



April 19, 2017

PHYSICIAN DISRUPT THYSELF

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PROMEDICA CHIEF INNOVATION OFFICER/STRATEGIC BUSINESS DEVELOPMENT

DEFINING DISRUPT

disrupt 

verb | dis·rupt | \dis-'rəpt\
Popularity: Top 20% of words

Definition of DISRUPT

transitive verb

1 a : to break apart : RUPTURE

- three periods of faulting *disrupted* the rocks — *University of Arizona Record*

b : to throw into disorder • demonstrators trying to *disrupt* the meeting

2 : to interrupt the normal course or unity of

- ... *disrupted* a bridge game by permanently hiding up the ace of spades ... — Scott Fitzgerald
- can *disrupt* an industry with new technology

Source: Merriam-Webster

DISRUPT THYSELF

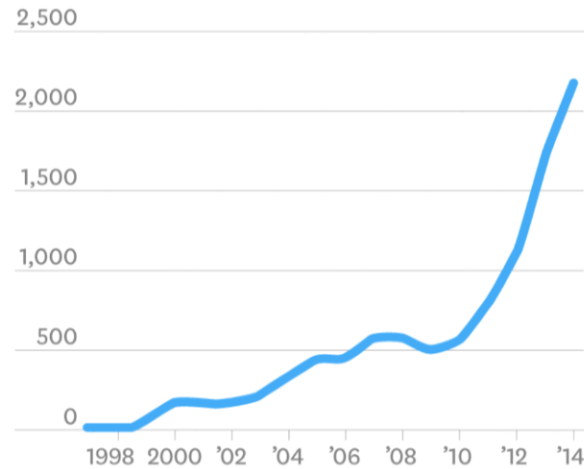
To cause something to be unable to continue
in the normal way



DISRUPTIVE INNOVATION: OVERUSED?

The Ubiquitous “Disruptive Innovation”

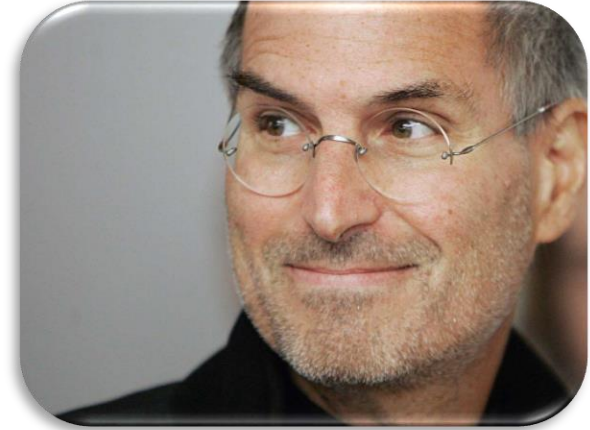
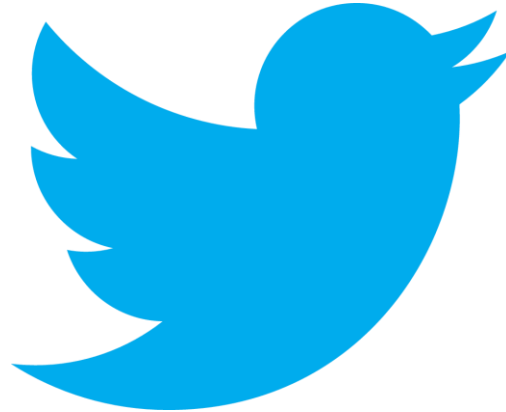
“Disruptive innovation” and “disruptive technology” are now part of the popular business lexicon, as suggested by the dramatic growth in the number of articles using those phrases in recent years.



SOURCE FACTIVA ANALYSIS OF A WIDE VARIETY OF ENGLISH-LANGUAGE PUBLICATIONS
FROM “WHAT IS DISRUPTIVE INNOVATION?”
DECEMBER 2015

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TECH DISRUPTORS



SYNERGISTICS DISRUPTION

- How an innovative healthcare system (IHCS) offers opportunity to innovative individuals. (II's)
- How innovative individuals (II's) can positively impact their HCS.
- Consider the possibilities for your own HCS.



$$\text{IHCS} + \text{II's} = \pi \text{ (Pi)}$$

OUR STORY: PHS AND π (PI)

ProMedica has always
been a “little bit
different”.



HISTORICAL BACKGROUND

- Toledo Native
- Vascular Surgeon 25 years after Mayo Clinic fellowship
- Aortic Endograft patent/device for Aneurysm
- “Life Happens”
- Consulting for med device companies



