



CEOCFO

Interviews & News!

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InforMedix Is Focused On Lowering Healthcare Costs And Improving Patient Medication Compliance With Their Med-eXpert™ System, Which Is A Software And Database System That Assists Individuals In Taking Medications Reducing The Need For Hands-On-Care



Healthcare

Medical Instruments & Supplies
(IFMX-OTC: BB)

InforMedix Holdings Inc.

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Dr. Bruce A. Kehr M.D.
Executive Chairman and CEO

BIO:

Bruce A. Kehr, M.D., is currently Chairman of the Board of Directors and

CEO of InforMedix, Inc., a publicly traded medical technology company (OTC BB: IFMX). Dr. Kehr is also Chairman of the Board of the Institute on Aging of the University of Pennsylvania, and was selected as one of the "Top100 Most Inspiring and Influential Leaders in the Life Sciences Industry," by the readers and editors of PharmaVOICE in 2007. Dr. Kehr is a forensic consultant in neuropsychiatry and traumatic brain injury and a practicing physician. He is the inventor of fifteen issued patents and fourteen pending patents in the United States, Europe, Japan, and Canada, as well as issued and pending trademarks and service marks. He is also a Senior Scholar, Department of Health Policy, Jefferson Medical College. Since 1981, Dr. Kehr has served as founder and President of Contemporary Psychiatric Services, a psychiatric group practice. He has actively lectured in the field of medication non-adherence, where he is recognized as an expert, and has lectured on neuropsychiatry aspects of traumatic brain injury. Dr. Kehr received his BA from the University of Pennsylvania, followed by an MD from the Georgetown University School of Medicine.

Company Profile:

InforMedix is the source and repository of critical intelligence around how individuals are adhering to their prescribed medication and care plans. InforMedix provides its patented Med-eXpert(TM) information system providing real-time, customizable and actionable information on the medication adherence and health status of chronically ill outpatients. Two portable appliances are used by patients to follow their medication and care plans, and to record and transmit medication adherence and health status information

to the Med-eXpert System. The Med-eMonitor(TM), a portable, interactive, "smart pillbox," which stores and/or manages up to 25 medications, while tracking patients' adherence to their medications and care plans, and The Med-ePhone(TM), which prompts, monitors and records medication adherence and health status assessment delivered to patients over standard mobile phones and landlines using Interactive Voice Response Systems (IVRS). In addition to real-time information provided to the patients, urgent alerts are sent by e-mail, text message, and fax to care managers and loved ones if the patient misses medication or their health is declining; monthly trend analysis reports are available to pharmacists and physicians; and population-based reports are available to program sponsors, health insurers, and government agencies to determine program effectiveness. Mission-critical information can be uniquely customized for each customer's and patient's needs at both individual and population levels to more effectively and efficiently reduce healthcare costs, improve health outcomes and increase patient satisfaction. InforMedix Solutions consistently achieve medication and care plan adherence rates of 90% or more across multiple chronic disease populations, as documented by academic medical center trials and peer-reviewed journal articles.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Dr. Kehr, what is the vision for InforMedix?

Dr. Kehr: "The vision for InforMedix is to effectively improve the health of mil-

lions of patients with chronic illness who want to live at home and remain active, and who want to avoid hospital visits, and nursing home and assisted living admissions. Our vision is to enable them to lead healthier lives by insuring that they take their medications properly and follow the care plan that is recommended by their doctors. How we do this is by an information system that we have called the Med-eXpert™ System, which is a software system and database. The Med-eXpert programs the appliances that the patients use to receive information when they are at home or out and about, telling patients exactly when and how to take their medications including special instructions. If they are having problems with their medicines and decide not to take them, it asks them if they are having side effects, if they have run out of medication, or if the doctor told them not to take it. These appliances also record key aspects of their health ranging from their blood sugar levels to weight, blood pressure and potential signs of stroke coming on, and pertaining to other particular problems that the patient has. So the patients interact with these appliances. One is what we call our Med-eMonitor interactive “smart pillbox”, which is like a portable baby ATM machine that gives information, asks questions and stores their medicine. We also can do this over their cell phones or home telephones using Interactive Voice Response. The patients get the messages, record the information and it goes back to Med-eXpert. We have algorithms and analytics in Med-eXpert that analyze what’s coming in from the patients in real time and Med-eXpert can send urgent alerts to loved ones, caregivers and care managers, pharmacists, doctors and whoever is on alert to monitor that patient. And these alerts are sent by email, text message and fax whenever the patient is feeling poorly, missing their medicines, having side effects, or if there is anything for a cause of concern.”

CEOCFO: Are the systems in widespread use?

