

Scalable IT Services for the Healthcare Industry

Technology Healthcare Web Products

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Jim Giordano
President and CEO

BIO:

Jim Giordano is president and chief executive officer of CareTech Solutions, Inc., an information technology (IT) and Web products and services provider for more than 200 U.S. hospitals and health systems. Since being named to this position in 2003, Jim has more than doubled the size of the business from a four-state IT outsourcing service to a full-scale information technology partner for hospitals with clients in more than 34 states. Additionally, he added several new product lines including a clinical service desk,

application and infrastructure monitoring, data center hosting, document imaging and Web products and services. He has positioned the company for future growth through strategic investments, including the acquisition of a significant Web competitor, and a state-of-the-art SAS 70 Type 2 accredited data center in 2009.

Under Jim's leadership and vision, CareTech Solutions has consistently been recognized as an industry leader in healthcare IT, including earning the 2008, 2009, 2010 and 2011 Best in KLAS Award for IT Outsourcing (Extensive) and 2012 Partial Outsourcing as ranked by healthcare executives and professionals in the Top 20 Best in KLAS Awards: Software & Professional Services report. The company is regularly included in Healthcare Informatics magazine as one of the Top 100 Healthcare IT companies and was named to the Detroit Free Press Top Workplaces in 2009, 2010, 2011 and 2012 in the "large company" category.

Jim believes in leading with a strong commitment to the communities in which CareTech Solutions does business, including charitable donations and hands-on employee volunteerism. For more than four years, the company has supported the Summer Camp program at the Detroit Institute for Children, which provides healthcare for children whose parents cannot afford it. Annually, CareTech also gives over \$100,000 to hospital foundations and charities for use in their communities.

In 2013, Jim was appointed Chairman of the Board for the St. John Providence Health System Board of Trustees, this after serving as Vice-Chairman and Chairman of the

Finance committee. Jim also serves on the Michigan Public Health Institute (MPHI) board of directors where he is Chair of the audit committee and provides a business and technology perspective on public health programs impacting Michigan citizens.

Jim joined CareTech Solutions in 1999 as vice-president and chief financial officer. Before joining CareTech, he spent 13 years with Electronic Data Systems Corporation (EDS), where he was responsible for the financial aspects of the EDS spin-off from General Motors (GM), as well as controller for the EDS Saturn account at GM. Prior to that, he held management and leadership positions with Wang Laboratories and Unisys. He earned an MBA from the University of Detroit-Mercy and a Bachelor of Science degree in Finance and Managerial Economics from the University of Michigan-Dearborn.

Jim is married and has three children.

About CareTech Solutions:

CareTech Solutions is an information technology (IT) and Web products and services provider for hospitals and health systems. From implementing emerging technologies to managing day-to-day IT operations, CareTech delivers expert health information technology support 24/7/365.

Our in-depth knowledge of hospitals gives us a unique understanding of how to best manage healthcare information technology. Our hospital IT services are not "off-the-shelf." Instead of a one-size-fits-all solution, we provide scalable IT services that cater to the unique needs of each hospital and healthcare system.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Giordano, would you describe the range and breadth of CareTech Solutions?

Mr. Giordano: I would be happy to do that. In short we make hospitals better places through the use of information technology. Specifically we focus in the healthcare industry on the provider side such as hospitals, physician groups and outreach clinics. Those kinds of things are our primary customer base. We offer a full gambit of IT resources from robust service-desk offering in the new world order of electronic medical records. We provide support for those electronic medical records to the physician community through our service desk offering. We make and market also in the more technical areas of IT healthcare such as datacenter hosting, private clouds, network design, database, maintenance, upgrades and installations. We also have a proprietary product for document imaging and a proprietary product for content management systems for hospital websites.

CEOCFO: Do most of your clients take advantage of a wide range of your services?

Mr. Giordano: They do. We have clients that use all of our services. For some of our clients we are the entire IT department. They have deployed our document imaging product and web services. We are their IT shop. We upgrade all their systems and host their systems. We provide the brake fix onsite for those systems and some of our hospitals IT departments are contracted through CareTech. Others just purchase what is the most important to them where we can be a service to them. We have many customers who are service desk only and monitoring only. First, the service desk has to do with what we call the support of the clinical community with these complex IT systems. Some of the hospital systems go through these expensive rollouts and they have forgotten that after they install the software that somebody needs to help the clinical community walk through the use of that system. We have a mix

of IT clients and we have other clients that are only document imaging clients and some are only our monitoring clients.

