



Better care coordination
should be this simple.

Contact: Bonni L. Kaplan
Pharos Innovations
847-790-7649
bkaplan@pharosinnovations.com

Iowa Medicaid Demonstration Finds Tel-Assurance® Remote Monitoring Platform Improved Health Status and Saved \$5 Million

Heart Failure Study Validates Use of Pharos Innovation's Proprietary, Device-Free Remote Monitoring Platform to Reduce Healthcare Utilization and Medical Costs

Northfield, IL, July 8, 2008 - Pharos Innovations, a pioneer in assisting clients to achieve next generation clinical and financial performance improvement through a device-free remote monitoring platform, announced today the results from the Iowa Medicaid Congestive Heart Failure Population Disease Management Demonstration. The demonstration, conducted between October 2006 and October 2007, confirmed that Pharos Innovations' Tel-Assurance remote monitoring platform reduced the need for costly acute care services, saving Iowa Medicaid nearly \$3 million. In addition, the demonstration confirmed an additional \$2 million costs had the interventions not been applied, for a total of \$5 million savings versus trend.

“These results represent a breakthrough in the management of complex chronic conditions,” said Dr. Randall Williams, CEO and founder of Pharos Innovations. “It proves that this new model of daily, proactive patient monitoring can demonstrate dramatically different results than traditional disease management has shown.”

The demonstration results, which were compiled by the project steering committee and validated by a comprehensive evaluation plan accepted by the Disease Management Purchasing Consortium (DMPC), the largest source of contracting assistance in disease and population management, include:

- ▲ Nearly \$3 million *savings* from reduced healthcare service utilization for the participant group, compared to a \$2 million *increase* for the matched cohort group
- ▲ 24% *reduction* in admissions, compared to a 22% *increase* for the matched cohort group
- ▲ 22% *decrease* in total bed days, compared to a 33% *increase* for the matched cohort group
- ▲ 2x increase in the size of care managers' case loads due to program efficiencies

Iowa Medicaid Enterprises (IME); the Iowa Chronic Care Consortium (ICCC), a voluntary collaboration of public, private, academic and government organizations whose purpose is to develop capacity for the state of Iowa to effectively manage the most prevalent chronic diseases affecting Iowans, and Pharos Innovations partnered for this demonstration. It was launched to evaluate the impact of Tel-Assurance, a scalable, cost-effective and proven remote monitoring platform, in reducing cost and improving quality, self-management and care coordination for Iowa Medicaid members with heart failure.

--more--

Two Northfield Plaza
Suite 201
Northfield, IL 60093
847-881-8705
Fax: 847-881-8706
800-997-3367

www.pharosinnovations.com



*Better care coordination
should be this simple.*

Iowa Medicaid Study Results – add one

“We know that involving patients in their care empowers them and encourages the adoption of healthier lifestyles and behaviors,” said Dr. Tom Kline, IME medical director. “This demonstration showed that implementing a technology-leveraged chronic care model, such as Tel-Assurance, can transform care coordination from episodic, reactive and human resource based to a daily, proactive, efficient and self-care supportive model.”

“These results indicate that a communication- and technology-based remote monitoring platform can transform care coordination, even for the challenging Medicaid population, to encourage the adoption of healthier lifestyles and produce industry-leading clinical and financial performance improvements,” added William Appelgate, Ph.D., executive director of the ICCC.

The one year study, notable for its industry best practice level methodology, used a one year baseline and compared program participants to a matched cohort group. Due to the demonstration’s success in saving money and improving care, Iowa Medicaid will extend the use of the program beyond the demonstration.

For a copy of the detailed Project Evaluation Report or for more information about the demonstration results, please contact Bonni Kaplan, senior director of marketing and communications at Pharos Innovations, at (847) 790-7649 or bkaplan@pharosinnovations.com.

About Pharos Innovations

Founded in 1995, Pharos Innovations assists healthcare providers and payers in achieving next generation clinical and financial performance improvement. An innovative, device-free platform, Tel-Assurance®, improves care coordination and drives dramatic clinical improvement and cost savings by remotely monitoring patients and averting unnecessary clinical events. Our enabling technologies proactively involve patients in their care and result in the early identification of clinical deterioration.

Tel-Assurance substantially expands the reach, efficiency and effectiveness of clients’ current health management programs for complex chronic conditions. The Pharos solution is strongly validated to show measured clinical improvement and financial impact, is the recipient of the prestigious American Heart Association National Outcomes award and was selected for the first ever National Institutes of Health (NIH) sponsored evaluation of remote monitoring interventions. For more information visit www.pharosinnovations.com or call (847) 790-7649.

###

Two Northfield Plaza
Suite 201
Northfield, IL 60093
847-881-8705
Fax: 847-881-8706
800-997-3367

www.pharosinnovations.com