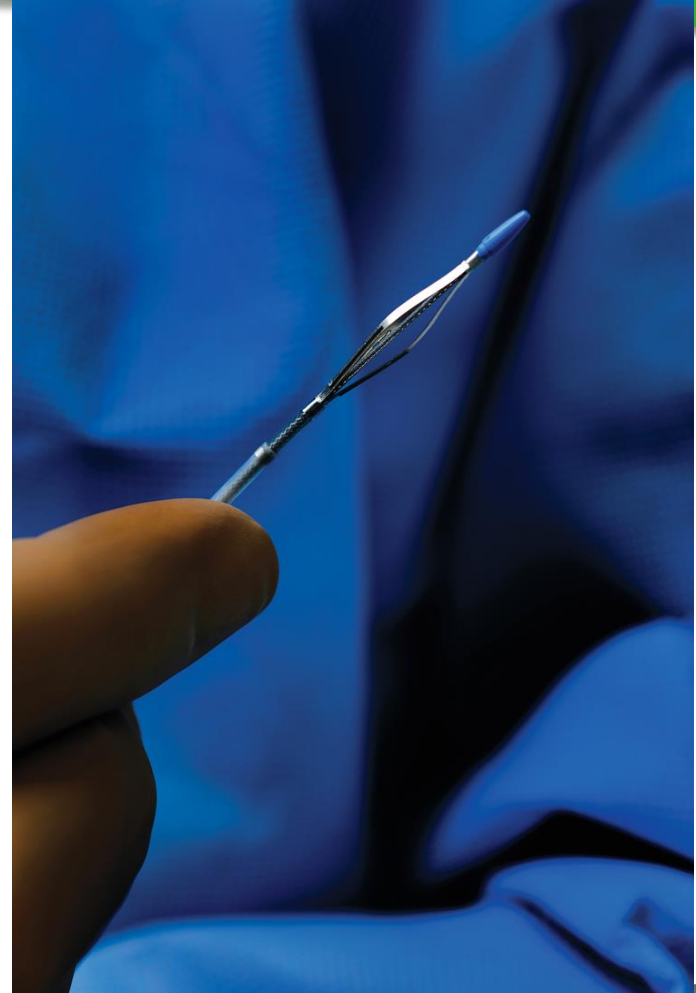
MY JOURNEY



Smarter Innovations. Efficient Solutions.

WELL CONNECTED.

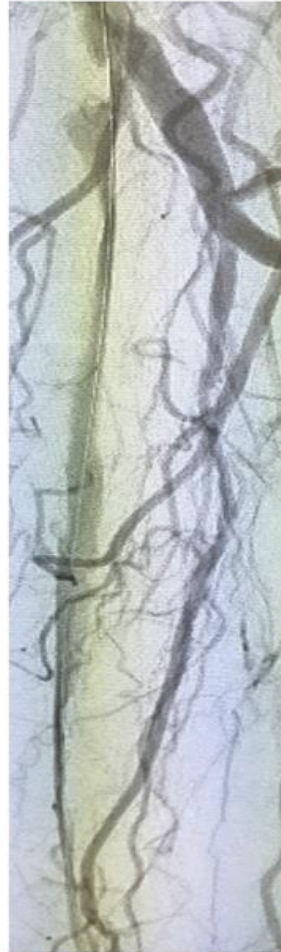
THE FLEX™ SCORING CATHETER



30cm Calcified CTO



SFA CTO



Post FLEX®



Post PTA



Post Stenting

DISRUPTIVE HEALTHCARE

Formula for Success:

- Success factors
 - A. Innovative individuals (II's) who think outside of the box
 - B. Innovative HCS (IHCS)
 - ~ Supportive administration
 - ~ Funding
- An opportunity was born...

$$\text{IHCS} + \text{II's} = \pi \text{ (Pi)}$$

PROMEDICA BY THE NUMBERS

PROMEDICA BY THE NUMBERS

- 27 counties in two states (OH and MI)
- 4.7 million patient encounters system-wide
- 13 hospitals
- 323,000 lives covered by Paramount Insurance
- More than 800 providers/ProMedica Physicians, with 1.5 million annual patient visits
- 2,300+ physicians with privileges
- 1,600+ physicians in ProMedica Health Network
- Six ambulatory surgery centers
- 17,000+ employees
- 2,700+ volunteers
- 8,200 births
- 500+ ProMedica Continuum Services beds
- 2,348 licensed inpatient beds
- 90,000+ inpatient discharges
- 71,000+ surgeries
- 350,000+ ER visits
- 198,000+ home care visits
- 400,000+ rehabilitation therapy encounters



2 STATES,
Ohio and
Michigan

332 sites

**17,000 Potential
Innovators**

PROMEDICA IS ...

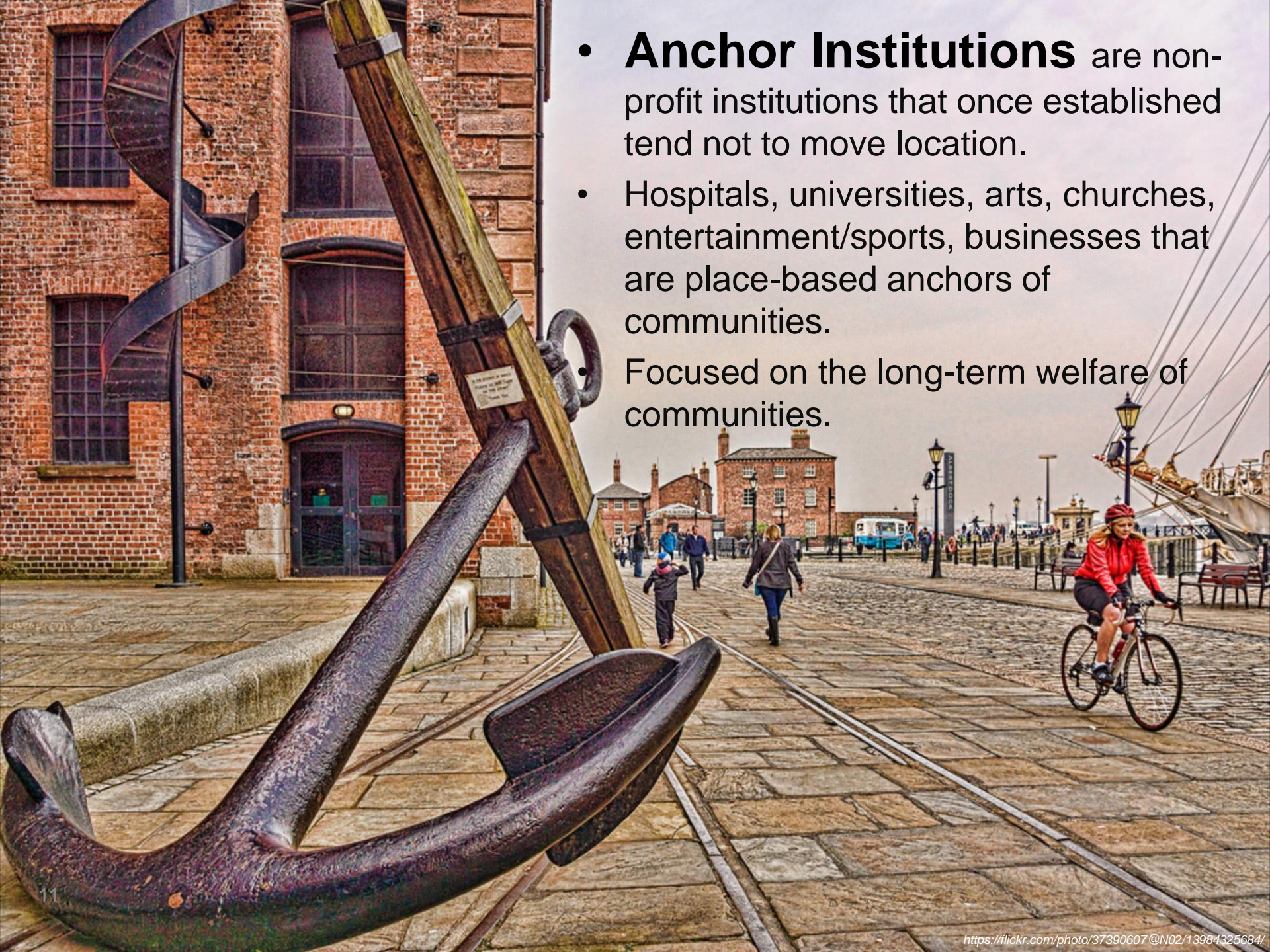
- Community based
- Mission driven
- Not for profit
- Participative culture – governance and employee
- Strategically focused
- Advocacy driven
- Financially sound
Moody's (Aa3); S&P (AA)

