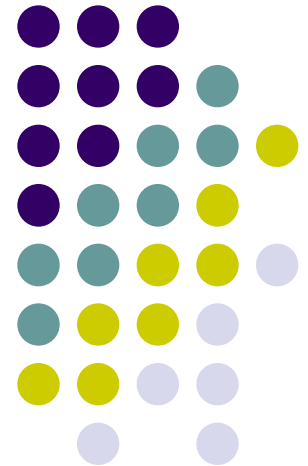
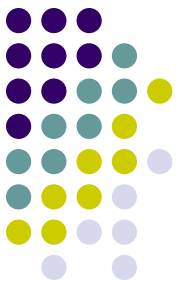


PERK Medical Research, Inc

Partnership Enabling Responsibility & Knowledge

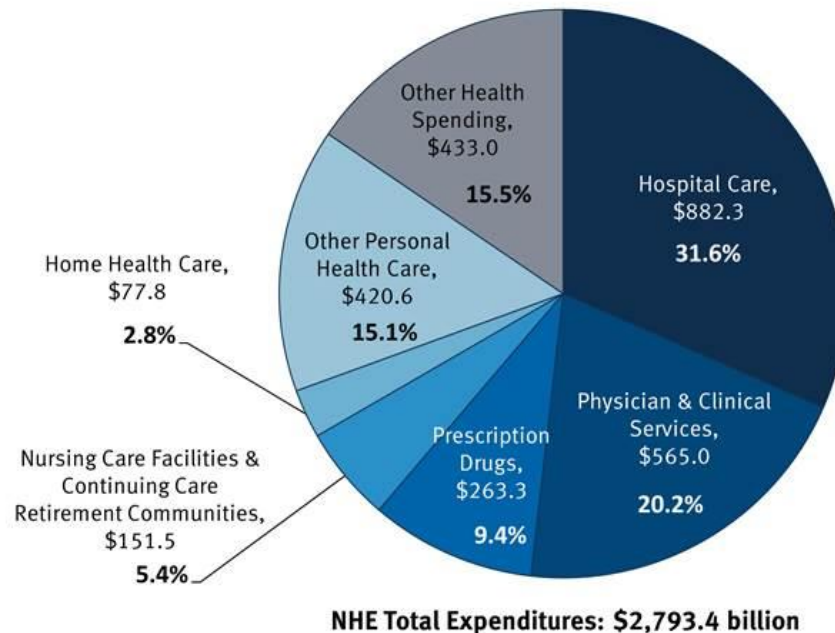
Health & Care.
Cost & Quality.
Responsibility.
Incentive Realignment.





Over 24% of expenditures are for hospital care.
Over 50% of expenditures are for hospital and physician care.

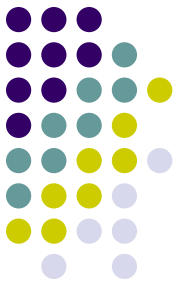
Distribution of National Health Expenditures, by Type of Service (in Billions), 2012



NOTE: Other Personal Health Care includes, for example, dental and other professional health services, durable medical equipment, etc. Other Health Spending includes, for example, administration and net cost of private health insurance, public health activity, research, and structures and equipment, etc.

SOURCE: Kaiser Family Foundation calculations using NHE data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, at <http://www.cms.hhs.gov/NationalHealthExpendData/> (see Historical; National Health Expenditures by type of service and source of funds, CY 1960-2012; file nhe2012.zip).



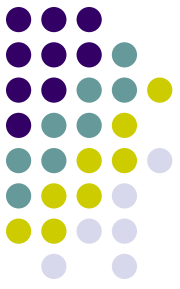


Vision, Mission, Goal

The key to our mutual success is focus.

- **Vision:** A network of patient care and support service teams which will assist in stopping health care cost growth
- **Mission:** Creation of effective teams in major cities across the United States
- **Goal:** Focused teams serving the most costly 3% of patients needing care and support





Objectives

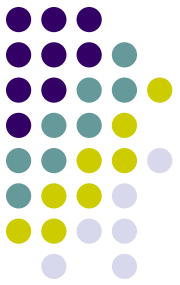
The PERK team is driven by specific actionable objectives designed to achieve public and private sector goals.

