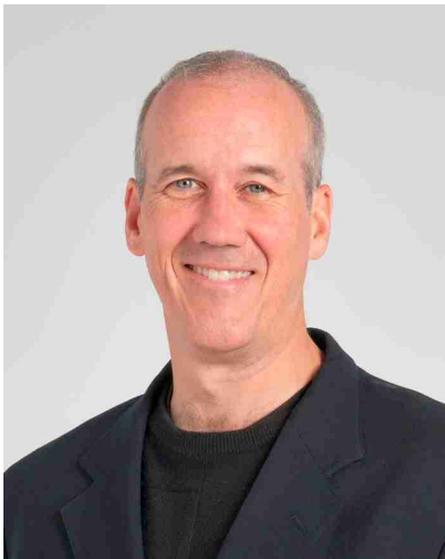


Building a Nationwide Provider Network for Delivering Care, Explorys provides the Healthcare Industry's First Secure, Cloud-Based Enterprise Performance Management Platform that Leverages Big Data Analytics to Drive Value-Based Care

**Healthcare
Data Analytics**

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**Stephen McHale
CEO**

BIO:

As cofounder of Explorys, Stephen has had a 25-year career in founding, investing in, and building technology companies. He is recognized for his focus in data mining and business intelligence related ventures. Most recently he served as the Chairman and Chief Executive Officer of Everstream, a company he founded in 1999. Everstream is the largest census level media measurement, data warehousing, and analytic platform in the world, measuring usage across 25 million households. Sold to Concur-

rent [NASDAQ: CCUR] in 2005, it continues to be the industry leader of enterprise software for broadband network usage measurement.

In 1985, Stephen founded McHale and Associates, Incorporated, a US-Connect regional office where he served as Chairman and Chief Executive Officer. Stephen was a founding investor and served on the board of directors and as CEO of USConnect, an international systems integrator. USConnect generated aggregate revenues of \$150 million until its sale to IKON Office Systems [NYSE: IKN] in 1997.

Stephen is Managing Director of 23Bell LLC Investments and an active Advisory Board Member to Genesis Inventions. Stephen serves on the board of directors for the Center for Families and Children; a non-profit organization that makes success possible for people in Northeast Ohio's most challenged communities. He is a member of the Kent State University Health Informatics Advisory Council. Stephen also serves on the investment screening committee for the North Coast Angel Fund. He is also an active member of the Entrepreneurs Organization.

About Explorys, Inc.

Founded in 2009 as an innovation spinoff from Cleveland Clinic, Explorys provides the healthcare industry's first secure, cloud-based Enterprise Performance Management (EPM) platform that leverages big data to transform healthcare. While applying the power of massively-parallel data processing, its comprehensive network enables the nation's leading

provider organizations to more effectively leverage their data to drive value-based care and Population Health Management results utilizing both business and clinical intelligence, and meaningful performance evaluation. The Explorys network is made up of over 100 billion data elements encompassing 40 million patients, 200 hospitals, and 14 major integrated healthcare systems with over 100,000 providers who collectively deliver \$45 billion of care annually. Deploying solutions comprised of expert resources and exceptional tools, Explorys unlocks the power of big data to improve healthcare for everyone. www.explorys.com

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

CEOCFO: Mr.McHale, would you explain the vision at Explorys?

Mr. McHale: From a vision perspective, Explorys is the leading national value-based care network that is built by the provider. As an alternative to the payer network's plans such as Aetna and United, we are building a nationwide provider network for delivering care.

CEOCFO: How will this work?

Mr. McHale: When a select healthcare system joins our network that serves populations in specific geographic areas, we are able to improve the quality of care through known practices and methodology for improving quality and lowering costs. Our system and solutions within the Explorys network are able to improve and standardize the delivery of care in a way that drives quality up and

cost down, which is attractive to any employer.

CEOCFO: Would you please explain how the system works?

Mr. McHale: Today, from a metric standpoint, we have a little over 200 hospitals in the Explorys Network, which are affiliated, and we also include specialty care practices to align with those. Our network has an aggregate of over 100,000 providers, whose operating revenue is about 45 billion, and together they manage over 40 million patients. When they join up with us, we connect into their transaction systems and we install cloud-based solutions that allow them to change the way that they deliver care to a patient, so they deliver care in a more value based model or population based model instead of in a reactionary mode. They are able to proactively engage and manage the patient more effectively, and when they see a patient struggle in a particular area, they can proactively initiate a visit with the doctor, to have a certain task done, or preemptive procedures to improve the quality of their care; and with quality comes a lower cost. When they use our platform and our systems, we help them understand gaps in care, and we help them understand gaps in the quality. We unify all of the data about the patients; payer data and clinical EMR (Electronic Medical Records) data so they have a full view of the care continuum of the patient they are serving and then we provide them with a workflow system for communicating with and managing those patients.

CEOCFO: How is your system different from any other system that might claim to perform the same thing?

Mr. McHale: The first generation of health care technology is out there to improve electronic medical records. EMRs are built to record the data, but while they can see the data and the chart of what they deliver to the patient, if the patient is seeing anybody else that is not under their EMR, they do not have any record of it. They do not know the history of that patient, so

it is not a full view. With those health systems, we gather that data from sources like EMRs, and then we take other payer data, such as claims for procedures that happened outside of the hospital, and unify it. We then can see which tests they had done at other health systems or primary care providers. We are great at bringing together all of the data needed to deliver care more effectively to these patients. The EMR systems are good transaction systems but they are not good population management systems; whereas Explorys is a cloud-based population management solution. We go in, extract the data, secure and validate it, manage it via web, and then bring it back to the health system so they can deliver bet-

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ter care and manage the patients better.