27 counties served in northwest
Ohio and southeast Michigan



PROMEDICA'S VISION



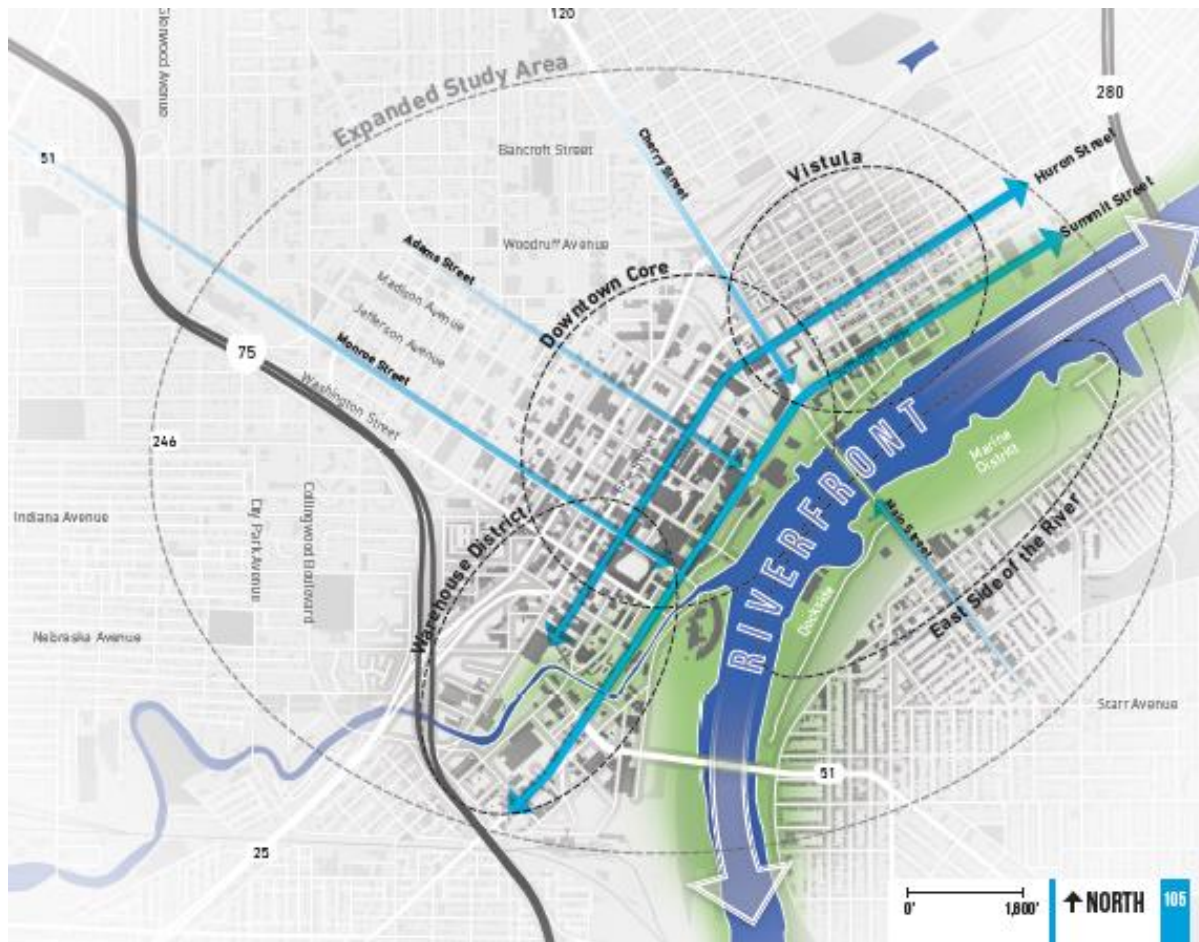


- **Anchor Institutions** are non-profit institutions that once established tend not to move location.
- Hospitals, universities, arts, churches, entertainment/sports, businesses that are place-based anchors of communities.
- Focused on the long-term welfare of communities.

