



INTER_xVENT^{USA} Inc., MAJOR ACCOMPLISHMENTS THROUGH MARCH 2002

INTER_xVENT^{USA} Inc., founded in July 1997 by Neil F. Gordon, MD, PhD, MPH, is a Savannah-based corporation that develops, tests, implements and licenses scientifically-based, turn-key programs for the prevention of cardiovascular and other chronic diseases. The company's mission is to optimize the health and quality of life of as many individuals as possible by providing access to affordable, evidence-based, comprehensive chronic disease prevention programs. Major accomplishments through March 2002 include:

Tested Products and Services

Brief Update – Over 20 years of research and development have been invested in INTER_xVENT^{USA}'s products and services. INTER_xVENT^{USA} has developed novel ways, including the use of handheld computers and the Internet, to efficiently screen large populations and simultaneously integrate information into its existing database. INTER_xVENT^{USA} has filed for patents associated with multiple software applications. These include INTER_xVENT^{USA}'s proprietary computerized participant management, tracking, and reporting database and outcomes analysis system that allows for integration and analysis of up to 255 comprehensive standalone database applications. INTER_xVENT^{USA} has completed phases one and two of its website development. Phase three beta testing was completed during the fourth quarter of 2001. Final e-commerce-related revisions have been completed to facilitate enterprise wide (global) accessibility, delivery, and implementation of INTER_xVENT^{USA}'s products and services, including the full INTER_xVENT mentor-supported product, called INTER_xVENT^{OnCall} for this application. Another is a product called INTER_xVENT^{@Home}, which is designed for people who are ready to make lifestyle changes and have the commitment, discipline, and support to work on their own and are willing to learn to become their own lifestyle coach. INTER_xVENT^{@Home} integrates exercise, nutrition, weight management, stress management, and other important preventive strategies to help optimize health and total well-being. We have also created a basic “awareness” product and marketing tool called INTER_xVENT^{Getting Started}, which allows a person to complete a simple health risk assessment and receive some general health promotion information, including an individualized report summarizing each heart disease and stroke risk factor, the goal level for each risk factor, and an action plan for achieving these goals with a focus on lifestyle management. In addition, Internet access to several written and audio educational kits on exercise, nutrition, weight management, stress management, and heart disease and stroke prevention is provided with this product.

Joint Venture with St. Joseph's/Candler Health System

Brief Update – In February 1998, INTER_xVENT^{USA} and St. Joseph's/Candler Health System formed an exclusive affiliation in the Savannah service area and a new entity was established – INTER_xVENT Savannah, LLC. INTER_xVENT Savannah, LLC, has programs operating at a variety of sites in Savannah, including a shopping mall, St. Joseph's Hospital, Candler Hospital, health clubs, and worksites. Leading by example, the St. Joseph's/Candler Health System is providing INTER_xVENT^{USA} as a benefit to its employees enrolled on the health care plan. The INTER_xVENT^{USA} products and services are now being provided to many of Savannah's other large employers, including the City of Savannah, Chatham County, Georgia Ports Authority and Interstate Paper. The INTER_xVENT^{USA} cardiac rehabilitation product, INTER_xVENT^{CR}, is also being delivered to participants in the St. Joseph's/Candler Health System's cardiac rehabilitation program. Over 100 Savannah-based physicians are members of the INTER_xVENT^{MD Network}.

Finally, INTER_xVENT^{HC} is being delivered at and integrated with services of the new Downtown Athletic Club.

License Agreement with Neurological Institute of Savannah

Brief Update – The company has executed a license agreement for a disease management version of INTER_xVENT^{USA}, a stroke risk reduction program, for use with patients in a large neurology practice. The INTER_xVENT^{USA} Stroke Risk Reduction Program at the Neurological Institute of Savannah was successfully implemented in February 1999. Outcomes analyses documenting the Program's clinical effectiveness have been presented at several national and international scientific meetings, including the American Heart Association's annual scientific meeting in November 2000 and the American Stroke Association's international stroke meeting in February 2001. Patients are participating in the INTER_xVENT^{USA} Stroke Risk Reduction Program at the Neurological Institute of Savannah in three locations, one in Savannah, a second in Waycross, Georgia, and a third in Hilton Head, SC. A local collaborative effort is underway including the Neurological Institute and the two health systems whereby each stroke patient discharged from a Savannah hospital will be introduced to, and encouraged to participate in, the INTER_xVENT^{Stroke} program as a routine part of the post-discharge recovery process.