Dr. Kehr: “Our Med-eXpert systems are out in the marketplace and there is significant use. We just finished a Medicare program in Tennessee with seniors who have heart failure and diabetes. We just finished a program with HIV patients in San Francisco. We have programs underway as we speak in Texas with patients with Schizophrenia and in Philadelphia PA with patients at high risk for stroke that are on anticoagulants. The latter program is sponsored by the Aetna Foundation. We just signed a deal with a chronic care management company to use us in up to 530 of their complex patients, many of whom have diabetes and heart

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disease. We have been extensively studied. We’ve been in seven government funded research programs and consistently have demonstrated that we achieve adherence rates of 90% or greater, when the average adherence rate without our systems is 50% or less; in patients suffering from diabetes, heart disease, heart failure, schizophrenia, HIV infection, and at high risk of stroke.”

CEOCFO: Is distribution typically done through a healthcare organization?

Dr. Kehr: “Yes. A university health system or other healthcare organization. For example, we have a program with Aetna at the University of Pennsylvania. We also have a program getting underway with Enhanced Care Initiatives, whose parent is HC Innovations, which is a bul-

letin board listed company. We have had a program underway, which is our third program, with the University of Texas in Schizophrenia. Therefore, typically it is a health system, research organization or a health plan.”

CEOCFO: Why is your system successful is getting patients to comply with taking their medications?

Dr. Kehr: “When you look at the principal causes of non-adherence, there are many, and we believe that our system addresses virtually all of them. I’ll talk about the ones that it addresses and I’ll talk about the ones that it doesn’t. The principal causes of non-adherence are forgetfulness, confusion, complexity of the medication regimen, side-effects, fears about the medication, mistrust of the prescriber, inability to pay for the medication, not understanding the reason why the medication is needed, feeling better and not thinking the medication is needed anymore, reading an article or talking to a neighbor who says that it’s not a good medicine to take, and running out of medication. Those are the main reasons why people do not take medicines and there are two types of people who don’t take them. One type is the intentional non-compliers who intentionally

don’t take them because of some of the reasons that I mentioned. The others are the unintentional non-compliers; they really want to do a good job, but because of forgetfulness or confusion or regimen complexity, they can’t. Therefore, our system addresses many of the principal reasons for non-adherence that are referenced above except for the cost issue. We can’t help the person pay for the drug, but in that our system is a comprehensive adherence solution, it provides much of the information that the patient needs to understand to determine why, how, when, and how much to take of the medicine. We ask them if they’re not taking it and the reasons why. We can then get at the root causes at the non-adherence, so that the call center personnel and/or loved

ones can get involved and inquire as to what is going on and inform the doctor or pharmacist to counsel better. Around side effects, dosages can be changed and the medicines can be changed if side effects are a problem. The point is that we provide the information needed to make good decisions in real-time by the patients to keep them independent and healthy and we capture the relevant information if they're not taking their medicine, so the right intervention can be given again in real time."

CEOCFO: What about ease of use?

Dr. Kehr: "We have been used by seniors with 5th and 6th grade educations where we had a 90% medication adherence rate. We had a 97% participation rate with them staying on the system once they were on it, and only 3% dropped out. They were 93% adherent to following the care plan we delivered over our system, and were 90% adherent to following the self-care behaviors that we asked them to perform. We have been used successfully in drug abusing and severely mentally ill HIV patients, again at a 90% adherence rate and that population was near homeless. We've been in a series of chronic schizophrenia programs with patients who obviously suffer from a serious mental illness. We had 94% adherence in that population. In group of seniors with heart failure in Detroit, we had a 94% medication adherence rate. We have taken very challenging populations and presented them a very simple appliance to use. The power and complexity is in the backend Med-eXpert analytics, which of course they never see but that's where the power of the system comes from."

CEOCFO: Who is getting the results?

Dr. Kehr: "It typically goes to the care manager who is a nurse and then they intervene. We also have patients where it goes to the family members. With my own family I've monitored my mother in-law and we have other people who are monitoring family members."

CFOCEO: What is the competitive landscape for you?

Dr. Kehr: "There are two types of competitors. One is large bedside dispensers, which have an important use particularly in Alzheimer's patients because these

dispensers don't let the patients get access to the drugs unless it's the time to take them. What they lack is the portability and flexibility to give and capture other kinds of information, and they lack the backend software that we have with all of the analytics and the reporting because we actually record information on four levels: To the patient; through the urgent alerts to the care managers; we provide monthly reports to doctors and pharmacists showing the trend over the preceding month;, and then we present population-based reports to the sponsors of the program, so they can analyze how effective the program is in improving medication and care plan adherence. The other type of competitor we have is what I would call the electronic diary and physiologic monitoring company. What they have is a diary that asks the patients questions, and then they record one or more types of physical measurements, using a blood pressure cuff or a digital scale. Those are the principal types of competitors, and there have been a number of acquisitions of those kinds of competitors in the last year or two. There are two main differences between them and us. Number-one is we deal comprehensively with medication adherence, which to the best of our knowledge no one else does, and number-two is that we have extensive backend software analytics around the medication and care plan adherence, and can correlate the medication adherence with specific medications to the patients' health status. So from a reporting and analysis standpoint, we can take a patient on 25 different medicines and tell you their adherence rate on every single drug individually and the reasons why they are taking or not taking their medicines."

