ **Not only has the technology for remote patient monitoring & care automation become more advanced, but the use cases they are powering are maturing rapidly.** Still, we’ve only just begun to scratch the surface of what RPM & automated care programs can do to drive more patient-centric, value-driven care. **We can transform lives & quality of life by extending the reach of clinicians through digital technology & empowering people to live their healthiest life.** ”

* hybrid in-home & remote nurse/physician evaluations

Enhanced Sensor Integration Facilitates More Efficient & Reliable Access To Patient Health Data

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Addressing Hurdles For RPM Early Adoption



Monitor

RPM has the potential to assist H@H in achieving greater economies of scale & decreasing direct variable costs. Expanding H@H eligibility, RPM could enable H@H programs, which have traditionally operated under capacity, to care for a larger census & decrease allocated fixed costs per stay or episode. However, RPM is in its infancy in advancing the H@H model of care; **further research & experience, to inform operational & technical end-users, as well as policy considerations are needed**



*"Digital Health's hype and 'lack of ROI' has tempered investors. But **Hospital at Home** will be the true driver and proving ground of credible, impactful tech"*



David Lee Scher, MD,
FACP, FACC, FHRS, FESC
Chief Medical Officer at
SpeechMED



Major Roadblocks

Despite the explosive growth of RPM across [& its apparent value to] providers, patients & life sciences stakeholders, the technology faces resistance from widespread adoption



DATA SECURITY CONCERNS

- Ethical & legal obligation to protect patients' health data, particularly outside the hospital walls
- Security of the physical device (i.e., pacemaker) & accuracy of data transmission



FEE-FOR-SERVICE PAYMENT MODELS

- U.S. HC system uses a blend of fee-for-service & value-based-payment models
- Fewer opportunities to bill for services; less revenue
- Time & data volume restrictions associated with amended CPT* codes

* Current Procedural Terminology



INSUFFICIENT TRAINING & IT INFRASTRUCTURE

- Devices from two different device makers may be operated differently; requiring additional training to ensure accuracy & data security
- Continued need for further integration of RPM solutions within existing IT systems



LOW / UNCLEAR REIMBURSEMENT POLICIES

- Only 34 state Medicaid programs currently reimburse providers for RPM services
- Reimbursement policies vary from state to state
- Lack of certainty as to whether CMS will extend the AcH@H* program

* Acute Care Hospital-at-Home



PATIENT-SIDE TECHNOLOGY BARRIERS

- 25% of the U.S. rural population lacks access to high-speed internet
- Providers serving rural areas tend to have significant clinical, financial & operational hurdles to H@H implementation

Systemic Nature Of RPM Impediments Mandate Intervention From Innovative Organizations With Market-Based Solutions


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Relevant RPM Transactions





current health
Target




Buyer

Date: November 2021 **\$389M**
Type: M&A CLOSED


Target Description: Provider of an FDA-approved remote care management platform using AI to remotely track & analyze the patient's vitals by combining connected health devices, telehealth & patient engagement into a single solution for healthcare organizations

Transaction Insights

- Acquisition perpetuates Best Buy's larger expansion into healthcare & H@H technology
- Current Health's RPM platform enables Best Buy to create a holistic care ecosystem for customers across all their healthcare needs



Target



Buyer

Date: September 2021 **\$315M**
Type: M&A CLOSED

Target Description: Developer of a comprehensive suite of RPM solution services including, personal emergency response systems ("PERS"), vitals monitoring, medication management & data-driven patient engagement

Transaction Insights

- Accelerates Modivcare's strategy to build a holistic suite of supportive care solutions designed to deliver better at-home & reduce healthcare costs
- Significant cross-selling opportunity within Medicaid & Medicare Advantage



Target



Buyer

Date: January 2021 **\$1.2B**
Type: M&A CLOSED

Target Description: Developer of wearable cardiac health devices which are connected to a fully-integrated, cloud-based, platform providing insights for improved clinical diagnoses & more effective at-risk RPM

Transaction Insights

- Expands Boston Scientific's ambulatory electrocardiography presence within diagnostic offerings & compliments implantable cardiac monitor products
- Preventice's product portfolio is designed to enhance physician efficiency & experience