Joint Venture with Emory HealthCare

Brief Update – After an extensive due diligence process by both parties, an exclusive joint venture relationship was established with Emory HealthCare for metropolitan Atlanta and the State of Georgia in August 1999. The Emory Hospital cardiology program has been recognized as one of the top ten programs by *U.S. News and World Report* every year since the magazine began ranking hospitals in 1990. This year, Emory was the only Georgia hospital and one of just two in the southeast to be ranked in the top 10 in cardiology. Emory HealthCare is committed to market INTER_xVENT^{USA} through its primary care physicians, clinical cardiologists, emergency room physicians, occupational medicine programs, and employer contracts within the Emory HealthCare service area. INTER_xVENT^{USA} programs are currently being delivered at multiple locations including the Emory Heart Center, Crawford Long Hospital, and a major Atlanta-based Fortune 500 company. INTER_xVENT^{CR} is also being delivered in the cardiac rehabilitation program at Emory HealthCare. Discussions are underway with a major health plan provider to facilitate insurance reimbursement for INTER_xVENT services to certain patients. Over 1,250 Emory Clinic physicians are members of the INTER_xVENT^{MD Network}. In the second quarter of 2002, the INTER_xVENT^{USA} programs will be integrated into the Emory diabetes self-management education program and executive physical program. Finally, steps are underway whereby each cardiac patient discharged from an Emory-affiliated hospital will be introduced to, and encouraged to participate in, an INTER_xVENT product as a routine part of the post-discharge recovery process.

License Agreement with North Broward Hospital District, Fort Lauderdale, Florida

Brief Update – In August 1999, the company executed a license agreement for the INTER_xVENT^{USA} programs for use with North Broward Hospital District employees (approximately 5,000 employees) covered on its self-insured health plan. The district is currently delivering and expanding the INTER_xVENT^{USA} programs through its five county hospitals and several out-patient facilities, which serve a trade area of two million people. Effective August 2000, the district renewed and expanded its licenses and added the rights to use the INTER_xVENT^{USA} retail product and the INTER_xVENT^{MD Network}.

License Agreements with Other Credible, Leading Medical Organizations

Brief Update - INTER_xVENT^{USA} has also executed and/or implemented license or other agreements with more than 20 other prestigious academic/medical institutions both inside and outside the United States, including Vanderbilt University (Nashville, TN); the Medical College of Ohio (Toledo, OH); William Beaumont Hospital (Detroit, MI); North Central CareNet, Ltd. (Norwalk, OH); Holy Name Hospital (Teaneck, NJ); Providence Health System (a unit of Ascension Healthcare, Mobile, AL); Heart Advocates, LLC (Hudson Valley, New York area); Texas Health System for six of its hospitals – Presbyterian Hospital of Dallas, Harris Methodist Hospital-Fort Worth, Presbyterian Hospital of Plano, Harris Methodist HEB Hospital, Harris Methodist Northwest Hospital, and Arlington Memorial Hospital (Dallas-Fort Worth, TX); Memorial Health System (Chattanooga, TN); Florida Lipid Associates (Altamonte Springs, FL); Tallahassee Heart and Vascular Institute of Tallahassee Memorial HealthCare (Tallahassee, FL); Forrest General Hospital (Hattiesburg, MS); The Summit at Kalispell Regional Medical Center (Kalispell, MT); Fitness Management Resources (Boston, MA); Miami Heart and Vascular Institute/Baptist Health System (Miami, FL); and the University of Ottawa Heart Institute (Ottawa, Ontario, Canada). Through Fitness Management Resources, INTER_xVENT services are being delivered to employees of Phillips Medical Systems, Parametric Technologies Corporation and Wyeth Genetics.

