

**Description of the
MedEncentive e-
Prescribing and
Medication
Compliance Program**

Everyone agrees that getting doctors to electronically prescribe drug therapies, as opposed to written prescriptions, is an important objective. Congress has in fact authorized the Medicare and Medicaid programs to make incentive payments to doctors for e-prescribing drugs. The MedEncentive e-Prescribing and Medication Compliance Program goes one important step further by engaging the patient in the process. By engaging patients, our program addresses another issue that drives costs higher – patient medication compliance. Conservative estimates place the cost of medication non-compliance at 5% of total costs. It doesn't take an expert to understand that when patients don't take their medications or don't take their medications properly, bad things happen.

The MedEncentive e-Prescribing and Medication Compliance Program is unique in that it financially rewards both the doctor and the patient. Like all our products, this program taps into the doctor-patient relationship to encourage better care performance and improved health behaviors through “mutual accountability.”

Doctors e-prescribe medications through our program in a similar fashion to all other e-prescribing web-based systems. The only difference is that the e-prescribing web-application dovetails with our Information Therapy Program when medications are prescribed during an office visit. As with other e-prescribing programs, we work with the employer or insurer's pharmacy benefit manager to suggest to doctors less expensive generic drugs and therapeutic substitutions. Doctors are also required to respond to automated drug interactions warnings caused by patients with multiple medications. Just like other systems, our program allows the doctor to select the patient's preferred in-network or mail order pharmacy and to supply the patient with medication educational material. If available, the doctor can also be notified if and when the patient fills a prescription. Similar to the government's e-prescribing program, our program will compensate physicians for their time and effort.

Now for the key differences that set our medication system apart. Unlike any other system, our program

engages patients by financially rewarding them for accomplishing the following goals:

1. Getting their doctor to e-prescribe (Our tiered financial reward strategies pay patients the most when their doctors participate, which helps drive program success.)
2. Reading medication instructions and passing a drug literacy test
3. Declaring medication compliance
4. Agreeing to have their literacy test and compliance declaration shared with their doctor (This feature taps into the doctor-patient relationship to help improve health behaviors.)
5. Rating their doctor's medication performance (This represents the other half of MedEncentive's "declare and confirm" process)

Patients are financially rewarded in a variety of ways to include a full or partial rebate of their drug co-payments, or a reduction in insurance costs or a credit to a health savings account.

Benefits: The first benefit of our program is patient safety. Having doctors e-prescribe medications is simply less prone to mistakes than written or spoken prescriptions. E-prescribing also facilitates the capability to automatically warn doctors of possible drug interactions. But perhaps the most important patient safety feature that is unique to our program is its capability to educate patients by testing their medication knowledge, and then forwarding test results to their doctors. When patients are educated about their medications, adverse clinical outcomes are less likely.

The second benefit of our program is cost containment. The first key to cost containment is to get doctors to participate. By rewarding patients for getting their doctors to e-prescribe, MedEncentive achieves much higher rates of participation.

Like other e-prescribing programs, cost containment is achieved when doctors prescribe less expensive generic drugs and therapeutic substitutions suggested to them on-line. Unlike other programs, our program also controls

costs through patient medication compliance. An educated and compliant patient is less likely to develop a catastrophic condition that results in expensive solutions such as hospitalization.

Through our program, doctors are well compensated for their valuable services. Patients are financially rewarded for becoming educated, compliant and empowered. More importantly, patients realize better health. As a result of doctor and patient participation in our program, employers and insurers realize cost savings.

That's a Win, Win, Win...