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Patient Treatments

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Patient Treatment Journey



Treat

Patients with rare & difficult to detect diseases are often diagnosed late, resulting in increased rates of hospitalization & readmission. Inadequate early warnings are due in part to a lack of or inefficient deployments of RPM technology. Successful **virtual care disease prediction technologies have the potential to reduce the number & impact** of re-admissions for difficult to treat & rare diseases; **facilitating efficient treatment journeys & greater potential for positive outcomes**

Patient Treatment Paradigm

Existing on-site services often induce & create inconveniences for patients & providers



ON-SITE TREATMENT

requires constant travelling for both significant & insignificant medical developments; limiting addressable patient populations & reducing clinical efficiency



CLICK & MORTAR (C&M) TREATMENT

enables decreased waiting times & removes the need for unnecessary travel to an onsite location for care; decreasing or eliminating patient & provider costs

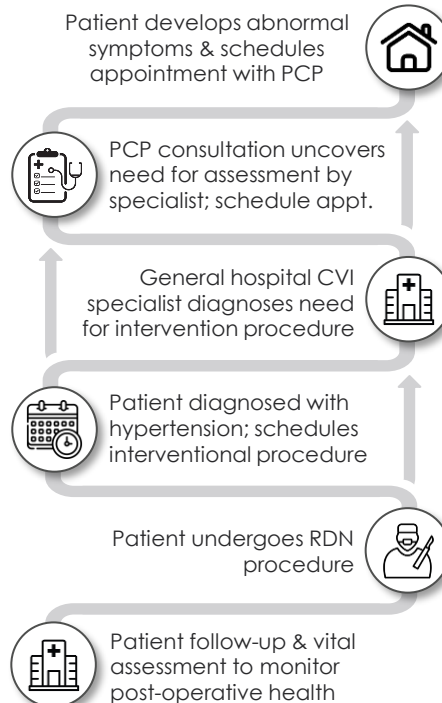


Satisfaction level in patients who have received care virtually did not decrease compared to traditional visits. Patients often expressed interest to include virtual visits in their future care plan

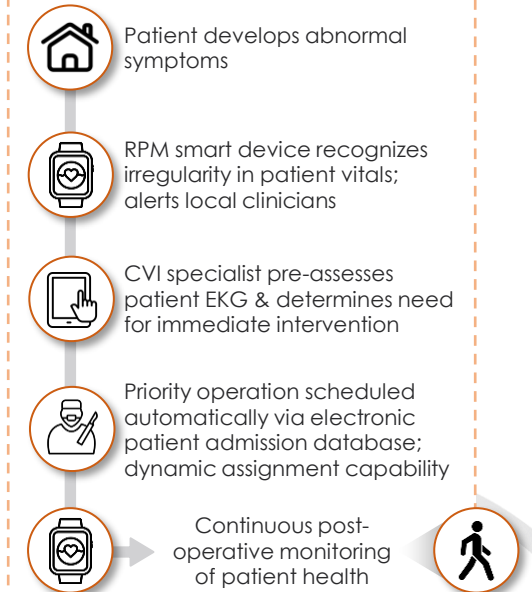
Patient Treatment Journey:

Cardiovascular Intervention

ON-SITE



CLICK & MORTAR



Widespread adoption of Click & Mortar hybrid care will deliver more reliable & efficient patient outcomes

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AI for Treatments

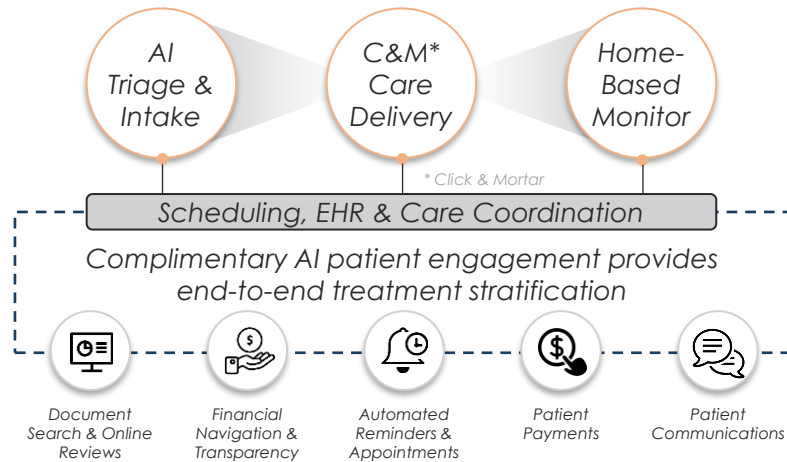


Treat

Advanced technology platforms leveraging forms of AI are well-positioned to support & increase the productivity of health care providers while improving patient outcomes with the ability to identify those at most risk. While interpretable AI has many capabilities, it does not replace human expertise & physicians are essential to building a connection with the patient. **AI can be thought of as serving as an extension of the care team, augmenting the capacity of experts to be more precise while maximizing resources**