Creation and Implementation of the INTER_xVENT^{MD} Network

Brief Update – In order to narrow the gap between evidence-based medical practice and actual medical practice, a specific model for including physicians in a prevention oriented, national network has been developed. The Network product provides physicians with easy access for their patients to the INTER_xVENT^{USA} programs in a way which enables them to derive revenue for services that are typically not reimbursable. The Network product has received a favorable review and Advisory Opinion letter from the Office of Inspector General, Department of Health & Human Services. The Advisory Opinion letter was issued toward the end of June 2000. To date, over 100 physicians have joined the network in the Savannah service area and the INTER_xVENT^{MD} Network product has been implemented at their practices. Attorneys representing Emory HealthCare have now provided their approval for the implementation of the INTER_xVENT^{MD} Network in the Atlanta service area. An agreement has been executed that covers over 1,250 physicians in Atlanta with the Emory Clinic. There are network contracts in place in Dallas and central Ohio. INTER_xVENT^{MD} Network discussions are at an advanced stage with large physician groups nationwide. As a result of clarification in government regulations, electronic referral of large numbers of patients is now possible and is occurring in two markets.

New Products/Initiatives

Brief Update - In conjunction with MedGraphics Corporation, INTER_xVENT^{USA} has developed a "special" product offering, including precision testing and reporting capabilities pertaining to cardiorespiratory fitness and resting metabolism, for license to the health club industry, and INTER_xVENT^{USA} and MedGraphics Corporation are collaborating on implementation in health clubs nationwide. Our first collaborative agreement at a large health club in Minneapolis has been completed and is implemented. A number of other installations are under negotiation, including discussions with several large national and international operators of health and fitness clubs. Also exciting are current proposals and advanced discussions with a variety of professional societies and trade groups. The Medical Fitness Association ("MFA" – a 300 member trade association of hospitals and health systems that own and operate health clubs) and the Florida Lipid Associates ("FLA" – a professional association of 160 physicians who specialize in lipid management) have both provided endorsement of INTER_xVENT products and are moving forward with programs allowing their members preferred access and pricing in conjunction with using one or more INTER_xVENT products and tools. In addition, discussions with immense potential ramifications are in progress

with several other professional societies including the American Association of Cardiovascular and Pulmonary Rehabilitation (AACVPR – a professional association of approximately 2,000 member cardiac rehabilitation programs) and the American College of Sports Medicine (ACSM – a worldwide professional organization that, among other things, certifies personal trainers and exercise physiologists).

Scientific Papers and Publications

Brief Update – INTER_xVENT^{USA} is based on models shown to be effective in randomized clinical trials. Moreover, because the data on all participants in the INTER_xVENT^{USA} programs is computerized, we have been able to utilize our proprietary outcomes analysis software to document the clinical effectiveness of our products and services. Additionally, we have conducted randomized clinical trials to further validate the clinical effectiveness of the INTER_xVENT^{USA} programs in a variety of patient populations. Data on the effect of INTER_xVENT^{USA} on specific important health risk factors have been published in the *American Journal of Cardiology*, *Journal of the American College of Cardiology*, *Circulation*, *Coronary Artery Disease*, *American College of Sports Medicine Certified News*, *Medicine and Science in Sports and Exercise*, *Current Atherosclerosis Reports* and the *Journal of Cardiopulmonary Rehabilitation*. Most recently, manuscripts have been accepted for publication in the *American Journal of Cardiology* and *Chest*. Results have been presented at the annual scientific meetings of the American Heart Association, American College of Cardiology, American Association of Cardiovascular and Pulmonary Rehabilitation, American College of Sports Medicine, and the American Neurology Association. Collectively, these studies have culminated in an evidence-based product that has been enthusiastically embraced by mainstream medical leaders. Future research efforts are being guided by INTER_xVENT^{USA} staff in consultation with a prestigious Scientific Advisory Committee comprised of these leading academicians / clinicians / scientists: R. Wayne Alexander, MD, PhD (R. Bruce Logue Professor and Chairman of Medicine, Emory University School of Medicine, Atlanta, GA); Barry A. Franklin, PhD (Director, Cardiac Rehabilitation and Exercise Laboratories, William Beaumont Hospital, Royal Oak, MI); William L. Haskell, PhD (Chairman, INTER_xVENT^{USA} Scientific Advisory Committee and Professor of Medicine, Stanford University School of Medicine, Stanford Center for Research in Disease Prevention, Palo Alto, CA); Harold W. Kohl, III, PhD (Director, Physical Activity and Nutrition Program, International Life Sciences Institute Center for Health Promotion, Atlanta, GA); Penny M. Kris-Etherton, PhD, RD (Distinguished Professor of Nutrition, The Pennsylvania State University, University Park, PA); Bess H. Marcus, PhD (Director, Physical Activity Research Center, Professor of Psychiatry and Human Behavior, Brown Medical School and The Miriam Hospital, Providence, RI); David J. Maron, MD (Assistant Professor of Medicine, Vanderbilt University Medical Center, Nashville, TN and Medical Director, Cardiovascular Services of America); and Kenneth R. Pelletier, PhD (President, American Health Association, and Clinical Professor of Medicine, Stanford University, University of Maryland School of Medicine and University of Arizona School of Medicine, residing in Walnut Creek, CA).