ANCHOR INSTITUTE MODEL

An **Anchor Institute model** is more than the sum of individual community engagement programs –
it is a **mission** developed
to address a
tenacious community challenge
and implemented
to permeate an institution culture and
change the way we do business

EMERGING OPPORTUNITIES

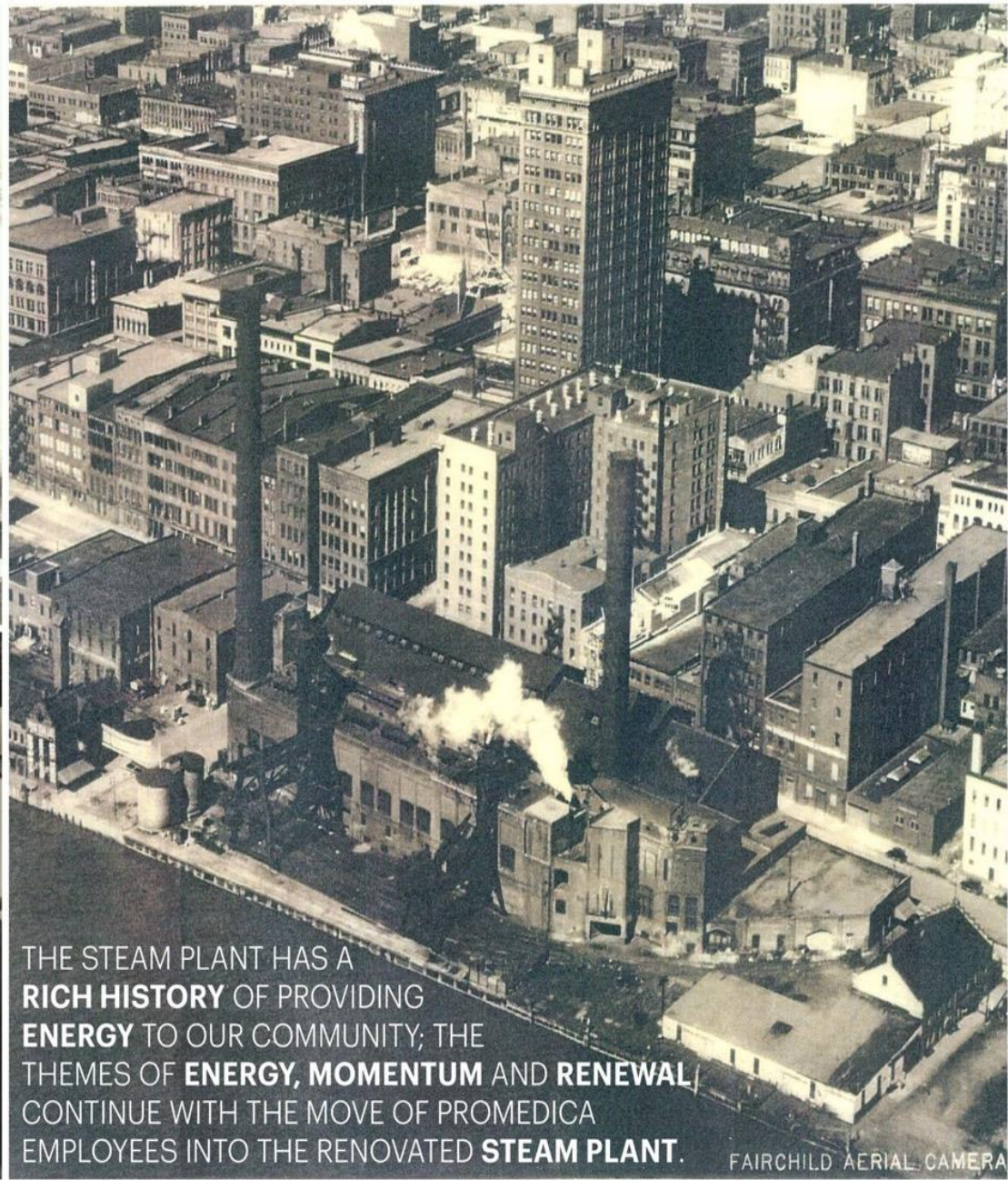
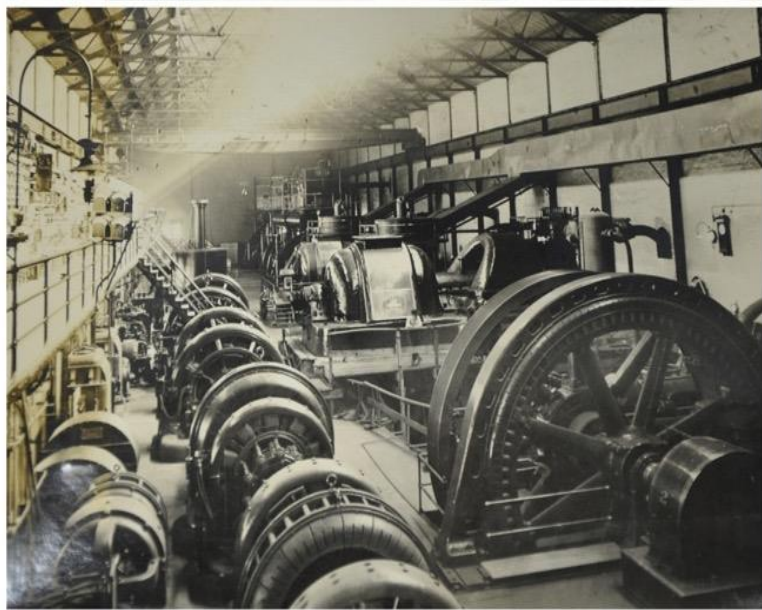


- The riverfront
- Downtown size
- Nearby neighborhoods
- Corridors and connections

Committed to
local/regional
economic
development

HOW DOES AN ANCHOR INSTITUTE IMPACT COMMUNITY REVITALIZATION?





