



## INTERxVENT<sup>USA</sup> Inc. MAJOR ACCOMPLISHMENTS THROUGH SEPTEMBER 2003

INTERxVENT<sup>USA</sup> Inc. (INTERxVENT), 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. INTERxVENT'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. INTERxVENT and its licensees serve thousands of enrolled individuals at 66 locations across 35 cities in the U.S., Canada, and South Africa, and via the telephone from call centers and the Internet. Major accomplishments through September, 2003 include:

### *Tested Products and Services*

**Brief Update** – Over 20 years of research and development have been invested in INTERxVENT's products and services. INTERxVENT has developed novel ways, including the use of the Internet, to efficiently screen and provide ongoing services to large populations and simultaneously integrate information into its relational databases. These databases include INTERxVENT's proprietary computerized participant management, tracking, and reporting database and outcomes analysis system that allows for integration and analysis of numerous comprehensive standalone applications. Since late 2001, INTERxVENT has devoted its primary efforts toward completing its website development sufficient to facilitate enterprise wide (global) accessibility, delivery, and implementation of INTERxVENT's original products and services, plus several new ones. To summarize, the program content is organized into two core sets of products. One set is "mentor-assisted" (involves one-on-one counseling of participants by a health professional). The other set is an array of "self-help" products. All INTERxVENT products can be administered in, or from, a variety of settings (including hospitals, physician offices, cardiac rehabilitation programs, shopping malls, health clubs, and work sites) and via telephone and the Internet. In each of these settings, the original program content has been adapted to enhance the applicability to the specific settings and clinical circumstances. On May 30, 2002 at the American College of Sports Medicine annual scientific meeting in St. Louis, company leaders made a presentation demonstrating the similar clinical

effectiveness of INTERxVENT when administered with mentoring via the telephone and Internet as compared with onsite (face-to-face) program delivery. These findings have important implications for increasing convenience and accessibility to clinically effective lifestyle management and prevention services. Immediately following that presentation, on May 31, 2002, the first web-only INTERxVENT products were introduced. Since May 2002, the foregoing products have been released and are fully functional.

The key products that are "mentor-assisted" or involve one-on-one "coaching" are:

- INTERxVENT<sup>Live</sup>, for face-to-face delivery to individual consumers from free-standing physical settings, such as hospital outpatient service areas, medical office buildings, shopping malls and health clubs, etc.;
- INTERxVENT<sup>OnCall</sup>, for delivery to individual consumers via the telephone and Internet;
- INTERxVENT<sup>@Work</sup>, for delivery to employees of companies of all sizes;
- INTERxVENT<sup>CR</sup>, for delivery in phase 2 cardiac rehabilitation programs;
- INTERxVENT<sup>Diabetes</sup>, for delivery through diabetes self-management education programs; and
- INTERxVENT<sup>Stroke</sup>, for delivery in neurology practices.

The key "self-help" products that do not involve one-on-one coaching are briefly described below:

- INTERxVENT<sup>Getting Started</sup> is intended as an introductory awareness and education tool. It involves completion of a simplified health risk assessment (25 or so questions), and results in the generation of individualized health enhancement goals regarding each modifiable cardiovascular disease risk factor and an action plan to achieve the goals. Also included is some general health promotion information on exercise, nutrition, weight management, stress management, and heart disease and stroke prevention. It is low cost (\$9.99 or less), or in some cases free when accessed via the Internet.
- INTERxVENT<sup>@Home</sup> was developed in response to many consumers requesting a comprehensive program they could implement by themselves. It is a one-year version of INTERxVENT that does not

involve counseling by a trained health professional, but otherwise does incorporate the content of the products that involve one-on-one assistance. This entire program can be accessed via the Internet, but is also available via mail. The retail fee for the INTER<sub>x</sub>VENT<sup>@Home</sup> offering is \$50-\$125, depending upon the consumer's preferences for receipt of program materials.

- In response to consumer and industry demand, INTER<sub>x</sub>VENT has developed a series of 12-week, single behavior programs (INTER<sub>x</sub>VENT<sup>Weight Management</sup>, INTER<sub>x</sub>VENT<sup>Nutrition</sup>, INTER<sub>x</sub>VENT<sup>Exercise Training</sup>, INTER<sub>x</sub>VENT<sup>Stress Management</sup>, and INTER<sub>x</sub>VENT<sup>Quit Smoking</sup>). These products are presently Internet-only products and are priced to the retail consumer at \$40 each.