- Utilize world-class predictive modeling
- Align PERK medical and support service providers
- Realign incentives to change behavior
- Elevate patient responsibility and resulting rewards
- Enhance quality of care and the patient experience
- Reduce health care costs
- Educate stakeholders fully on “Health and Quality of Life Protection Directives”™



Definitions

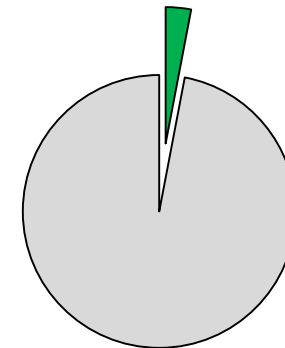
Understanding the definition and importance of Group 1 patients is essential to evaluation of the PERK Medical Research model and the opportunity for savings.



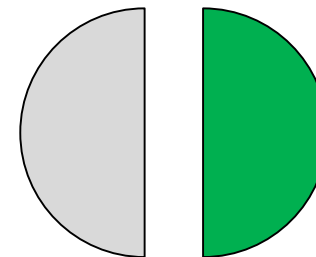
Patient Population

- Entire insurance plan membership or employer group, county or State
- Group 1 patients are the 3% of the demographic who account for approximately 50% of health care costs

Most costly 3% population

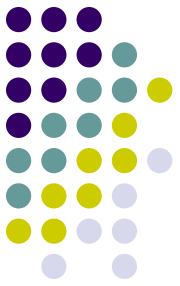


Cost of Group 1



Problem / Solution

The problems are well known. The solution components exist, but have not yet been fully coordinated.



Problem

- Unsustainable US health care cost growth
- Unsatisfactory results in safety and quality

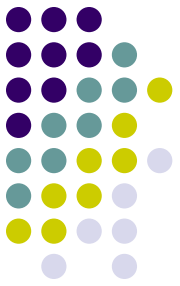
Solution

- Enhanced coordination of components currently available
- Realignment of responsibilities, incentives and rewards



The Opportunity

PERK Medical Research links six coordinated program modules together to ensure a positive financial as well as medical impact.

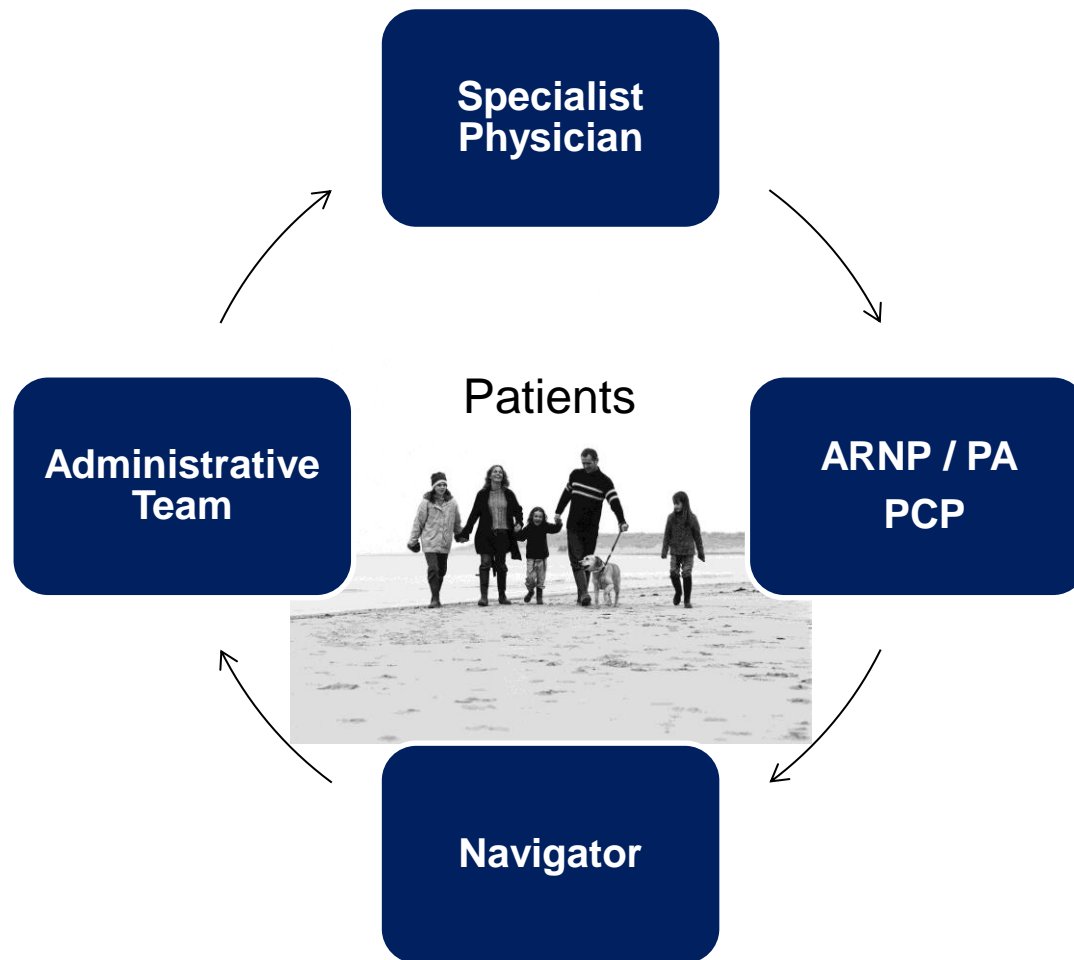
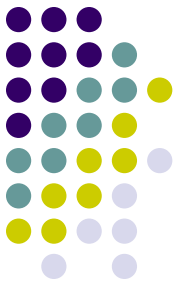


