

**Bringing to market the Only Predictive Modeling Toolset designed to Gauge the Risk of Rehospitalization, Medalogix is paving the way and helping Health Care Adapt to Reforms by assisting in Providing Better Patient Care**

Health care  
Medication analysis

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the data analysis into a historic regression analysis that would employ all the clinical data our agency had compiled over the last several years, in an effort to find trends in hospitalization. Our goal was to identify patients with particular demographics or diagnosis that ended up in the hospital more often than other groups so we could avoid rehospitalization. That is how we built the analytical side of the picture. What we have been able to build is a versatile clinical analysis platform that has proven enormously predictive. We're able to gauge specific risks of hospitalization and the risk against other instances.

**CEOCFO:** Who is using your services day to day?

**Mr. Hogan:** Right now, we have fifteen home care agencies in three states that are using Medalogix on a daily basis to gauge their patient's risk of readmission against one another. With this data agency directors can adjust their care plans accordingly to delineate care points and make best use of the agency's resources. We are also in the process of building a palliative care model for working hospices and on developing a model for oncology practices. We are not, nor do we endeavor to be a strict home health care analytical facility. We are expanding what we do. We are incorporating our predictive into applications like neurology. For an example, we are talking to a major medical center here in Tennessee about taking all of the neurosurgery data, the spinal surgery data specifically, that they have compiled over the last several years, to help build a template for them to identify which patients are

**CEOCFO:** Mr. Hogan, what was your vision when you started Medalogix and where are you today?

**Mr. Hogan:** I am a former home health care agency owner. We initially formulated an idea, which became Medalogix, around the effort to differentiate ourselves in the market. Home health care services, truthfully, is largely a commodity service. The nurses who worked for us were just as capable as our competitor's nurses. Differentiating yourself in the market is an important thing. With this in mind, we created software that analyzed medications our patients were taking for contraindications and then automatically alerted the clinical side of our organization so clinicians could better track those medications. It was a bit of a "wrong-headed" idea. While I thought we developed an exceptional tool in averting potential adverse reactions in our patient base, the tool was highlighting the most difficult part of medicine for the physician – the risk-reward evaluation. Our software was delivering pages of information to physicians detailing any and all potential medication contraindications. When a home health physician is treating an average 82-year old patient with two chronic conditions who is taking twelve meds a day, there are always potential contraindications. It was a bit of an inauspicious beginning, but the physician community that we were trying to assist, understandably did not particularly find our analysis helpful. It was at that point in time we decided to expand



**Dan Hogan**  
CEO

**About Medalogix:**

Founded in 2009 by Dan Hogan, Medalogix is the only predictive modeling toolset designed specifically for the post-acute sphere. Medalogix was born from the idea that an in-depth analysis of patient data in a clinical setting would yield the most accurate assessment of current patient readmission risk — when armed with that information — post-acute agencies can better remediate that readmission risk.

most likely to be addicted to narcotics. If doctors have the ability to identify a probability of narcotics addiction, they can bring in a pain consult to eliminate risk. Therefore, very much in keeping with the direction that all health care is going, the application of understanding the value of data that any clinical or health care organization is creating and maintaining is really the value that we are striving to provide.

**CEOCFO:** What has been the hardest part of the technology to get in place?

**Mr. Hogan:** Clinical data, by its very nature, is very sensitive data. It is well-guarded data, as it should be. Explaining to our perspective partners and clients, number one, that we have created a brand new product, here is why you need it and here is what it can do for you, has been a challenge, but also in asking them for something that is very sensitive like data. It is even a harder to obtain commodity than money. Once we generate results like we have, for example our clients last year reduced their average rate of 30-day readmission by nearly 36 percent. Now that we have those quantifiable and verifiable results, it's much easier to have the discussion about utilizing sensitive data. So the short answer to your question, the most difficult part is getting our hands on the data that we need to pool and analyze in order to provide value.

**CEOCFO:** When you approach an organization what is the "aha moment"? When do they get it?

**Mr. Hogan:** At this point I think that the environment of health care where we are, the reforms that have taken place, the entire direction that our 25 percent of the economy is headed with regards to doing more with less; it does not take very much for us, on the front end discussion to say "here is what it is".

