

Siemens Healthineers Supports Population Health Management with Planned Acquisition of Medicalis

- **Siemens Healthineers has signed an agreement to acquire Medicalis Corporation to expand Population Health Management portfolio**
- **Medicalis' expertise and solutions provide workflow orchestration and clinical decision support to health systems**
- **Offerings expected to deliver desired service levels at lower costs while improving quality and productivity for healthcare providers**

Siemens Healthineers plans to expand its Population Health Management (PHM) portfolio with the acquisition of Medicalis Corporation based in San Francisco and Kitchener, Ontario. Medicalis is a leading provider of Clinical Decision Support (CDS) Solutions at the point of order entry, Imaging Workflow (IW) management, and Referral Management (RM). By incorporating these offerings into its PHM portfolio, Siemens Healthineers will enable healthcare providers to effectively bridge between PHM at the health system level and at the departmental level. With an expanded focus on PHM, as well as a new name that underlines the company's pioneering spirit and engineering expertise, Siemens Healthineers—the separately managed healthcare business of Siemens AG—is helping healthcare providers worldwide meet current challenges and excel in their respective environments.

"The mission of Siemens Healthineers is to be the trusted partner enabling health systems and healthcare providers worldwide to improve medical outcomes and reduce costs," says Matthias Platsch, Head of Services, Siemens Healthineers. "The addition of Medicalis' technology solutions to the Siemens Healthineers portfolio complements and supports our offerings in Population Health Management and Value-Based Healthcare, a key priority for

our ongoing expansion through our Services business."

The newly-acquired Population Health Management portfolio will extend the Siemens Healthineers strategy for Value-Based Healthcare across the health system enterprise and hospital departmental levels:

- **Clinical Decision Support** provides the mechanism, as defined under the Protecting Access to Medicare Act of 2014 (PAMA), to check appropriateness of imaging orders and enables healthcare providers to define and evolve their standard of care, according to their appropriate use criteria (AUC), based on evidence and best practice. Today, 20%–30% of high-tech imaging procedures fail to provide information that improves patient welfare and, therefore, may represent, at least in part, unnecessary imaging services.
- **Imaging Workflow** orchestrates the interpreting physician desktop, streamlining workflow, and standardization of diagnostic pathways for high-impact disease states. It ensures the right specialist, the right tools, a timely read, and prevention of care gaps.
- **Referral Management** helps to avoid breaks in care by providing simple appointment scheduling tools, which help a patient schedule examinations in their network. This avoids leakage of patient information to another health system, which breaks communication and causes lost revenue.

In the short term, the solutions developed by Medicalis are expected to address the immediate need for consolidating providers to orchestrate and standardize their imaging workflow and to achieve compliance with the Protecting Access to Medicare Act of 2014, expected to become effective on January 1, 2018, which mandates consultation of appropriateness CDS at the point of order for certain advanced imaging tests. Siemens Healthineers believes these solutions will enable providers to achieve PAMA compliance while retaining control over the content, allowing them to move beyond simple compliance towards truly establishing an evolving standard of care based on evidence and direct health system experience.

"The acquisition of Medicalis will allow us to offer healthcare providers a powerful solution to define, implement, monitor, and evolve their own standard of care for their diagnostic

service line," says Robert Taylor, Head of Digital Services Population Health Management, Digital Health Services, Siemens Healthineers. "We are excited to support our customers with these innovative tools to remove the variability from key high-impact disease states, to create standardized diagnostic pathways which enhance outcomes, control costs, and when combined with intelligent referral management, improve the patient experience overall."

The solutions developed by Medicalis allow networks of hospitals (Health Systems/Integrated Delivery Networks) to improve physician productivity, manage patient referrals, and scheduling to enhance the relationship with the patient and ensure clinically appropriate imaging and tests to reduce inappropriate utilization. Currently, seven of the top 25 Health Systems from Massachusetts to California use solutions developed by Medicalis to increase the quality of care they offer to patients.

"We are eager to be joining Siemens Healthineers and believe that this is a strong fit for our company because of our shared values and pioneering heritage," says Oran Muduroglu, CEO of Medicalis Corporation. "With Siemens Healthineers, we will be able to broaden the context of our decision support, workflow, and referral management to utilize the full spectrum of diagnostic and therapeutic areas in which Siemens Healthineers operates, to address care gaps, streamline workflow, and help improve the overall experience of healthcare."

The agreement to acquire the San Francisco, CA, USA and Kitchener, ON, Canada-based company by Siemens Healthineers was signed in April 2017. Terms of the transaction are not disclosed. The closing of the acquisition is subject to customary closing conditions.

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Siemens Healthineers is the separately managed healthcare business of Siemens AG enabling healthcare providers worldwide to meet their current challenges and to excel in their respective environments. A leader in medical technology, Siemens Healthineers is constantly innovating its portfolio of products and services in its core areas of diagnostic and therapeutic imaging and in laboratory diagnostics and molecular medicine. Siemens Healthineers is also actively developing its digital

health services and enterprise services. To help customers succeed in today's dynamic healthcare marketplace, Siemens Healthineers is championing new business models that maximize opportunity and minimize risk for healthcare providers. In fiscal 2016, which ended on September 30, 2016, Siemens Healthineers generated revenue of €13.5 billion and net income of over €2.3 billion and has about 46,000 employees worldwide. Further information is available at www.siemens.com/healthineers.