- Achieve 15% to 45% annual cost reduction
- Establish focused care and support teams
- Enhance safety, quality and satisfaction



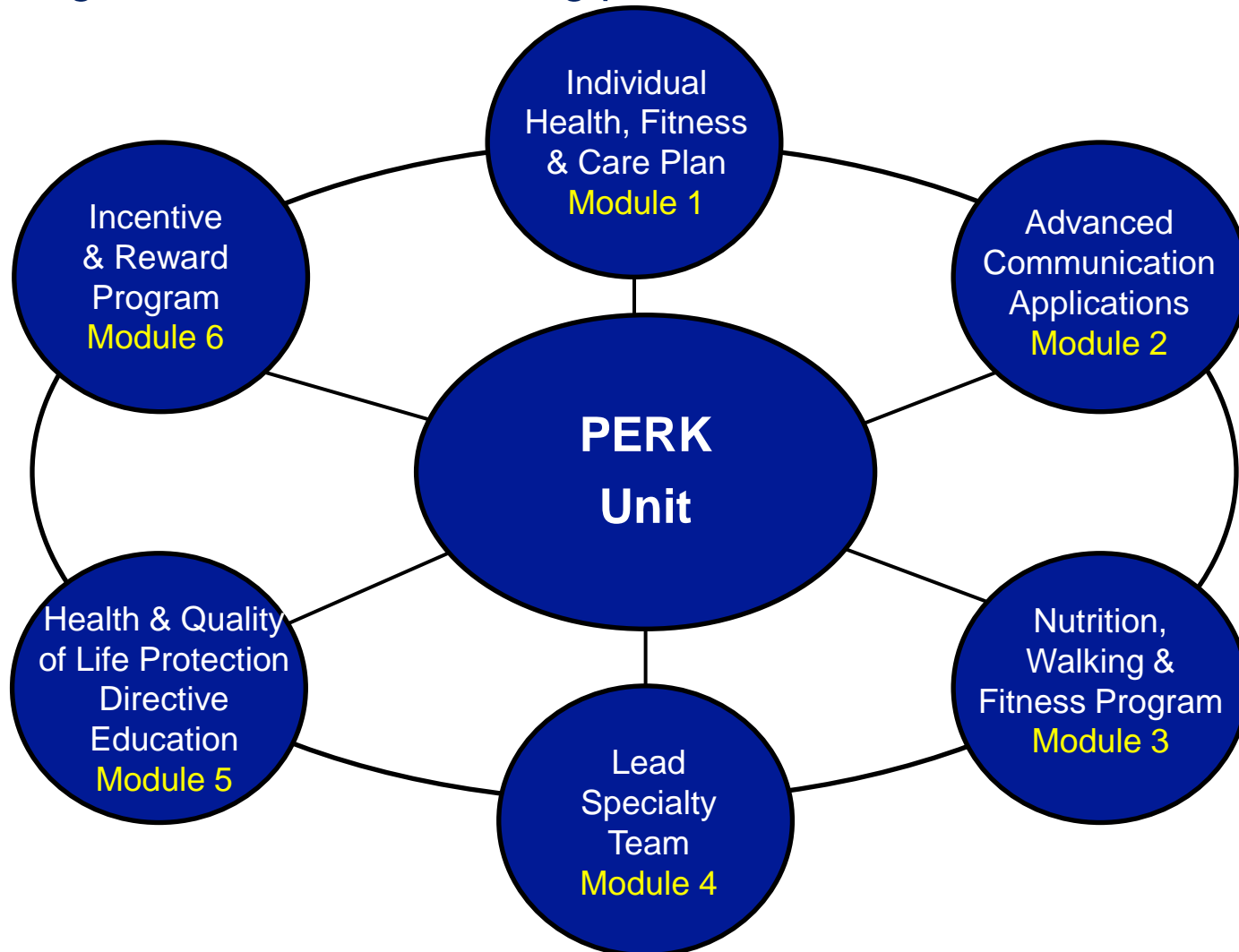
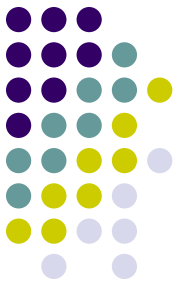
Patient centered coordination