**CEOCFO:** How do you reach potential customers?

**Mr. Hogan:** We had our coming out party in the National Association of Homecare Show and we got quite a bit of attention. We had a singularly

unique product on the exhibitor floor and were able to really attract some interest. We have been following up with the relationships we made there from October until now. I just recently began spending a little time on the State Association of Homecare circuit speaking to our capabilities. I am also out meeting with health care directors and executives in of course the home care sect but also those directors in oncology and palliative care since predictive analytics is valuable in all capacities.

**CEOCFO:** Do you provide a daily report to your customers? Is that how it works?

**Mr. Hogan:** The information is updated every hour on the hour, so the client can access current data at any time. However, most clients choose viewing the reports first thing in the morning. Clinicians log into the portal and access the risk profile for that day, then make clinical decisions accordingly.

**"Medalogix is paving the way and helping health care adapt to reforms by assisting in providing better patient care."- Dan Hogan**

**CEOCFO:** Are there trends that you can generalize from the variety of organizations you are working with, or do you really keep in on "organization by organization" level?

**Mr. Hogan:** That is actually one of the key differentiators for us. It is very clear that certain conditions; chronic heart failure, pneumonia, and the like, are very high-risk conditions. However, what we have done is taken the analysis to such a granular level as to incorporate what that facility does well when presented with a high-risk diagnosis. That is the other half of the predictive risk equation. If you are simply looking at a higher level and saying that a person of a certain age and certain condition is at risk of going to the hospital; that is true. There is certainly some value there. However, if you understand at a more granular level that this person is not only at risk of going into the hospital, but the homecare agency, hospital or skilled nursing facility at which this person is being treated is highly

skilled at that particular condition, then that risk of readmission mathematically is lessened. Conversely, if you look at a homecare agency, hospital or skilled nursing facility presented with a patient that has pneumonia and is presumably extremely high risk, and that track record of that agency over the last several years has numerous patients go back to the hospital at a greater rate, then that risk is elevated for that patient and reflected in the risk report. The true unique feature of what we do is that we are able to analyze, down to the patient, how that risk should be quantified, and how that patient's risk is measured against all of the other patients on that chart, regardless of facilities, which is really and truly the challenge of the clinical staff. When making care plan decisions you have a pool of patients to treat and make decisions about, and if you do not know who is most at risk versus least at risk, you don't have all the tools necessary to make the best decisions.

**CEOCFO:** Given all the new regulatory, or potential regulatory results of the health care program, are you competing for attention against

other solutions, or because of the very concrete "people should not be back in the hospital", do you really stand out amongst competing new ideas and technologies that are looking to take hold?

**Mr. Hogan:** I think one challenge that we have seen is that creating an awareness of what this actually is, is a challenge. Inventing a new product poses the problem of, not only clarifying why someone should buy it, but what it is, what value it brings, and then why someone should buy it. You have to educate as to the function and value that you are providing. In direct answer to your question, we have been approached by organizations that view us as singularly unique in the market, and that is a more accurate presumption of what it is that we are doing. Universally, no one does this as specifically and down to the level of detail that we do, and that value, that granularity, provides a mathematical value that we can demonstrate.

**CEO CFO:** What is ahead six months, a year, down the road?

**Mr. Hogan:** For us, you will see us partnering with EMR's in different sectors of health care and becoming a native future of much of the good work and software that is out there. We do not endeavor to become an electronic medical record company. We endeavor to enhance our mathematical and analytical capabilities and provide those capabilities to broad client bases in all sectors. We have several EMR companies that are interested in us. In the next six months you will likely see us launch those relationships.

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

**Mr. Hogan:** I believe most in health care realize that decision support tools, which have been prevalent in almost every other sector or our economy, have been lacking in the clinical world. We have built something that has an absolutely mathematical, discernable value when a clinician is presented with a decision about patients. While the health care industry is years behind other sectors with regard to the utility of business intelligence tools and business reports tools, it's going to become far more data dependent and efficient, because reforms insist on greater accuracy that only BI tools can provide

**CEO CFO:** What should people remember most when they read about Medalogix?

**Mr. Hogan:** Just like everyone realizes, every patient is different, every clinical and health care organization is different. Medalogix grants the ability to understand, identify and operationalize the information about risk accurately in a specific clinical environment. This is the only way, going forward, to build the most efficient health care delivery system. I am very optimistic about the way health care is motivating itself, at large, to become more efficient effective, with regard to better outcomes. I would hope that readers take away that Medalogix is paving the way and helping health care adapt to reforms by assisting in providing better patient care.



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