During this quarter, notice was received from the *American Journal of Cardiology* that an INTER_xVENT^{USA} related article will be published in June 2002. The article, authored by Dr. Gordon, Dr. Haskell of Stanford, Dr. Franklin of William Beaumont Hospital in Detroit, and others, presents data from a randomized clinical trial funded by the American Heart Association (\$499,120). The study was conducted at the Center for Heart Disease Prevention at the St. Joseph's/Candler Health System in Savannah, and compared the results obtained by patients in 3 care groups - traditional 12 week cardiac rehab, physician-supervised, nurse case-managed care, and INTER_xVENT delivered in a shopping mall. The results speak for themselves and have potentially

major implications for delivery of services to persons with coronary artery disease. Very importantly, since its results are equal to, or better than the other approaches, the INTER_xVENT program represents a proven, low cost (\$360 for one year compared to \$1000-3000 for 12 weeks, or so), completely individualized, patient empowering tool that does not require a particular physical facility for service delivery. Accordingly, the INTER_xVENT program has the proven potential to dramatically reduce the underlying risk factor status for, and thereby future consequences of, coronary artery disease, and a variety of other chronic diseases, such as peripheral artery disease, diabetes, and some cancers in many people.

Special Development Activities

Brief Update – Work was begun and is nearly complete on six private label products for MedGraphics Corporation – one for nutrition intervention, one for physical activity, intervention one for weight management, one for stress management, one for smoking cessation, and one for comprehensive lifestyle management. These products are specifically designed for primary prevention, are web-enabled and offer a unique opportunity for distribution through channels that have been previously untapped.

In addition, development work is underway for products to support the dietary supplement industry through one or more nutraceutical manufacturers and to support the pharmaceutical industry by developing “entry” level, web-enabled products for patients with elevated cholesterol, high blood pressure, obesity, diabetes, arthritis, and osteoporosis and who receive prescriptions for these conditions.

Integrative development work and strategic alliance discussions are underway with four additional “device” companies that manufacture or distribute health promotion/wellness enhancement devices for body composition analysis, caloric consumption measurement, nutritional consumption monitoring, cardiac rhythm monitoring, glucose monitoring, and multifunctional physiologic assessment kiosks for use in pharmacies and other retail outlets.

Finally, efforts to secure insurance reimbursement for INTER_xVENT services in certain circumstances have been successful in the Boston area with HMO Blue and in Tallahassee with Health Plan South East. Discussions likely to secure reimbursement are also underway in Tallahassee with another HMO, and in Savannah and Atlanta with large health plan providers.

Special Projects

Brief Update – The credibility and potential importance of the INTER_xVENT^{USA} programs is best attested to by the award by the American Heart Association to Dr. Gordon and the St. Joseph’s/Candler Health System of a \$499,120 grant to further study the benefits of the program in patients with coronary artery disease. Data from this study, documenting the clinical- and cost-effectiveness of the INTER_xVENT^{USA} program in this specific patient population, were presented at the American Heart Association's annual scientific meeting in November, 2000 and the first of several manuscripts, as mentioned above, is scheduled for publication in the American Journal of Cardiology in June 2002. These data clearly demonstrate that INTER_xVENT^{USA} programs can be used to increase accessibility to evidence-based risk reduction services and have major implications for cost containment in cardiovascular medicine. INTER_xVENT^{USA} products are also the lifestyle intervention and compliance tracking mechanism for a research study entitled “Implementation of a Comprehensive Cardiovascular Risk Reduction Program in Transplant Recipients” (\$427,000 grant from the Carlos and Marguerite Mason Trust to St. Joseph’s/Candler Health System, Neil F. Gordon, MD, principal investigator). In January 2002, funding (\$340,000) was approved for a rural