Patients and family are essential parts of all PERK care and support services.



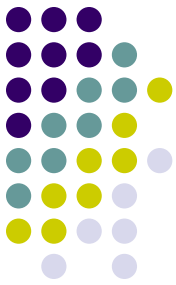
Six modules

The full installation of the six PERK modules is essential to completing the circuit and creating positive results.



Group 1 patient

PERK Medical Research impacts Group 1 patients. The average Group 1 patient costs \$117,000*, annually. PERK Medical Research can save over 30% or \$34,500 per patient, annually.



Annual Range of Cost for One Person

\$80,000 to \$240,000

	<u>\$80,000</u>	<u>\$120,000</u>	<u>\$240,000</u>
Hospital Care (31.6%)	\$25,280	\$37,920	\$75,840
Physicians/Clinical Services (20.2%)	16,160	24,240	48,480
Personal Health Care (15.1%)	12,080	18,120	36,240
Prescription Drugs (9.4%)	7,520	11,280	22,560
Home Health/Nursing Home (8.2%)	6,560	9,840	19,680
Other Health Spending (15.5%)	12,400	18,600	37,200

NOTE: Other Personal Health Care includes, for example, dental and other professional health services, durable medical equipment, etc. Other Health Spending includes, for example, administration and net cost of private health insurance, public health activity, research, and structures and equipment, etc.

SOURCE: Kaiser Family Foundation calculations using NHE data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, at <http://www.cms.hhs.gov/NationalHealthExpendData/> (see Historical; National Health Expenditures by type of service and source of funds, CY 1960-2012; file nhe2012.zip).

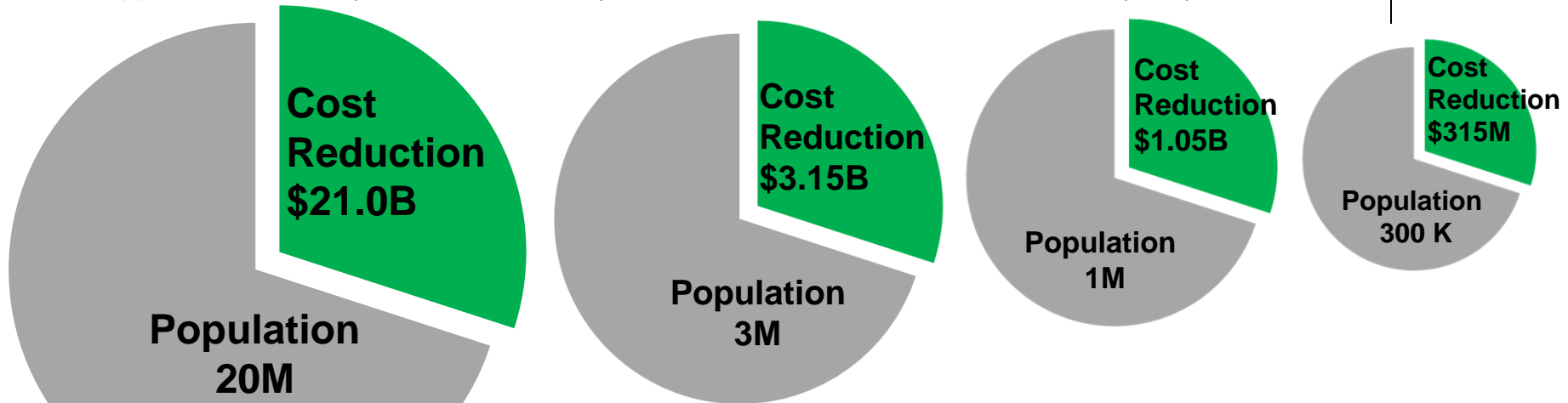
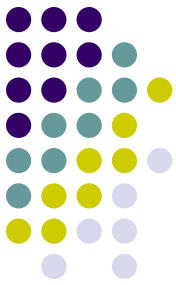