Comprehensive Care Delivery

Leveraging Technology & Virtual Health Capabilities to provide an increasingly full-spectrum



Advanced AI Technologies Can Improve:

- Patient Outcomes
- Healthcare Related Costs
- Access to Health Care
- Accuracy of Diagnosis & Treatment
- Customization of Products
- Privacy & Security of Patient Data

AI algorithms have the capability to analyze vast amounts of patient data, including medical history, genetic makeup, lifestyle choices & other factors to develop highly personalized treatment plans



Ashok Chennuru
Global Chief Data & Insights Officer



“ AI tools can rapidly collect & synthesize relevant data & make clinical recommendations based on full available information with a methodological precision & thoroughness that humans cannot... This level of granular information allows for personalized patient care planning. ”

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Relevant Patient Treatment Transactions



98point6

Target

transcarent

Buyer

Date: March 2023

Type: **M&A**

\$100M

ANNOUNCED

Target Description: Digital primary care platform leveraging AI to automate areas of diagnosis & treatment. 98point6 collects patient information & summarizes it for a physicians, facilitating more effective uses of time & resources

Transaction Insights

- Transcarent's acquisition expands its digital health offering while gaining access to 98point6's team of physicians
- Allows for the integration of 98point6's AI platform; automating Transcarent's tasks & streamline patient treatments

KangarooHealth
THE NEXT LEAP IN HEALTHCARE INNOVATION

Target

ZEPHYR AI

Partner

Date: March 2023

Type: **Partnership**

UNDISCLOSED

CLOSED

Target Description: A healthcare technology company providing an AI-assisted turn-key RPM platform & care management services to enhance early care escalation. The platform monitors chronic conditions between visits & automatically alerts for early symptoms

Transaction Insights

- The collaboration provides clinicians with the insights to better anticipate & address the needs of their patients, deliver personalized treatment decisions & ultimately improve individual health outcomes
- Reduces total cost of care within the system

Access
TeleCare

Target

PATIENT SQUARE

Buyer

Date: April 2022

Type: **M&A** (Take-Private)

\$303M

CLOSED

Target Description: Access TeleCare (formerly SOC Telemed), is a telemedicine service provider focused on partnering with hospitals & outpatient clinics to provide remote care in areas including cardiology, neurology & infectious diseases

Transaction Insights

- All-cash public-to-private of SOC Telemed (NASDAQ: TLMD)
- Following the take-private transaction, SOC Telemed acquired Forefront Telecare, expanding its behavioral health offerings & rebranding itself to Access TeleCare



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Patient Visiting

H@H: THE TRANSFORMATION OF VIRTUAL CARE

Patient Visiting



Visit

Artificial intelligence (AI) is changing the landscape of health care practices through the improvement of patient engagement & recognized revenue potential. AI in healthcare is rapidly evolving & continues to assist with tasks traditionally performed by health care professionals, with equal, if not improved, precision. **Patients with access to the appropriate care, when & where they need it, are more likely to engage in their health actively (a positive feedback loop)**

~25%

of healthcare costs stem from administrative processes
(~\$1.13T, 2022)

Administrative Processes



Documenting Visitations & Appointments



Requesting insurance pre-authorization



Recordkeeping patient billing & payment records

Visitations & Appointments

38x

increase in the number of virtual care consultations post-COVID-19 pandemic

Telehealth Pre- vs. Post-COVID-19 Statistics

	2019	2023
% Doctor Visits	5%	21%
# Patients	14M	200M
Revenue	\$2B	\$30B

“There’s **new economies of scale ... that health care will be able to get into [by] leveraging AI...** You eliminate all the administrative redundancy & bureaucracy overhead & you allow folks to work at top of license.”