health project that will utilize INTER_xVENT^{USA} products and services to improve access to preventive health care in five counties in south Georgia (ACCESS GEORGIA Rural Health Matching Grants Initiative). Additionally, formal strategic projects are in progress with several leading pharmaceutical companies.

Most recently, our client, Tallahassee Memorial Healthcare, was awarded a “Pursuing Perfection” \$1.9 million grant from the Robert Wood Johnson Foundation and the Institute of Healthcare Improvement. This grant is one of seven similar grants made to hospitals or health systems to pursue perfect care and become models of care that the world can emulate. The Robert Wood Johnson Foundation launched the Pursuing Perfection program in May 2001 with the release of survey findings that showed more than half of health care providers and administrators believe the overall quality of health care in the United States is not good. The survey also indicated that 80 percent of health care providers believe fundamental changes are necessary in the health care system. The goal of the "Pursuing Perfection" initiative is to make it possible for patients to be measurably safer, healthier, functioning at higher levels, waiting less time for care, and feeling more respected by the health care system. The grant to Tallahassee Memorial includes support for a variety of services – cardiac, neurosciences, diabetes and employee education in which INTER_xVENT is a “corner stone” element. Finally, as a result of successes at various INTER_xVENT locations, thirteen INTER_xVENT-related clinical abstracts were presented at national scientific meetings during 2001 and, to date, seven INTER_xVENT-related clinical abstracts have already been accepted for presentation during 2002.

Health Claims Analyses

Brief Update - Data from randomized clinical trials conducted using the INTER_xVENT^{USA} programs and the analyses performed on data from participants in the INTER_xVENT^{USA} programs have consistently documented substantial improvements in multiple risk factors for cardiovascular disease and certain other chronic illnesses, functional capacity, and various indexes of wellbeing and quality of life. Based on data previously published by other researchers, these findings would be expected to result in a reduction in direct and indirect (for example, due to reduced productivity and time away from work) healthcare related expenditures. As the number of participants in the INTER_xVENT^{USA} programs increases over time, it is anticipated that INTER_xVENT^{USA} will be able to accurately document the impact of its programs on healthcare-related expenditures. Currently, data are available for the employees of a Florida-based company. Healthcare claims data are available for 3,062 employees who were employed by the Florida-based company in 1999 (the year prior to implementation of the INTER_xVENT^{USA} program for the company's employees) and 2000 (the year the INTER_xVENT^{USA} program was first implemented). Of these employees, 636 enrolled in the INTER_xVENT^{USA} program between February 1 and July 31, 2000. A comparison was made of the average healthcare claims per employee during February 1 through July 31, 1999 and February 1 through July 31, 2000 for INTER_xVENT^{USA} program participants and non-participants. When comparing the 1999 data to the 2000 data, the average six-month healthcare claims per employee increased by 10.3% (or US\$110.63) for the non-participants and decreased by 14.3% (or US\$142.47) for the participants. This represents an annualized difference in claims cost of US\$500 per participant. These early data support INTER_xVENT^{USA}'s belief that the well-documented benefits of the INTER_xVENT^{USA} programs in terms of clinical results are likely to be accompanied by reductions in healthcare expenditures.

Regulatory and National “Policy” Compliance

Brief Update - In April 2001, President Bush approved the regulations governing the privacy of medical information, including electronic storage and transfer. While many of these provisions are

not directly applicable to INTER_xVENT, they do affect many INTER_xVENT^{USA} clients. In anticipation of these changes, the INTER_xVENT^{USA} Information Technology team and legal team have designed and implemented provisions for INTER_xVENT^{USA} and its clients to be in immediate compliance.