CEOCFO: Is your system patented?

Dr. Kehr: "Actually the one other distinction is our patent portfolio. We have 15 issued and 14 pending patents. We've been patenting all along the way, so we have some good pioneering patents."

CEOCFO: How do you get more people in the medical communities to use your product?

Dr. Kehr: "Right now, at this particular inflection point, we are very focused on driving revenue, so we have brought in to

work with us a woman by the name of Cindy Andreotti. For a little background of her, Cindy at the age of 25 was the top sales person in the world at AT&T and she had a distinguished career there. She then got recruited by MCI in its early days and had a variety of positions there; ultimately the head of global business development. Then when Worldcom acquired MCI and the companies were on the verge of collapse because of fraud, Cindy was offered the presidency of MCI, which she took and in a very distinguished way, raised \$6 billion, helped to lead the turnaround of the company, and sold it to Verizon. For the past three years, Cindy has helped technology companies like ours in a variety of ways. With us, she is working on business development, sourcing deals and working on negotiating and closing deals. She is working with us on our financing and she and her team are putting together a very detailed business and financial plan for the company. By bringing Cindy and her team aboard, it has brought us someone with an obvious of immense talent and skill and a global level deal maker who can help compliment the other kinds of strengths that the company already has."

CEOCFO: Would you envision that it would become standard for patients that are in situations that need monitoring to have an InforMedix appliance?

Dr. Kehr: "I believe that if we follow the typical technology adoption lifecycle that other technology companies have lived through, we could possibly become a standard in the industry. For example, it took six years for IBM to get a real foothold in widespread adoption of the PC following its introduction, which isn't an unreasonable period of time for other types for technologies. Therefore, what we have been seeing recently is that we've been working with early adopters of our technology. We are now starting to get major companies calling us, which is something new. That just started in the last 2-3 months, so they have found out about us and are calling us. We are in various stages of discussions with very large multi-national companies as well as regional companies that are growing rapidly. In terms of predicting widespread adoption, I guess it depends on what you mean by widespread. We have a potential

universe of 50 million patients in the US alone on multiple chronic medications for a lifetime. At the same time, we have patients who want to age gracefully at home and don't want to go into assisted living or nursing homes. Realistically, widespread adoption by the general public may be 3-5 years away at this point in time. We will have very margin once we get to into use by tens of thousands of users."

CEO CFO: Will you continue to market it yourself or choose to have an alliance?

Dr. Kehr: "We are discussing some alliances as we speak with some large companies. And our strategy is through partnering with companies that could put significant resources behind our solution. One of the exciting aspects of bringing Cindy aboard is that she has a great rolodex at the C-suite level with companies and that the right alliances obviously reduce the cost, risk, and time of growing a company as opposed to building a large captive sales force. So yes, we are in alliance discussions. We signed an alliance recently with a company called Audio-

point; one of the leaders in voice communications. We have already begun marketing and selling and we have our first customer prospect visit with them this week. We also have others in the pipeline."

CEO CFO: What's the financial picture like for InforMedix?

Dr. Kehr: "For that I would have to refer you to our quarterly and annual filings. Obviously, we are excited and optimistic. We have a great internal team and with Cindy joining us and it brings additional confidence to new investors. Therefore, we feel very excited and optimistic about our company and future."

CEO CFO: In closing, there are so many companies to choose from; why should InforMedix stand out for investors?

Dr. Kehr: "There's an interesting book that I'm in the middle of reading called "Firms of Endearment" published by the Wharton Business School. In this book, it talks about companies that have great products and services, and have a committed and passionate management team

that execute well, but pay attention to all the stakeholders, not just the shareholders, and they do well by doing good. A Firm of Endearment is a company that has a social conscience. These FoE companies, when you compare their performance in terms of their stock price to the companies in Jim Collins' book Good To Great, significantly outperform them. We would like to think of ourselves as one of those Firms of Endearment. We have pioneering patents, a scientifically proven technology, and a very bright and committed management team. We brought aboard Cindy Andreotti and the Andreotti Group to work with us strategically and to help drive deals. We have a huge market opportunity. We believe that we are the leader in the market of medication adherence systems and have the scientific proof to back it up. This is why I think people should be excited about InforMedix."



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