Access MEDIQUIP

Key Steps to Reduce Implant Costs

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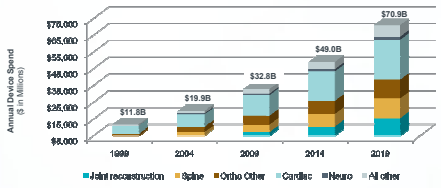
Agenda

- Medical Device Sector Growth Rate
- ASC Challenge
- Access MediQuip Solution
- Access MediQuip Payer Relationships

Implantable Device Cost Trend

Implantable medical devices represent an unmanaged segment of healthcare cost with projected CAGR in excess of 8%



Source: Freedonia Group Industry Study 2595, April 2010

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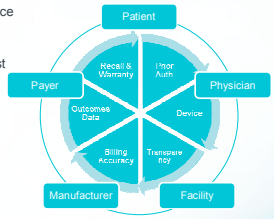
Access MediQuip Overview

Value Proposition

Access MediQuip reduces the cost of implantable device surgeries, removes financial barriers that facilitate migration of procedures to optimal site-of-service and delivers predictability and transparency for payers

- Established the concept of outsourced device management in 1997
- Experienced personnel that focus on implantable device sourcing, billing and cost management solutions
- National and regional payer clients representing over 70 million lives
- Thousands of surgical facility relationships
- Hundreds of manufacturer relationships
- State of the art device management technology platform



The Challenge

The cost of device intensive surgical procedures is a significant challenge for the healthcare industry

For Surgery Centers:

- Device cost and reimbursement challenges create cash flow barriers for ambulatory surgery centers seeking to perform surgical procedures involving devices
- Limited human resources to manage billing/collection requirements
- Limited ability to aggregate buying opportunities

Access MediQuip Solution

Consolidated purchasing and effective use of lower cost sites of service can produce significant savings to the industry

Surgery Centers Benefit

- Increased procedure volume
- Improved physician and patient satisfaction
- Improved cash flow through participation in device provider program and DSO reduction

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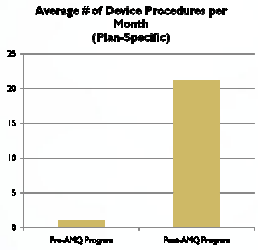
Case Study A

- Problem:
  - ASC was performing limited implantable device procedures due to high device cost and limited reimbursement
  - Device-intensive procedures were being sent to a local inpatient hospital
- Solution:
  - The ASC's implantable device financial barrier was eliminated and costs reduced by leveraging the Access MediQuip
- Results:
  - Ten-fold growth in implantable device procedure volume
  - Enhanced physician and patient satisfaction through the ability to perform procedures in an efficient setting

Case Study A Results



Shift occurred over a 5 month period and represented primarily high complexity orthopedics

Case Study B

- Problem:
  - A leading ASC believed that device revenue stream was a profit center
- Solution:
  - Partnering with a leading financial software solution company, Access MediQuip demonstrated that devices were not profitable
  - Center could significantly reduce their outstanding accounts receivable by using AMQ
- Results:
  - On average, claims involving an implant took 58 days longer to collect, equating to an opportunity cost of $228,793 and $42,000 in lost reimbursements
  - Carving out the implant from the claim reduced reimbursement time from 92 to 34 days, resulting in over a million dollars improvement in cash flow

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Case Study B Results

Payer	A/R Days with Implant	A/R Days without Implant	Opportunity days	Opportunity ($)
	108	30	78	$74,004.33
	90	34	56	$202,762.73
	136	21	115	$1,203.17
	46	34	12	$2,060.75
	109	28	81	$68,628.83
	38	36	2	$4,192.12
	109	49	60	$19,497.41
	103	30	73	$12,572.37
	36	32	4	$8,988.99

Summary

Surgery centers can increase case volume, improve cash flow and reduce the overall cost of care by partnering with Access MediQuip

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