Aaron Miri, MBA
SVP, Chief Digital & Information Officer



Importance of AI in Patient Engagement:

- ✓ Lowered Administrative Costs
- ✓ Increased Business Revenue
- ✓ Better Health Outcome
- ✓ Improved Patient Experience

Adopting AI to simplify administrative tasks could help hospitals cut their total costs by 5% to 11% in the next five years, while physician groups could achieve up to 8% savings & health insurers up to 10%

H@H: THE TRANSFORMATION OF VIRTUAL CARE



AI for Patient Visiting



Visit

Providing a great patient experience includes sending appointment reminders, offering patients seamless onboarding with digital patient intake forms & having an open line of communication to let patients know how valuable they are to clinical practices. **Integrating forward-thinking AI into medical practices will not only improve patient engagement, but it will also increase top & bottom-line performance**

Adding Efficiency To Clinical Operations

The integration of AI is revolutionizing healthcare by enhancing patient care, increasing efficiency & enabling early intervention



PERSONALIZED REMINDERS:

Provide patients with real-time AI feedback for adherence plans to pre- & post-op. preparation & visits



PATIENT EMPOWERMENT:

Enables patients to take an active role in their health management through AI tools & resources for virtual visits



DATA-DRIVEN INSIGHTS:

Real-time data collection, using RPM devices, during virtual visits enables actionable physician tracking & monitoring

Cost Savings:

Improved adherence with required patient appointments / visits lead to fewer ED visits, hospitalizations, readmissions & disease-related complications, resulting in cost savings for patients, providers & payers

Necessity For Increased AI in Healthcare Today:

68%

of patients claim their healthcare providers need to improve patient interaction

Patient Preferences

Post-COVID

58%

expect digital appointment scheduling

57%

expect digital proactive communication

54%

expect digital & virtual appointments

The Future of AI in Healthcare

RESOURCE OPTIMIZATION

Predictive analytics helps healthcare providers allocate resources more efficiently by focusing on patients who need immediate attention, thus reducing healthcare costs

PATIENT-CENTRIC CARE:

High-risk patients receive personalized attention & tailored interventions, enhancing the quality of care & improving patient satisfaction

PATIENT ENGAGEMENT

AI engages patients by providing educational content, explaining the importance of medication adherence & addressing concerns or misconceptions

Healthcare providers can make **informed decisions** based on insights gleaned from AI-generated patient engagements, **leading to improved patient outcomes & reduced hospital readmissions**

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Relevant Patient Visiting Transactions



Teladoc
HEALTH

Target

Microsoft

Partner

Date: July 2023

Type: Partnership

UNDISCLOSED

CLOSED

Target Description: Teladoc Health utilizes AI to streamline clinical documentation & minimize administrative expenses. The company's platform drives superior health outcomes across the full continuum of care, at every stage in a person's health journey

Transaction Insights

- Expansion of 2021 partnership between Teladoc & Microsoft which enabled Microsoft Teams integration with company's Solo Platform
- Partnership allows Teladoc to leverage Microsoft's family of AI platforms

MDLIVE

Target

EVERNORTH

Buyer

Date: April 2021

Type: M&A

\$2.03B

CLOSED

Target Description: Provider of cloud-based, on-demand, digital healthcare services via phone & video applications enabling medical professionals & healthcare institutions to provide virtual consultations without the need for emergency room & urgent care visits

Transaction Insights

- Accelerates Evernorth & parent company, Cigna's, expansion into virtual healthcare services
- Builds on a multi-year partnership between MDLIVE & Evernorth formed to expand Evernorth's offerings in virtual care

PlushCare

Target

Accolade

Partner

Date: April 2021

Type: M&A

\$450M

CLOSED

Target Description: Provider of telehealth services focusing on primary care, online prescriptions, urgent care, mental health & weight loss. The platform connects patients to physicians trained at top 50 medical schools to receive real-time treatment & diagnostics

Transaction Insights

- Acquisition allows Accolade to break into the virtual primary care space, complementing its existing benefits advisory business
- The company received \$380M upfront with an additional \$70M in milestone payments



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Predict, Prevent & Personalize

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Predict, Prevent & Personalize Use Cases



Predict, Prevent & Personalize

The benefits of virtual care opportunities are striking for patients, doctors & hospitals. A constant increase in the number of services, tools, devices & apps that enter the market has significantly improved healthcare procedures across all medical disciplines. **COVID-19 opened the door for virtual care & digital medicine; now it's here to stay**

Broadband-Enabled Interactions



TELEMEDICINE can be defined as using telecommunications technologies to support the delivery of medical, diagnostic & treatment-related services by physicians. These include conducting diagnostic tests, closely monitoring a patient's progress after treatment & facilitating access to specialists that are not located in the same place as the patient