* Florida Medicaid enrollment times \$7,000 per member divided by number of Group 1 patient

Cost reduction

Projected 30% annual cost reduction range \$315M to \$21.0B

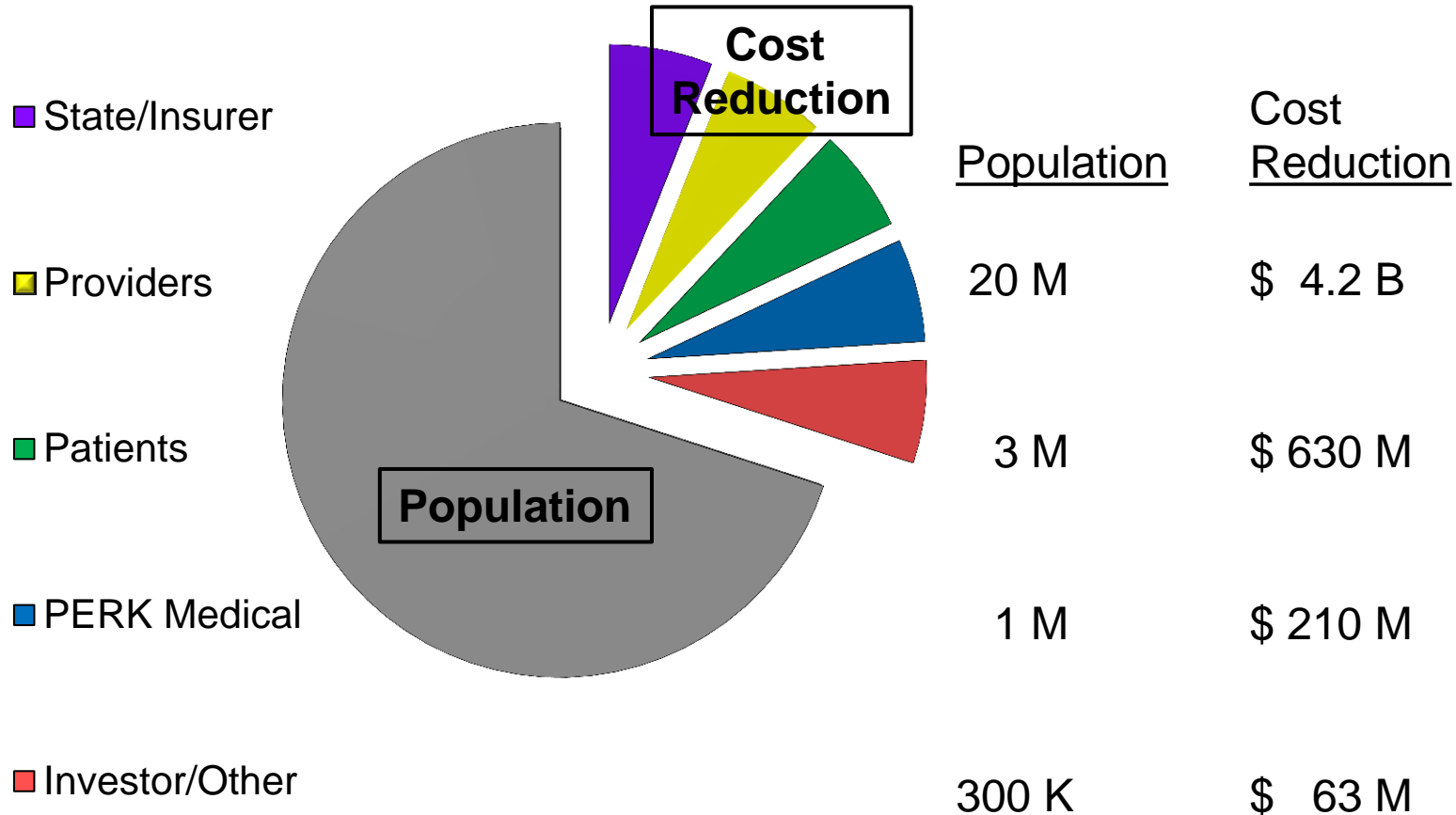
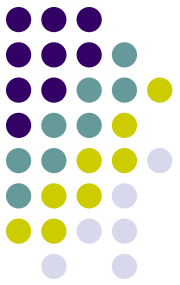
based on population. References: "The Hot Spotters" by Atul Gawande, The New Yorker, January 24, 2011, pp. 40-51. "Massively Coordinated Care" by Ian Morrison, Hospital & Health Networks Daily, May 1, 2012



