PHILIPS sense and simplicity

Delivering on the Promise of Connected Health

MassMEDIC Forum
Jill Christians, Philips Healthcare
Sept. 18, 2009
Depth and reach of Philips Healthcare
What we do. Where we are.

Philips Healthcare

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35%*  15%*  15%*  10%*  25%*
50%*  35%*  15%*

* Approximate

€6.7 Billion in sales in 2007
35,000 People employed worldwide in 100 countries
11% of system sales invested in R&D
450+ Products and services offered in over 100 countries
Philips is an Originating Promoter of Continua

- One of 11 companies that comprise the Continua Board of Directors
- Philips led the development of the end-to-end architecture for DM guidelines
- Philips first to demonstrate xHR interface to UK’s national patient record and a Continua-compliant wireless Bluetooth connection from devices to home hub
The Home Monitoring Services “Continuum:”
A way to improve quality of care and lower costs

Connected Home

Data management and integration platform

Health Care Providers
- Family care givers
- Disease management service
- Healthcare provider
- Personal Health Record

Service Providers
- PERS Services (Lifeline)
- Remote Cardiac Services
- Outsourced Medical Service
- Database EPR

INR/Diabetes
WEIGHT SCALE
PERS
MEDICATION TRACKING
Arrhythmia/Spiro meters, etc

BLOOD-PRESSURE CUFF
PULSE OX
IMPLANT

Phone

PC

Personal Health Interface
Philips has spent over €3B in acquisitions to form the Home Healthcare Solutions portfolio.

VISICU eICU®

Cardiac Monitoring Services, INR@Home

Telehealth

Lifeline

Medication Dispensing Service

Sleep Apnea and Respiratory Products

Care Cycle
Telehealth can reduce HF readmissions

• Earlier clinical intervention leads to improved outcomes
• Ease-of-use enhances patients’ compliance and self-care regimen
• Daily connection to caregivers provides reassurance to patients
Disease Management Best Practices and Home Telemonitoring Improves Outcomes and Profitability

- Use of both disease management and telehealth leads to better clinical outcomes and financial performance
  - Better margins: 17.0% with vs. 10.4% without*
  - Improved quality: +38.4 with vs. -4.6 without*

Profitability: Impact of Telehealth on DM

Quality: Impact of Telehealth on DM

European Telemonitoring TEN-HMS Study findings

Reduced Hospitalizations

- 26% fewer days in hospital than Nurse Support
- 10% cost savings over Nurse Support program
- ROI of 2.1 vs. Nurse Support
- 29% higher survival rate than Usual Care

Cost Savings

Source: TEN-HMS Study, John GF Cleland, MD, published in JACC May 17, 2005

Confidential
OTTAWA – July 9, 2009 – A Canadian one-of-a-kind home telehealth monitoring program developed by the University of Ottawa Heart Institute (UOHI) has cut hospital readmission by 54% for heart failure patients. The program has also been shown to save up to $20,000 for each patient safely diverted from an Emergency Department visit, re-admission and hospital stay.

The program serves as a bellwether in effective new forms of care and treatment in the face of growing demand for health care and escalating medical costs. Heart failure is considered among the most challenging, complex forms of heart disease normally requiring significant resources. With the Heart Institute program, health dollars are saved while quality of life and quality of care are improved by supervising patients by daily remote contact.
Insights:

• Outcomes ‘proven’ for home health scenarios (Medicare HF patients)

• “Not invented here” issue with clinical evidence though abundant proof

• Clinical operations must be optimized for maximum value
  • Deep clinical expertise is needed by the technology provider – Telehealth is not just about selling a ‘box’
  • Superlative service is essential (offering the dependability of “Lifeline”)

• A clinical champion is mandatory for success

• Many small “pilots” – lack of scale limits broader adoption and profitability, which has led to consolidation in the industry
Telehealth

Insights:

• “$197 Billion could be saved over next 25 years with remote monitoring technology,” according to www.betterhealthtogether.org

• Financial alignment should help drive adoption:
  • When CMS stops reimbursement for 30-day readmissions
  • Medical Home demonstrations in home health – initial success
  • Potential for bundling / gain-sharing in healthcare reform

• Principal / agent problem – who’s paying? who gets the benefit?

• What if there’s never reimbursement for Telemonitoring?

• FFS mindset of many healthcare providers vs. investing to save costs
Motiva (TV-based Telehealth)

Insights:

• Technology can be years ahead of the market

• No one product will fit all patient needs; a plethora of solutions will ‘win’

• Patients like viewing real-time feedback on their vitals, but unclear as to consumer appetite to pay for telehealth

• U.S. lags Canada and Europe on government support for telehealth

• Broadband coverage still not ubiquitous – need a network effect to reach broad adoption

• Need for secure, HIPAA-compliant IT infrastructure – Will only a few vendors become the standard? How will data be communicated to Physicians, Hospitals? Will PHRs pass regulatory requirements?
The future will see more platform approaches to connect patients to caregivers and family support - Enabling 1:1 contact as well as personalized information

- Individualize the patient experience with tailored information, education, coaching
- Leverage interactive technologies like broadband-enabled communication platform or mobile applications
- Designed to improve health behaviors and outcomes
- Use evidence-based, validated clinical best practices
- Demonstrated quality of care and cost savings at acceptable price point
Thank you

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