EmpiraMed™
Empirical Medical Technology

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New Company Formed to Measure Real World Patient Experience

EmpiraMed Closes First Customer Contract with Merck Sharp & Dohme Corp.

Maynard, MA — February 4, 2013 — A team of entrepreneurs, clinical researchers, medical professionals, and executives from the healthcare insurance and pharmaceutical industry have teamed together to launch a new technology company to help improve treatment effectiveness and reimbursement for specific patient subgroups where there are large unmet needs. The company was formed in September of 2011 and is building a platform to allow organizations to rapidly create comparative effectiveness research (CER) disease registries for targeted patient populations. EmpiraMed's systems enable CER for diseases and patient subgroups where data comparing available treatments are currently lacking. Additionally, for many questions the platform will allow treatment comparisons to be made in months as opposed to the conventional timeframe of years at a fraction of the cost. The goal is to measure comparative effectiveness through direct patient and physician reporting to improve healthcare outcomes, bring effective new treatments to market, secure payment and patient access to the most effective treatments, and enhance safety.

EmpiraMed is also announcing, today, the close of its first customer contract to begin realizing the company's vision. Merck Sharp & Dohme Corp. has selected EmpiraMed to develop a Diabetes Patient Registry at a leading Harvard academic health center to assess patient experience with current medications.

THE TEAM

Greg Erman, a medical technology industry veteran, co-founded EmpiraMed with Keith Parent, an experienced executive in life sciences managed services; Dr. Neil Minkoff, a leader in the payer healthcare industry; Cord Awtry, a highly respected technologist and consumer UX expert who worked with Greg in the early 2000's; Dr. Isabella Sledge, a health outcomes researcher; and Dr. Richard Friedberg, Chief of Pathology at Baystate Health.

THE PROBLEM

Less than 50% of healthcare decisions are based on adequate evidence and US per capita drug costs are twice the most expensive EU country and three times the UK. Consequently, healthcare providers and industry are increasingly required to provide comparative outcomes data to support reimbursement coding, pricing, formulary tiering decisions, drug safety, brand defense, and even in recent cases new drug approvals through FDA. In addition, for many chronic diseases there are large patient subgroups with inadequate response to current drugs. Such patients often have multiple comorbid illnesses and require expensive drug therapy combinations. With growing reimbursement pressures, defining the most effective treatments for these populations has become an urgent need.

Recent initiatives are accelerating the demand for comparative outcomes data including the 2010 Affordable Care Act, the 2009 American Recovery and Reinvestment Act, the $1B formation of the Patient Centered Outcomes Research Institute of the AHRQ, and the emergence of Accountable Care Organizations (ACOs) requiring quality measurement systems to support pay-for-performance.

The barrier preventing adequate measurement of comparative outcomes relates to the challenge of identifying drug response and adverse events in the "real world" outside the clinic or physician's office. Many chronic disease patient subgroups are frequently excluded from Randomized Clinical Trials (RCTs) and RCTs rarely compare treatments against each other. Chronic disease comparative drug effectiveness cannot be adequately measured through RCTs or

the infrequent patient reported information represented in modern EMRs and is usually not existent in claims data.

OUR SOLUTION

Patient Reported Outcomes (PRO) data is the solution to measuring real world comparative effectiveness. The pharmaceutical industry spends a large amount of money doing custom patient surveys and observational studies to measure PROs as well as physician chart reviews to capture clinical notes. However, each of these methods duplicate costs each time the methods are used and for each sponsoring company. Regardless of technique, PRO data is frequently not objective or clinically meaningful. EmpiraMed plans to address these problems by building a platform to dynamically collect PRO data from patients coupled with clinical data from the EMR and claims data from payer systems. To collect the PROs, EmpiraMed has designed a comprehensive model that dramatically lowers the patient response burden while boosting incentives to report information way beyond where they are today. The result will be a set of disease-specific registries in a broad range of chronic care areas that provide, for the first time, a truly holistic real-time view of the patient experience.

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