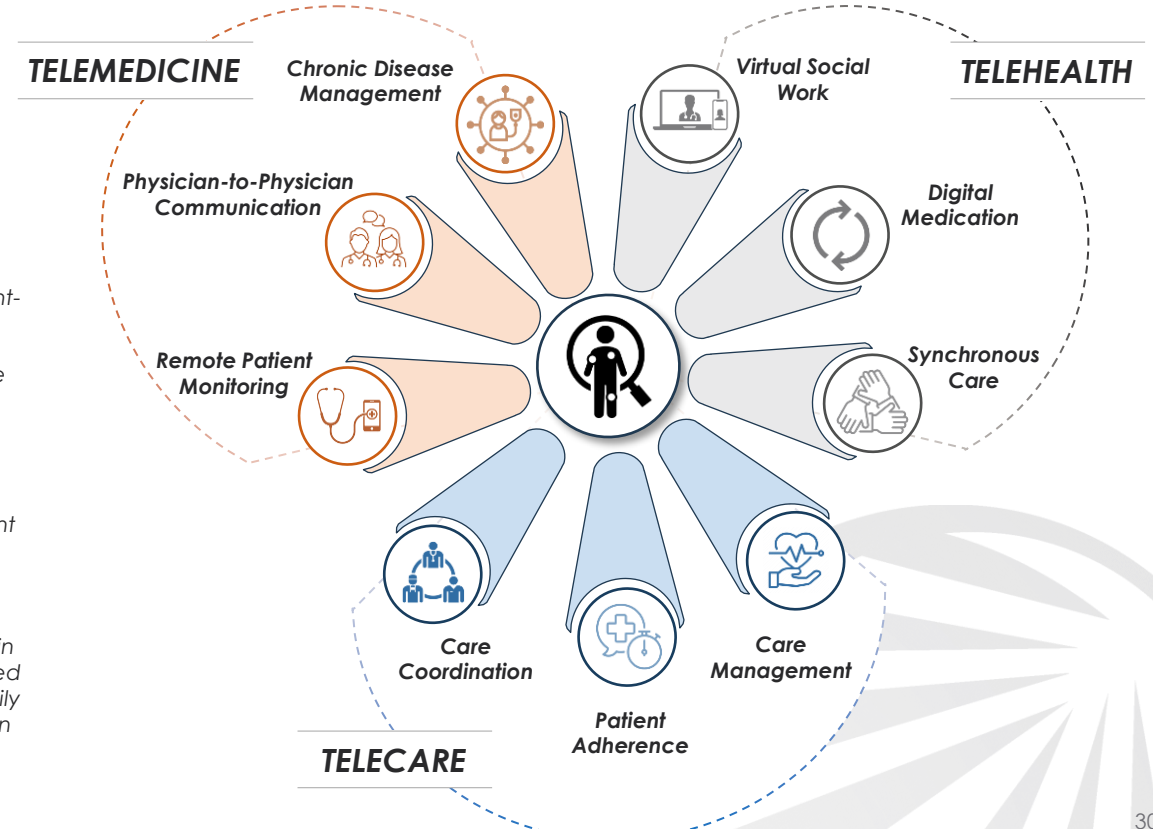
TELEHEALTH includes a wider variety of remote healthcare services beyond the doctor-patient relationship. It often involves services provided by nurses, pharmacists or social workers, who help with patient health education, social support & medication adherence



TELECARE technology allows consumers to stay safe & independent in their own homes. For example, telecare may include consumer-oriented health & fitness apps, sensors & tools that connect consumers with family members or other caregivers, exercise tracking tools, digital medication reminder systems or early warning & detection technologies

Artificial Intelligence Use Cases

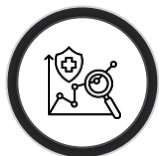
Categorical Designations & Common Applications of Virtual Care



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Predict, Prevent & Personalize Across Medical Disciplines



Predict, Prevent & Personalize

Virtual care solutions reduce costs in various medical disciplines, such as dermatology, pediatric medicine & cardiology. General expenses, like front-desk support, space for medical examination rooms & materials can also be reduced. Virtual care opportunities present a favorable add-on for hospital offerings, considering their easy implementation, financial benefits & cost reduction