CEOCFO: What have you grown to understand over the years which allows for your systems to be a cut above much, if not all, of the competition?

Mr. Giordano: We are 100% focused on healthcare. We are not an IT company but we are a healthcare company that happens to specialize in information technology. We understand hospitals greatly. We are involved in all departments and I think we understand better than many the evolving need for IT to play a part in this convergence of what I will call the practice of medicine and informational technology. As more of our hospital providers across the country digitize themselves and become dependent or practice medicine using technology, I think we are one of the companies on the forefront that understand that IT needs to be a strategy not a tactic. The clinical community is entirely dependent now on information technology as one of the tools that is used in the care provided to patients. That is one of the things which set us apart from the others. We intensely listen to our customers. When we started the company fifteen years ago when we only had one contract in one city to where we are today with over 200 contracts in 34 different states we got there by intently listening to our customers and saying what is it that you need to deliver quality care to the patients. That is our focus. It is not technology for technology sake but how can this technology enable the clinical community and the hospital administrators and most importantly the patient experience.

CEOCFO: It seems that many hospitals and doctors' offices really do not have the patient in mind or they do not act as if they have the patient in mind. Do you feel from your experience is that the "customer" really is a focus?

Mr. Giordano: What is happening in some issues are that the demands on them (the doctors) are very high. They are asked to see more patients and do more with less. I think what information

technology does is to eventually enable them to have more data to make the patient experience better although not necessarily more congenial. I mean you cannot talk to a computer but imagine a world that when you walk into a doctor's office they have instantly lots of historical information about you. It is a good news/bad news thing and the good news is with that I think there is more information for them to help treat all of us. I went into the doctor's and he said I was up three lbs. over the last time I came in. I asked how in the world he could tell that by one glance of his computer screen and he showed me. I think any tool right now that provides more information to the clinical community is useful and will eventually improve the patient experience. I think the government's mandate to become a meaningful user now in stage II will say that the patient has to be able to look online to get their results and get discharge instructions and that creates a better relationship with the healthcare organization and ultimately with the physician. We are seeing more physicians and clinicians open to email exchanges and they are open to providing more data in a portal to patients to help be co-sponsors in their care if you will. We have more tools available to us in terms of information and results. I think that would at the end of the day help improve the patient/doctor relationship.

CEOCFO: I can imagine your reputation gets you into many doors but how do you reach prospective medical practices?

Mr. Giordano: It does and we are very proud of the fact that we are five years in a row winner's of KLAS. KLAS is a Gartner-like organization that evaluates firms that do what we do. In two categories we have scored very well the number-one spots in extensive IT outsourcing and partial IT outsourcing. We held the number-one spot in those categories four years running. We have actually had people call us up and say we saw that you were number-one in KLAS so would you please come out and talk to us. This is still a relationship business and is still very much a referral business. A large part of our business comes from

either referrals or hospital executives that move from one organization to the other that were working with us at their former location and they get to their new location and call us in.

CEOCFO: What do you look for in your people above technical skills?

Mr. Giordano: That is a great question and we do spend a lot of time thinking about that. Once we realize that the person has the technical skills we find the people that believe in our motto which is 'simply whatever it takes.' What that means is whatever it takes to satisfy our customers. We are looking for that individual that has a demonstrated track record of customer service. We ask them what they see as their job and my favorite answer is when somebody says they get satisfaction out of using information technology to help people who are sick and who are going to hospitals or their physicians. That is the character and quality of people that we look for and those who are willing to go the extra mile and are willing to do whatever it takes to create a positive experience for patients. We have many stories where we have implemented a kind of technology such as barcode medication administration where lives are actually saved from administering a drug that a patient might have an adverse reaction to and things like that. We will take over two million calls from hospitals and clinicians that have IT system questions as simple as they cannot find their patient list or how do they place an order. While we do not dispense medical advice, it is gratifying to help and we like to find those people that get a kick out of helping other people. When they hear a nurse or physician or physician assistant thanking them and saying how it helped them to provide the person with a positive experience at their stay in the hospital then those are the folks we are looking for.

CEOCFO: Are there services you offer that do not get as much attention or that you might be surprised people have not adopted?