Factor/Population	Florida @ 20 M	3 M	1 M	300 K
Group 1-most costly 3%	600,000	90,000	30,000	9,000
Annual budgeted cost or premium for Group 1 patients (approx. 50% of the revenue)	\$70.0 B	\$10.5 B	\$3.5 B	\$1.05 B
Cost reduction (15% to 45%)	30%	30%	30%	30%
Annual Cost Reduction	\$21.0 B	\$3.15 B	\$1.05 B	\$315 M
Footnotes				
Total annual average cost or premiums @ \$7000/person	\$140.0 B	\$21.0 B	\$7.0 B	\$2.1 B
Average annual cost per Group 1	\$117,000	\$117,000	\$117,000	\$117,000
Reduction per patient for Group 1	\$34,500	\$34,500	\$34,500	\$34,500

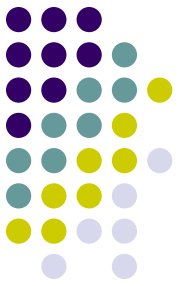
PERK participants

Projected cost reduction per population is shared across the PERK Medical Research entities.



Operational tactics summary

The identification and coordinated inclusion of Group 1 patients and their families is mission critical for success within PERK Medical Research. We can predict and identify Group 1 patients.



- Create Primary Specialty Teams (PST)
- Exploit tools available to facilitate predictive modeling
- Coordinate advanced technology and communication applications
- Install nutrition and fitness protocols
- Offer and promote optional selection of “Health and Quality of Life Protection Directives”™
- Provide aligned incentives and rewards





Situational management

The PERK teams are empathetic, knowledgeable, strong and flexible in meeting medical, financial and support service needs.

- Identify, enhance and implement
High Tech – High Touch protocols
- Lead groups of medical, administrative and behavioral professionals
- Coordinate participation of Group 1 patients and families
- Ensure financial success



PERK Medical Research management



John Evans, CEO - Evans Healthcare, LLC

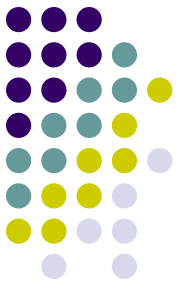
Mr. Evans has a BS in Business Administration and Finance from the University of Illinois and an MBA from Vanderbilt University. His professional career includes managing business services for a 55 physician multi-specialty practice, CEO of the John-Kenyon Eye Center, medical practice development, adjunct faculty in the Honors College at the University of South Florida, and business operations in Russia, Brazil and China.

Richard Hicks, President - RBH Financial, Inc.

Mr. Hicks earned his BA degree in Business at the University of South Florida. During his 26 years in the insurance industry, he has specialized in Business & Estate Planning and Employee Benefits, including health, dental, life, and disability. In 1996 he founded RBH Financial Corporation. Richard carries the designation of Certified Financial Planner.

Full CV's for the management team can be found on the Contacts page of our web site: www.PERKCoop.com

PERK Cooperative management



Katharine Knezevich, President – KJK Healthcare, LLC

Mrs. Knezevich holds a BA in Finance from the University of West Florida. During her 30 years in healthcare, she has served in both the hospital and private practice venues. Mrs. Knezevich is a consultant specializing in Meaningful Use standards, Accreditation standards and healthcare information technology.

Lori Carmichael-Shields, President, A.S.A.P. Inc

Mrs. Shields followed a course of self-directed studies, including finance, management and design. Her 30 years of experience center around management, staff education and information technology. Ms. Shields is the President of A.S.A.P. , Inc , a medical transcription and graphic design business located in Jeffersonville, Indiana.

Full CV's for the management team can be found on the Contacts page of our web site: www.PERKMedicalResearch.com

Bibliography

Grateful acknowledgement is made to the following persons, journals, institutions and publishers for providing essential supporting information.



Kaiser Family Foundation
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Health Data Management
Agency for Healthcare Research & Quality
State of Florida