THE STEAM PLANT HAS A
RICH HISTORY OF PROVIDING
ENERGY TO OUR COMMUNITY; THE
THEMES OF **ENERGY, MOMENTUM** AND **RENEWAL**
CONTINUE WITH THE MOVE OF PROMEDICA
EMPLOYEES INTO THE RENOVATED **STEAM PLANT.**

FAIRCHILD AERIAL CAMERA

DOWNTOWN OFFICES

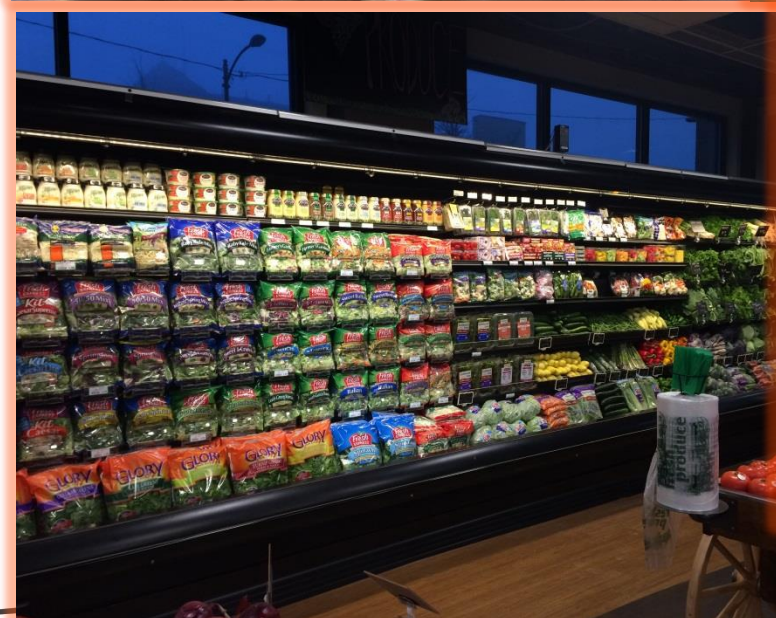


Impact

- 900 existing jobs relocate downtown
- 100 new jobs
- 300 construction jobs
- \$63.2 million annual salary (\$39.5 million new to City of Toledo)
- Phase II – 2000 jobs downtown



SOCIAL DETERMINANTS OF HEALTH



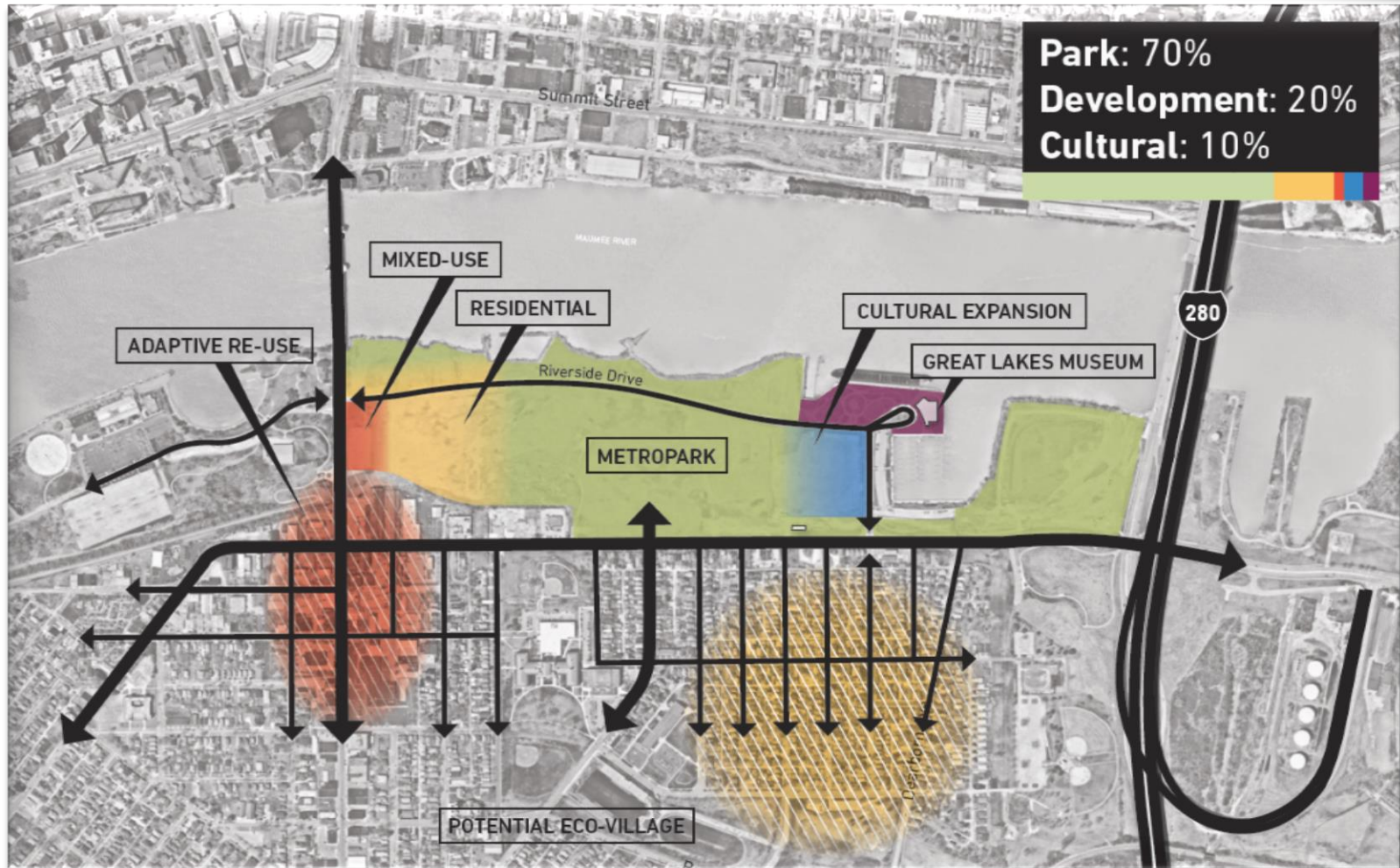
- Hunger
- Food Reclamation
- Food Desert
- SDOH screen (hunger, housing, pharmaceuticals addiction, etc.) – connecting to resources to improve outcomes/prevent readmissions

WELL CONNECTED.