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

**Brief Update** – In February 1998, INTER<sub>x</sub>VENT and St. Joseph's/Candler Health System formed an exclusive affiliation in the Savannah service area and a new entity was established – INTER<sub>x</sub>VENT Savannah, LLC. INTER<sub>x</sub>VENT Savannah, LLC, has programs operating at a variety of sites in Savannah, including St. Joseph's Hospital, Candler Hospital, and worksites. Leading by example, the St. Joseph's/Candler Health System is providing INTER<sub>x</sub>VENT as a benefit to its employees enrolled on the health care plan. The INTER<sub>x</sub>VENT products and services are now being provided to many of Savannah's other large employers, including the City of Savannah. The INTER<sub>x</sub>VENT cardiac rehabilitation product, INTER<sub>x</sub>VENT<sup>CR</sup>, 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<sub>x</sub>VENT<sup>MD</sup> Network.

#### **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, and began operations in January 2000. 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<sub>x</sub>VENT through its primary care physicians, clinical cardiologists, emergency room physicians, occupational medicine programs, and employer contracts within the Emory HealthCare service area. INTER<sub>x</sub>VENT programs are currently being delivered at multiple locations, including the Emory Heart Center, Crawford Long Hospital, the Emory Executive Health Program and a major Atlanta-based Fortune 500 company. INTER<sub>x</sub>VENT<sup>CR</sup> is also being delivered in the cardiac rehabilitation program at Emory HealthCare. United Healthcare of Georgia has agreed to provide

insurance reimbursement for INTER<sub>x</sub>VENT services to its beneficiaries who are patients with coronary artery disease. Over 1,250 Emory Clinic physicians are now members of the INTER<sub>x</sub>VENT<sup>MD</sup> Network. In the second quarter of 2003, the INTER<sub>x</sub>VENT programs became the Emory diabetes self-management education program. Finally, steps are underway whereby it is anticipated that each cardiac patient discharged from an Emory-affiliated hospital will be introduced to, and encouraged to participate in, an INTER<sub>x</sub>VENT product as a routine part of the post-discharge recovery process.

#### **License Agreements with Other Credible, Leading Medical Organizations**

**Brief Update** – INTER<sub>x</sub>VENT has also executed and/or implemented license or other agreements with more than 30 other prestigious academic/medical institutions both inside and outside the United States, including Vanderbilt University (Nashville, TN); the University of Michigan (Ann Arbor, MI); the Medical College of Ohio (Toledo, OH); William Beaumont Hospital (Detroit, MI); the University of Ottawa Heart Institute (Ottawa, Ontario, Canada); University of Alberta (Edmonton, Alberta); Cedars-Sinai Health System (Los Angeles, CA); New Hanover Regional Health System (Wilmington, NC); 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); 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); St. Claire's Medical Center (Morehead, KY); PREVENT Consulting Services (Columbia, MO); Miami Heart and Vascular Institute/Baptist Health System (Miami, FL); Bryan LGH Health System (Lincoln, NE); Swedish Health System (Seattle, WA); Olympia Medical Center (Olympia, WA); and Boca Raton Community Hospital (Boca Raton, FL).

The following clients have expanded their original agreements with INTER<sub>x</sub>VENT: University of Ottawa Heart Institute; Forrest General Hospital; William Beaumont Hospital; Memorial Health System; Harris Methodist-HEB Hospital; Emory HealthCare; and Swedish Health System.

#### **Service Agreements with Multi-location Corporations**

**Brief Update** – INTER<sub>x</sub>VENT has now executed an agreement with Virgin Active –South Africa, Limited, a health club division of Virgin, the third most recognized brand in the United Kingdom. Under this Agreement,

INTER<sub>x</sub>VENT products will be provided to Virgin Active members in South Africa and Namibia through the 70+ locations that Virgin Active operates. In addition, INTER<sub>x</sub>VENT and Virgin will collaborate in providing services to employees and the medical care insurance industry in South Africa.

Backed by the recommendation of the Wyatt Consulting (employee benefits) Corporation, the State of Oklahoma Employee Benefits Council has licensed INTER<sub>x</sub>VENT for use as the employee health promotion intervention. INTER<sub>x</sub>VENT services are now being delivered statewide via telephone and the Internet by trained State of Oklahoma Benefit Council staff.

In addition, the City of Fort Lauderdale, whose employees formerly received INTER<sub>x</sub>VENT services from the North Broward Hospital District, has contracted with INTER<sub>x</sub>VENT directly for an expanded relationship with all services to its employees delivered via telephone and the Internet.

#### ***Creation and Implementation of the INTER<sub>x</sub>VENT<sup>MD</sup> 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<sub>x</sub>VENT 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<sub>x</sub>VENT<sup>MD</sup> Network product has been implemented at their practices. Attorneys representing Emory HealthCare have now provided their approval for the implementation of the INTER<sub>x</sub>VENT<sup>MD</sup> 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<sub>x</sub>VENT<sup>MD</sup> Network discussions are at an advanced stage with large physician groups nationwide. As a result of recent clarifications in government regulations, electronic referral of large numbers of patients is now possible and has commenced in two markets.