Jay Parkinson, MD, MPH
CMO of Sana Benefits & CMO of Nabla;
Founder of Hello Health & Sherpaa

“ **Every second the doctor is not seeing patients is wasted time.** Doctors already spend roughly 40 percent of their day documenting & doing other administrative tasks. To waste the other 50 to 60 percent of your day traveling between patients is a 50 to 60 percent reduction in efficiency... **Doctors have always looked for new ways to gain insight into the subtle biological patterns that could help earlier diagnosis or intervention in disease.** ”

Spectrum For Virtual Care

Prediction



Remote Patient Monitoring & Diagnostics

Products that help to assess patients' state of health & wellbeing from a distance. Successful monitoring of anatomical deterioration, screening for disease risk & diagnosis of patient conditions

Prevention



Virtual & Digital Care Enablement

Software & connectivity solutions to physicians & healthcare enterprises looking to build out virtual / digital patient interaction & remote care collaboration capabilities

Personalization



Therapy, Coaching & Care Management

Online access to & facilitated interactions with remote professionals including therapists, health coaches, care managers & patient advocates providing periodic, instructive guidance through patient treatment plans



Telepharmacy

Information communications technology to connect patients with pharmacies & deliver pharmacy services from a distance; including E-Prescribing, Rx reconciliation, drug adherence monitoring & medication counseling

Ability To Provide High Level Medical Care Across Use Cases Makes Virtual Care A Permanent Fixture In Healthcare



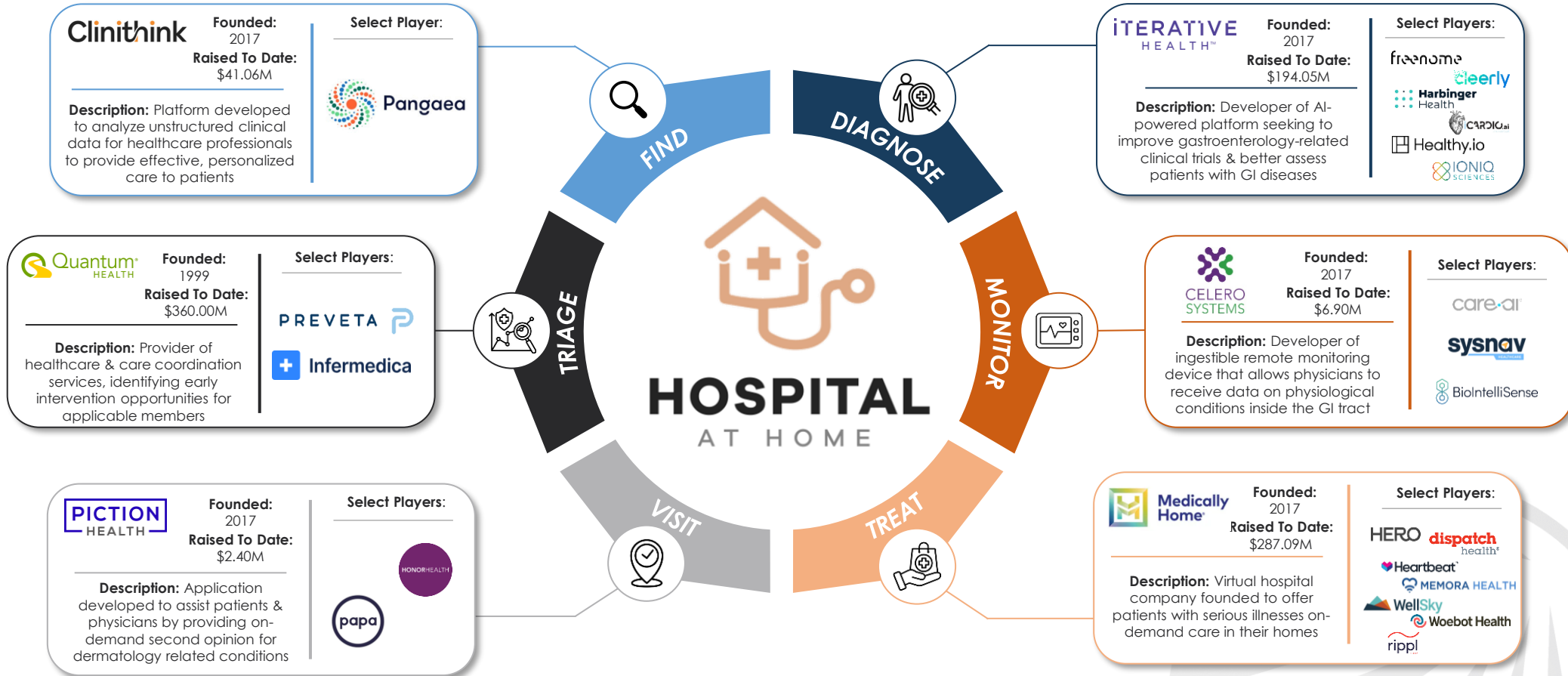
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Summary & Next Steps