DOWNTOWN REVITALIZATION: FT. INDUSTRY SQUARE

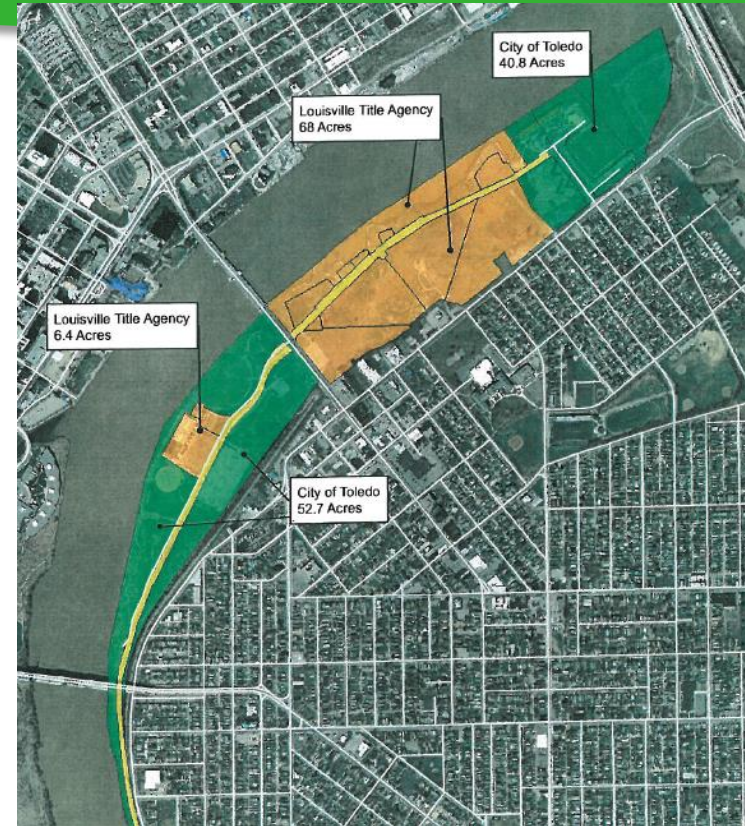


URBAN REVITALIZATION: MARINA DISTRICT

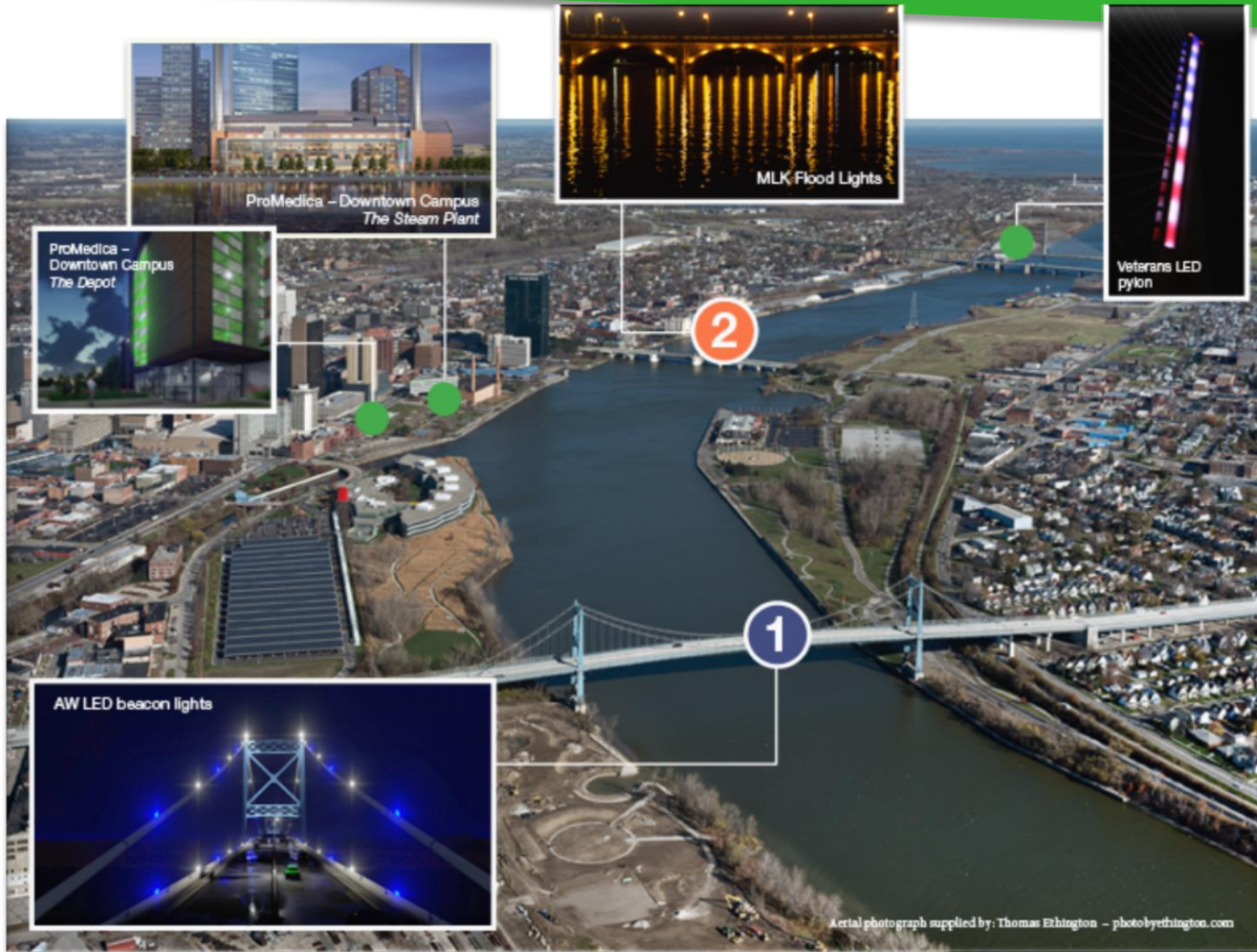


URBAN REVITALIZATION: MARINA DISTRICT

- ProMedica collaborating with Metroparks and Mayor of Toledo to develop Marina District property
- 70 acres with option for 16 more
- ProMedica facilitates purchase of property
- Metroparks to develop park
- Community input on property use



TOLEDO'S NAUTICAL MILE



ACADEMIC ALLIANCE UT/MCO



- 50 Year Commitment
- \$2.5 Billion Commitment
- Attracting Nationally Recognized Leaders in Clinical & Academic Medicine

PROMEDICA HEALTH AND WELLNESS CENTER

Integrates Primary and Specialty Care





WELL CONNECTED.