#### ***New Products/Initiatives***

**Brief Update** - In conjunction with MedGraphics Corporation, INTER<sub>x</sub>VENT has developed a "special" product offering, including precision testing and reporting capabilities pertaining to cardiorespiratory fitness, for license to the health club industry. INTER<sub>x</sub>VENT and MedGraphics Corporation are collaborating on product implementation in health clubs

nationwide. The first collaborative agreement at a large health club in Minneapolis has been completed and is implemented.

Under the terms of a development agreement with the University of Ottawa Heart Institute, INTER<sub>x</sub>VENT has undertaken to expand the breadth and scope of the version of the INTER<sub>x</sub>VENT program suitable for use in Canada. The new version is being designed so that it can be used to support almost all key aspects of preventive cardiology and rehabilitative services for persons with coronary artery disease in a fashion that supports the reimbursement guidelines under the provincial system of healthcare. These endeavors have major implications for the delivery of INTER<sub>x</sub>VENT program services throughout Canada.

At the request of two clients, Emory HealthCare and Forrest General Hospital, INTER<sub>x</sub>VENT has developed a comprehensive diabetes self-management program intended for delivery of service that is eligible for third party reimbursement. These diabetes services, the cardiac rehabilitation services and the stroke risk reduction services are also now suitable for delivery through "outsourcing" arrangements whereby INTER<sub>x</sub>VENT may provide services to patients directly on behalf of their healthcare provider.

#### ***Strategic Alliances***

**Brief Update** – Also exciting are current agreements and advanced discussions regarding additional agreements with a variety of professional societies and trade groups. Discussions with immense potential ramifications have been completed with two professional societies, including a joint marketing agreement with the American Association of Cardiovascular and Pulmonary Rehabilitation (AACVPR – a professional association of approximately 2,000 member cardiac rehabilitation programs) and an educational services agreement with the American College of Sports Medicine (ACSM – a worldwide professional organization that, among other things, certifies personal trainers and exercise physiologists). INTER<sub>x</sub>VENT entered into a support and marketing agreement with the AACVPR on September 10, 2002. This agreement became effective November 29, 2002. The AACVPR is a professional organization devoted exclusively to comprehensive cardiovascular and pulmonary disease prevention and rehabilitation. This agreement involves joint support, marketing and sales activities related to the INTER<sub>x</sub>VENT Program designed specifically for cardiac rehabilitation programs. The agreement entitles AACVPR members to services, program benefits and pricing that is unavailable to non-members. In addition, under the terms of the agreement, it is anticipated that the first national cardiovascular disease risk reduction database will be created and managed by INTER<sub>x</sub>VENT. There are approximately 3,000 cardiac rehabilitation programs in the United States, and approximately 2,000 of these are members of AACVPR. This strategic alliance represents an

important component of INTER<sub>x</sub>VENT's strategy to establish national and local credibility and gain access to physicians, employers, consumers, and physical service delivery sites in specific geographic service areas by forming affiliations with local health care systems. 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<sub>x</sub>VENT products and are moving forward with programs allowing their members preferred access and pricing in conjunction with using one or more INTER<sub>x</sub>VENT products and tools.

### **Scientific Papers and Publications**

**Brief Update** – The INTER<sub>x</sub>VENT programs are based on models shown to be effective in randomized clinical trials. Moreover, because the data on all participants in the INTER<sub>x</sub>VENT programs is computerized, the company has been able to utilize its proprietary outcomes analysis software to document the clinical effectiveness of its products and services. Over 40 published scientific manuscripts and abstracts have resulted from INTER<sub>x</sub>VENT's work with its clients. Additionally, the company has conducted randomized clinical trials to further validate the clinical effectiveness of the INTER<sub>x</sub>VENT programs in a variety of patient populations. Data on the effect of INTER<sub>x</sub>VENT<sup>USA</sup> on specific important health risk factors have been published in journals including the *American Journal of Cardiology*, *Chest*, *Journal of the American College of Cardiology*, *Circulation*, *Coronary Artery Disease*, *Medicine and Science in Sports and Exercise*, *Current Atherosclerosis Reports* and the *Journal of Cardiopulmonary Rehabilitation*. Results have been presented at the annual scientific meetings, including those 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 and used by mainstream medical leaders. Future research efforts are being guided by INTER<sub>x</sub>VENT 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<sub>x</sub>VENT 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 (Lead Epidemiologist and Epidemiology Team Leader-Physical

Activity and Health Branch of the Division of Nutrition and Physical Activity, Centers for Disease Control and Prevention [CDC] 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 (Associate 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).