CEOCFO: When you sign a waiver in the doctor’s office to release your medical records, would that include sharing them in this manner as well?

Mr. McHale: That is correct and we are very careful and committed to managing patient privacy, which is a critical element.

CEOCFO: How have you attracted quality companies such as Cleveland Clinic, and are there competitors with the concept that you have that are making any inroads?

Mr. McHale: Our founders, including myself, actually did not come from health care. Our experience is from banking and telecom, and we worked

with very large-scale systems in industries, which are far ahead of health care. When we started, we did not think of merely bringing health care up to the standards of the systems that we had done in banking and telecom. We took an approach that we call “skate where the puck is going”. We spent time with some founding architects of Google, Facebook and Yahoo about four years ago when we were hatching a plan for this company, and we spent time in the Silicon Valley area designing a solution and platform through which we would be able to manage orders of magnitude; larger data than the traditional databases that we had worked with in banking and telecom and also deliver a service for orders of magnitudes

faster and less expensive. The key was that we would be able to stand these solutions up in 20% to 25% of the time that you would with a traditional data warehouse. We need to be able to put that health system into actionable, useful solutions in weeks and months; not years like in traditional systems. We accomplished that goal which is one of the reasons health systems are teaming with Explorys, because they need solutions now. They cannot wait years for a big data warehouse to come to fruition along with all of the applications that need to be built on it. This is not great news for the big data warehouse compa-

nies. In addition, when it comes to processing speed, no one even comes close to us. We did a benchmark against a traditional relational data warehouse with what they call “measures” for calculations. For example, 39 measures that they would run across 2,200 physicians was taking 3.5 days to process. Our first run was 18 minutes and now down to 9. We are faster, less expensive, and we bring them solutions in a fraction of the time of the traditional approach.

CEOCFO: What was the biggest challenge for you in regard to the technology?

Mr. McHale: We used open source architecture and then we had to build a number of layers of governance to make sure that we could secure pa-

tient privacy. We wanted to be very vigilant and invest a lot of time and energy in building an architecture that secured patient privacy, which is always a key focus. Overall, making sure the data was all mapped appropriately, connected, and accurate. We are masters at connecting data and harmonizing it into one unified record around a patient. Making sure we have the processing power, the proper architecture through which we could run the types of analytics required to change the care delivery. We are building these prescriptive analytics that are very important to indicate what kind of attention a patient should be given.

CEO CFO: How do you make your system work well in order to promote ease of access?

Mr. McHale: That is a great question and it is such an art. We know that healthcare systems already have enough on their plate, so we don't want to be any more disruptive than what they are dealing with today. Therefore, we are integrating into the current workflow, not asking them to change their behavior. We integrate with the EMRs, so that we co-exist in a way to where we are seamless. Then we present the data in a very concise, clear way as it relates to what matters. We focus on delivering data that is contextually relevant to a particular patient or population the system is monitoring. We have spent an enormous amount of time understanding the current workflow and the environment the physicians and their support teams currently exist in. Then how do we fit in smoothly to increase their velocity and their effectiveness.

We have a philosophy that we want to deliver solutions that allow every one of our partners to operate at the top of their class. Therefore, we make sure that we are leveraging their various strengths and qualifications and not asking them to do remedial work that is not value add.

CEO CFO: Is there more than one solution that you offer or is it one

product?

Mr. McHale: We do offer options. We are subscription base, so you would subscribe and join the value base network. Then you may want certain functions in our solution. We have a platform that manages all of the data for multiple stake holders, so we are the independent trusted broker. Therefore, if a customer has a deal with a payer or a plan, we would unify the plan data together with their clinical data so that they can work together on improving the care to the patient. That is called the base platform that brings the data together. We also have an application called EPM: Measure that helps identify care and quality gaps, which then is leveraged to determine prescriptive actions to be taken. For example, if someone's blood pressure has not been checked or certain vaccinations have not been administered; all of that is seen in a registry. EPM: Registry is another application where you can see all activity in one big registry. Then there is EPM: Engage which is an engagement and workflow application that engages patients if a provider sees a gap in their care somewhere. We enable all of those functions with the applications that run on top of the base process that I described. The last element that they can elect to have is what we call SuperMart, which is data manifested in a customized model that they can access very quickly. This is another function or solution that they can subscribe to in our overall offering.

CEO CFO: Can you track if the tools are being used?

Mr. McHale: We are watching activity intimately and you have to because of security.

CEO CFO: How long has this been available?

Mr. McHale: We have been evolving. We started the company in October 2009, and we have made our solutions available at different stages over the course of that time up until today.

CEO CFO: How is business today?

Mr. McHale: We have been really busy and business has been very good. In a recent release we have indicated that Trinity Healthcare has joined our network and they are about a \$9 billion system. We will be announcing some more in the coming months.

CEO CFO: Why should investors and people in the business community pay attention to Explorys?

Mr. McHale: We are an extremely disruptive model. I do not believe that the market had contemplated a provider oriented network that would be highly competitive with the payers and the plans. By coming together around quality and improved delivery of care, our network is in a very strong position to compete effectively for population health management. Essentially, since the risk is swinging from the plans and the payers to the providers and Accountable Care Organizations, providers are taking on risk. If the providers take the risk, what is the future role of the plan? At that point we start enrolling those folks directly and many employers are self involved in their plans. The administrative function is very expensive; therefore, there is a tremendous opportunity for a great deal of cost savings. Then those cost savings can be applied to improved delivery of care for the patient.

CEO CFO: Final thoughts?

Mr. McHale: There is going to be significant consolidation in the healthcare provider market and with that there is going to be 80 to 100 mega-systems that are left standing. Therefore, you will see a couple of big networks evolve that can really show improved outcomes and quality with lower costs and, in my mind, Explorys is one of them.



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