- LONG TERM REGIONAL GROWTH – JOBS CREATION
- EXPANDING KNOWLEDGE & ATTRACTING PHYSICIANS/PROFESSIONALS
- NEW EMERGENT REVENUE STREAM
- SPREAD TELE-HEALTH INVESTMENT ACROSS BROADER AUDIENCE
- SUPPORTS PROMEDICA'S CORE VALUE OF INNOVATION

WHY TELL THIS STORY



POSSIBILITIES: INFINITE
ProMedica+ II's = π (Pi)

WELL CONNECTED.



WHY PROMEDICA INNOVATIONS?

WELL CONNECTED.



Provides a pathway to
commercialize inventions
while still focusing on

PATIENT CARE

- Improve **PATIENT CARE** and outcomes
- Help accelerate **MEDICAL IDEAS** and **INVENTIONS**
- Incentivize Employees and Physicians
- Stimulate the **LOCAL ECONOMY**



INNOVATION AND INCUBATOR GOALS

- Support 17,000 ProMedica physicians, staff, management, regional Life Science Ecosystem
- Culture change and deliver on a key PHS value (Compassion, Innovations, Teamwork, Excellence)
- Advance Healthcare Innovation
- Support local economic development/job creation
- Self sustaining/new revenue growth

A man with glasses, wearing a white button-down shirt and a grey cardigan, is looking down at a tablet device he is holding. He is standing in front of a window with light coming through. The image is partially overlaid by a dark purple banner on the left side.

OUR DISCLOSURE PROCESS

WELL CONNECTED.

DISCLOSURE PROCESS



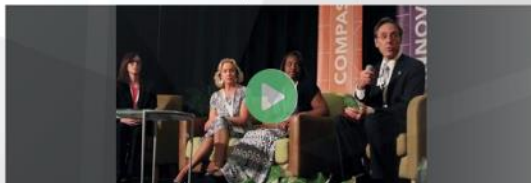
PROMEDICA INNOVATIONS

Have you ever had an idea and dreamed of it becoming a reality? A new way to provide higher quality patient care? A new tool to make surgeries go down on administrative paperwork? The possibilities are truly infinite.

ProMedica Innovations (PI), like the infinite number (π) with which we share an acronym, embraces these infinite health care innovations and positions us in 2012 with the goal of helping our local inventors, employees and community members develop and commercialize intellectual property tools to improve patient healthcare and therefore improving outcomes in people's lives. In 2015 we opened the doors to our Incubator, a world-class staff to help be the landing point and launch pad for some of the technologies we are creating. It is an area to foster new company startups surrounding communities. We are able to support companies in a world-class business environment with clinical resources at a low cost.

Our goal is to improve patient care and well being by supporting our employees and community with resources that help accelerate their inventions.

ProMedica Innovations Develops Ideas to Improve Healthcare



Our current incubator companies include:

- VentureMed Group
- Kapion
- Homeward Health

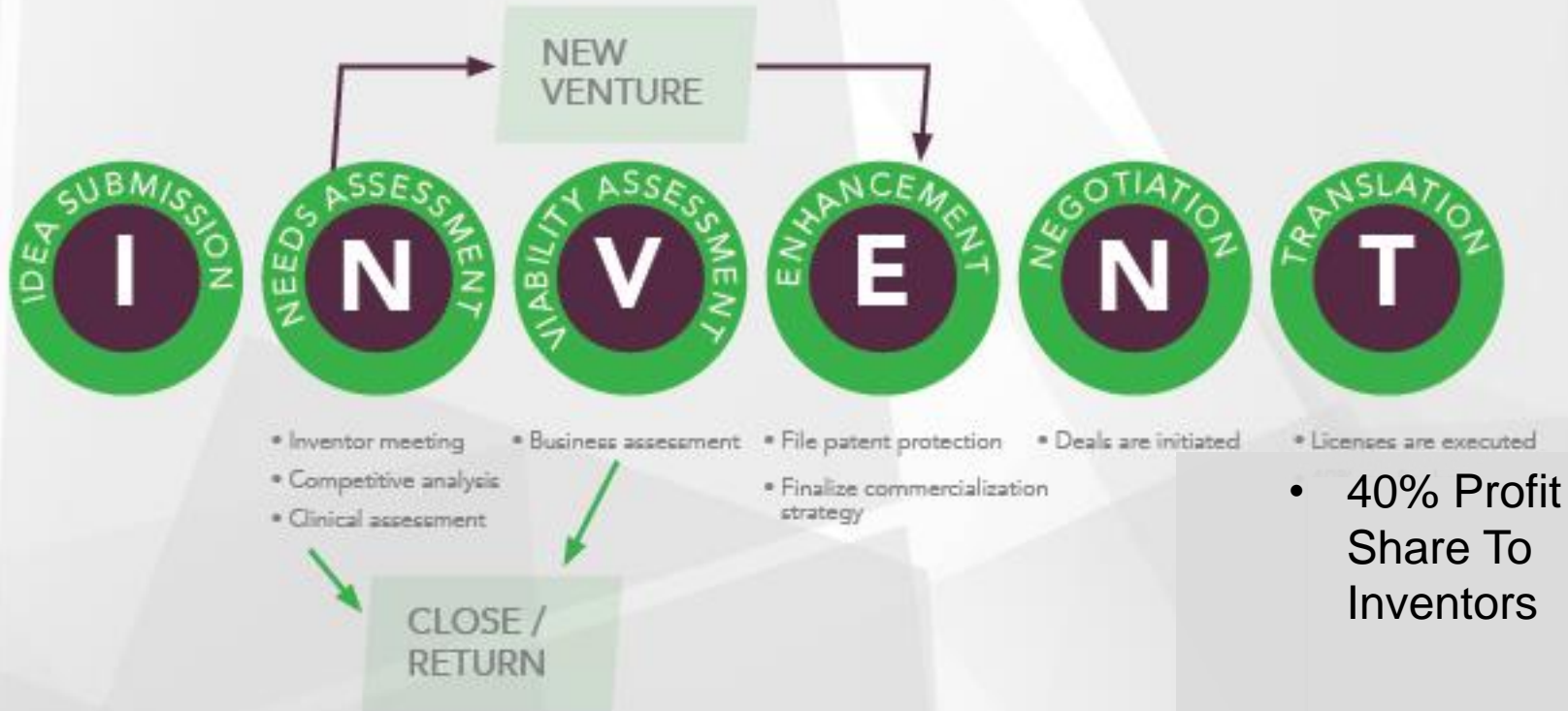
3 STEP PROCESS

- ▶ Visit ProMedica website
- ▶ Fill out invention disclosure form (IDF)
- ▶ PI assigns case manager and project number



DEVELOPMENT AND COMMERCIALIZATION PROCESS

OUR PROCESS: **I.N.V.E.N.T.**



PROMEDICA INNOVATIONS INCUBATOR



WELL CONNECTED.

WHAT'S HAPPENING TODAY?

- ▶ Current projects
- ▶ Success stories



CURRENT INVESTMENT PORTFOLIO

GMS

- Manufacturer of Pediatric Drug Delivery Device

VMG

- Medical Device Manufacturer
- Commercial Sales In EU/USA
- Active Series “B”

Stemedica

- Mesenchymal (non-fetal)
- Stem Cell Rx for Traumatic Brain Injury

Wellopp

- Tabletized Discharge Platform Proven to Prevent Readmission
- Social Determinants of Health Initiative

Kapios

- JV with Large South Korean Software Company to Develop and Commercialize HIT

APM Plus

- JV to Allow Healthcare Systems to Facilitate Patient Care Towards Improving Outcomes Within an ACO Model

\$ 9,175,000 Total Paid

\$ 1,600,000 Contingent Committed

\$10,775,000 Total Committed

\$17 Million Allocated – Uncommitted

CURRENT INVESTMENT PORTFOLIO

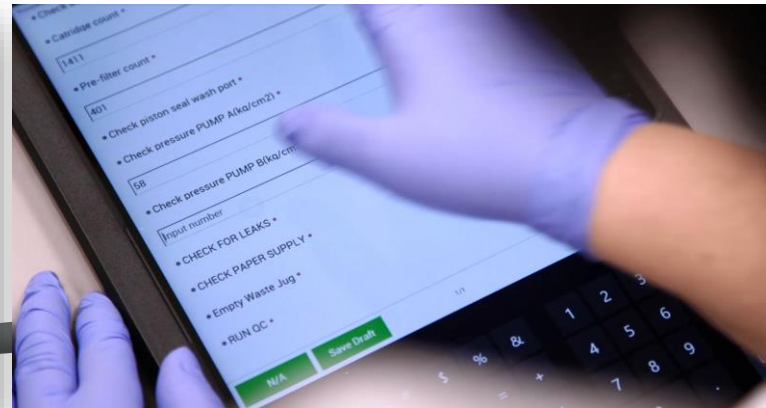
KapioS
HEALTH

Wellopp

 **VentureMed**[®]
GROUP

LABORATORY ASSURED COMPLIANCE SOLUTION™

Laboratories need a systematic process to perform routine quality inspections and equipment maintenance. LACS™ replaces all paper logs with tablets to track all scheduled instrument activity and notifies technicians with a chain of alerts until a required task is completed. LACS™ provides a centralized database to record and review equipment status, access records and run audit reports, all in real-time.



FUTURE INCUBATOR

- WILLIS DAY BUILDING
- 96,000 SQ. FT
- 15 – 17 START UP COMPANIES
- EXPAND CURRENT CAPABILITIES OF LOCAL ECONOMIC DEVELOPMENT AND JOB CREATION
- DEVELOPING FINAL BUSINESS PLAN
 - IDENTIFYING LOCAL, REGIONAL, AND FEDERAL GRANTS
- TARGET Q1 2019



Regional Impact

- ProMedica invests in fostering economic growth and development in ALL of its service area communities.
- ProMedica Partners Fund was established in cooperation with local community business leaders to identify and support small business start-ups.
- Investments of up to \$250,000 per community are available as a 1:1 match.
- Investments in feasible projects with projected ROI, milestones and timelines.
- Opportunities are identified by local community individuals to have maximum local economic effect.
- ProMedica Innovations assists in vetting and monitoring deal flow and investments.

KEY SUCCESS FACTORS/CONSIDERATIONS

- Long term commitment
- Board members/CEO/Senior management alignment
- Acceptance of failure
- Innovations board selection
 - ~ Current chair occupation: “Serial Entrepreneur”
- Management talent- Attract and Retain
- Fully fund despite changes in system annual performance
- Access to Capital
 - ~ Developing a robust VC, HNW, PE network
 - ~ 1st local Life Science VC Fund
- Networking
- Development of Partnerships: Local, regional, national, international med device and HIT companies

COMMIT TO THE PROCESS

- Provide a creative outlet- employees appreciate and are excited by the process
- Learn to accept failures
- Incentivize inventors (\$)
- Manage expectations
 - Timelines (5-7 years)
 - ROI-self sustaining

CONCLUSION

ProMedica + II's = π (*Pi*) Our Story

YOUR HCS + YOUR II'S = YOUR STORY

Who knows where the future is going to take
you...



WELL CONNECTED.



Thank You