Mr. Giordano: That would refer to an offering that we call Pulse and what

that does is takes quite literally the pulse of the hospital IT application and infrastructures together and provides a view into where IT systems are not performing well for the end user. Now that hospitals have converted to the electronic medical records they literally are practicing medicine on the computer. If the computer slows down or goes down they cannot provide the same level and quality of care as if they had the information in front of them. With our Pulse monitoring we have taken the most sophisticated tools and those that are best in class and have put them together in an offering that monitors the systems from end to end. That means the applications, networks, databases and all that. When and if there is a problem in the system anywhere, it sends an alert to an agent that says the system is not performing as well as it should be and is in danger of either slowing or shutting down and it allows what we call a guarantee of a high availability

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system. For example even as short as a year ago when we have had an outage at a system we would have to ask: is the network or the application or the database or server or end-user device? With this Pulse monitoring system it tells you within seconds of where the problem is all through the use of robotics and simple technology. With the dependency on the electronic infrastructure I am surprised there is not a line at our door for people to say they have to have that because they cannot afford for their IT systems to be down or slowdown because it affects the patient care experience.

CEOCFO: What is the key to integrating when you have so much material, services and departments?

Mr. Giordano: Good question. It starts at the top of the healthcare system. The best-run hospitals that we have seen is where the senior leadership have moved IT from a tactic to a strategy, so it is not far from the executive level conversations. They get updates and they realize that

information technology and the mandates (HITECH Act) to become a meaningful user changes entirely the way a hospital works and it literally touches every department. The way that we recommend that hospitals tackle this very difficult complex and intricate process is they build it into the fabric of their organization. It is talked about and it is given time at the most senior levels of the organization. They talk about moving to population health and as they are moving from their reimbursement going from a quantitative basis to a qualitative, meaning they soon will not be paid on volume but on quality. IT is an integral part of the strategy where that is happening and making that part of the future of their organization. I have seen the best hospitals do that and it is built into the fabric of the organization. They make time for it and fund it and staff it. Those are the hospitals we see that are reaping the rewards from it.

CEOCFO: Why the attention to giving back at CareTech?

Mr. Giordano: It is very important to me. We believe we should invest in the communities where we do business. Wherever CareTech has a presence, we will participate in the hospital foundations to benefit the local community. We hire locally wherever possible and invest locally wherever possible. I believe it is important for us to use the skills that we have acquired to give back to the industry and the best example I can give you is that I have recently accepted the position of chair of the board of the St. John Providence Health System. Those unpaid positions fairly time consuming but I think it is important for those of us who at least understand something about the healthcare system to make these organizations better by giving what I think is the best thing to give and that is our time. I am proud that many people at CareTech and I are either working on boards or volunteer organizations. For example, we have an organization, a client who is called the Detroit Institute for Children. Their mission is to provide care for the kids in the Detroit area that might otherwise not be able to afford it, so they treat

children regardless of ability to pay and we have adopted them as our organization and we support them around holiday time and make sure all the kids have a gift. We make sure that once a year we actually will let anyone who is willing to do so go down and work at the sponsored events. I believe last year we had almost fifty people that instead of coming to work at CareTech that day they went down to the Detroit Institute for Children and worked there to give these kids kind of a special summer day camp. It has been part of CareTech since the beginning and will be part of CareTech for the future as well.

CEOCFO: How do you help your clients with understanding the ACO?

Mr. Giordano: It starts with an assessment. We go in there and look at their organization and say here is what is required and here is where you

are and here are the gaps. When we try to lay that out very clearly in layman's terms to say we bring them the best practices of other hospitals and how other hospitals tackle the enormity of becoming a meaningful user and availing themselves to the money with the ACO (Accountable Care Organizations), so we bring them best practices. Then we are there to help for those components that are IT related to implement things like a patient portal for example or whatever gap we might be able to help with we avail ourselves to help them. As of June 2013, 100 percent of CareTech Solutions' IT outsourcing client hospitals had attested for Stage One Meaningful Use, and 100 percent had received incentive payments.

CEOCFO: Why should the business and investment community pay attention to CareTech Solutions and

why does CareTech stand out as an exceptional company?

Mr. Giordano: I would say it is our healthcare focus. We are not across industries and we are not trying to do Home Depot or Pizza Hut. We are here to help hospitals. We focus on that and we study that. We consider ourselves a learning organization. Much change as evident in the healthcare industry and we study that. We also make sure that our customers are getting the best return for their IT investment. These solutions are expensive. We help the organization understand how that is returning to them. Being that we have done this across so many hospitals, we can offer expertise and economies of scale that an individual hospital or hospital system might not be able to get for themselves.