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Select H@H Players: An Expansive H@H Ecosystem Across Healthcare Verticals



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2023 Year-End Takeaways & Future Segment Expectations



Creating An Intelligent Health Ecosystem (IHE)

The Impact of AI on Healthcare

The ongoing, accelerated, digital opportunity within the healthcare industry is **driven by the convergence of technological advances & a heightened demand for personalized, flexible approaches to care forms.** Breakthrough generative AI models in 2023 have opened new possibilities for the industry's future & provide **strong fundamentals for long-term growth**

Healthcare Industry Drivers



RISE OF DIGITALIZATION

across the value chain & the opportunities unlocked for more personalized & convenient health care



EMERGENCE OF NEW TECHNOLOGIES

focusing on generative artificial intelligence (GenAI) & its implications for improved operational efficiencies



CHANGING NATURE OF CUSTOMER DEMANDS

with a growing emphasis on ambulatory care & other care delivery outside the traditional institutional channels

The IHE is a blueprint for a smart, connected, personalized, patient-centered health care model for the future; built on ecosystem-wide collaboration & frictionless data sharing between parties, IHE has the capacity to deliver seamless integration of virtual & digital care channels, providing value for all stakeholders

2024 Expected High-Growth Areas



GREATER USE OF AI



MORE PERSONALIZED & PRECISE CARE



HEALTHCARE CYBERSECURITY



MORE CARE AT HOME



Outcome Insights



Karl Hess, MBA
Managing Director
Outcome Capital, LLC
Head of Digital Health Practice

"2024 will be a very telling year for the hospital at home segment, as there seems to be a growing body of evidence that proves out the potential – & real-world results – for safe & effective patient care, with lower costs (typically 30% lower), better patient experiences & a growing number of vendors & solution providers supporting & facilitating the transition to the home.

That said, it is an expensive undertaking for a health system, which means that to date, typically only large, urban systems have the wherewithal to set up & effectively manage such a program. The \$64K question, however, is whether CMS will extend the current waiver (& the fundamental basis for program reimbursement) beyond December 31ST of this year, at which time the program is currently set to expire. If it is extended (or, better yet, made permanent), then we can expect that more health systems & more solution providers will undoubtedly wade into the fray of this not new, but newly burgeoning segment of healthcare."

OUTCOME CAPITAL OVERVIEW

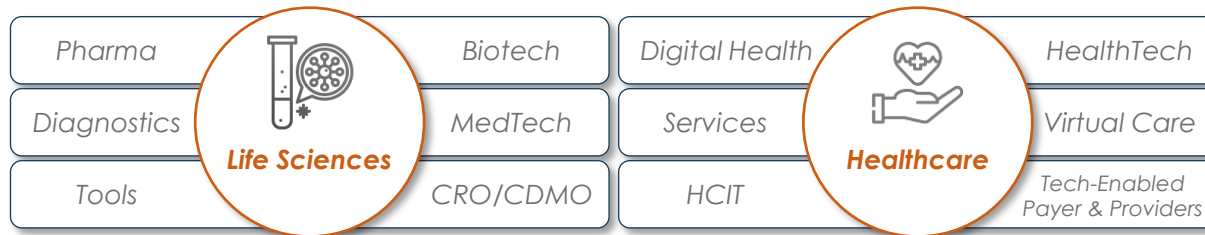
Market Insight: The Transformation of Virtual Patient Care



OUTCOME CAPITAL is a highly-specialized life sciences & healthcare-dedicated investment banking & strategic advisory firm adopting a unique market-driven, strategy-led, approach to value enhancement. Our team consists of industry veterans with broad entrepreneurial, strategic & operational expertise with deep scientific, clinical & financial expertise.



Select Industry Expertise



Strategically Focused Transactions



H@H Virtual Care Market Insight Team



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