In June 2002, the *American Journal of Cardiology* published the findings of a landmark study involving the INTER<sub>x</sub>VENT Program. 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 three care groups - traditional 12 week cardiac rehabilitation, physician-supervised, nurse case-managed care, and INTER<sub>x</sub>VENT delivered in a shopping mall. The results have major potential implications for delivery of INTER<sub>x</sub>VENT services to persons with coronary artery disease. Very importantly, since its results are at least equal to the other approaches, the INTER<sub>x</sub>VENT program represents a proven, low cost (approximately \$400 for one year of participation compared to \$1000-3000 for 12 weeks, or so of participation in a cardiac rehabilitation program), individualized, patient empowering tool that does not require a particular physical facility for service delivery. Accordingly, the INTER<sub>x</sub>VENT 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 arterial disease, diabetes, metabolic syndrome, obesity, arthritis and some types of cancer.

In October 2003, INTER<sub>x</sub>VENT and its clients will make nine scientific presentations at the annual meeting of the AACVPR. These presentations include highlights of INTER<sub>x</sub>VENT program results in a variety of patient populations.

### **Special Development Activities**

**Brief Update** – Work has been completed on six private label web delivered products under the brand identity "New Leaf" 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 nearing completion (and, in some cases, is completed) for products to support the pharmaceutical industry by developing “entry” level, web-enabled products for patients with elevated cholesterol, high blood pressure, obesity, diabetes, metabolic syndrome, arthritis, and osteoporosis and who receive prescriptions for these conditions. Discussions with a major pharmaceutical company regarding use of certain of these products and other collaborative endeavors is at an advanced stage and it is anticipated that a definitive agreement will be formalized in the fourth quarter of 2003.

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

Efforts (in addition to those mentioned above) to secure insurance reimbursement for INTER<sub>x</sub>VENT services in certain circumstances have been successful in Georgia with United Healthcare, in the Boston area with HMO Blue, and in Tallahassee with Health Plan South East. Discussions likely to secure reimbursement are also underway with other national health insurers.

### ***Special Projects***

**Brief Update** – The credibility and potential importance of the INTER<sub>x</sub>VENT 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<sub>x</sub>VENT<sup>USA</sup> program in this specific patient population, were first presented at the American Heart Association’s annual scientific meeting in November, 2000 and the first of several manuscripts, as mentioned above, was published in the *American Journal of Cardiology* in June 2002. These data clearly demonstrate that INTER<sub>x</sub>VENT programs can be used to increase accessibility to evidence-based risk reduction services and have major implications for cost containment in cardiovascular medicine. INTER<sub>x</sub>VENT products were 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 is now utilizing INTER<sub>x</sub>VENT products and services to improve access to preventive health care in five counties in south Georgia (ACCESS GEORGIA Rural Health Matching Grants Initiative).

Most recently, INTER<sub>x</sub>VENT’s 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<sub>x</sub>VENT is a “corner stone” element. INTER<sub>x</sub>VENT is also a central element in grant applications with clients and others in Missouri, Oklahoma, and Atlanta.

### ***Health Claims Analyses***

**Brief Update** - Data from randomized clinical trials conducted using the INTER<sub>x</sub>VENT programs and the analyses performed on data from participants in the INTER<sub>x</sub>VENT programs have consistently documented substantial improvements in multiple risk factors for cardiovascular disease and certain other chronic illnesses, functional capacity, and various indices 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<sub>x</sub>VENT programs increases over time, it is anticipated that INTER<sub>x</sub>VENT will be able to document the impact of its programs on healthcare-related expenditures with increasing frequency and precision. Currently, data are available for the employees of a large company. Healthcare claims data are available for 3,062 employees who were employed by the company in 1999 (the year prior to implementation of the INTER<sub>x</sub>VENT program for the company’s employees) and 2000 (the year the INTER<sub>x</sub>VENT program was first implemented). Of these employees, 636 enrolled in the INTER<sub>x</sub>VENT 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<sub>x</sub>VENT<sup>USA</sup> 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 \$110.63) for the non-participants and decreased by 14.3% (or \$142.47) for the participants. This represents an annualized difference in claims cost of \$500 per participant. These same data have now been analyzed for two years of INTER<sub>x</sub>VENT participation and show an even greater reduction in average healthcare claims for participants as compared to non-participants:

- Average claims per non-participating employee increased in each of two years (compared to the 1999 baseline) by a total of 66% (or \$708);
- Average claims per participating employee decreased in each of two years (compared to the 1999 baseline) by a total of 36% (or \$559).

- This represents a two-year reduction in claims cost of \$1,267 per participant, representing a return of \$2.30 for each \$1.00 spent (or a Return on Investment of 130%) based upon current retail pricing.

These data support INTER<sub>x</sub>VENT's belief that the well-documented benefits of the INTER<sub>x</sub>VENT 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<sub>x</sub>VENT, they do affect many INTER<sub>x</sub>VENT clients. In anticipation of these changes, the INTER<sub>x</sub>VENT Information Technology team and legal team have designed and implemented provisions for INTER<sub>x</sub>VENT and its clients to be in immediate compliance.

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