

MiMedx ACO Value Proposition

MiMedx is excited to bring the power of regenerative medicine to primary care. Specifically, those practices and clinicians that are aligned with improving clinical outcomes, reducing costly ED visits and inpatient admissions, and adding revenue to the health of their practice. This is precisely why we have created the first of its kind platform for the ACO model and addressing those patients that are responsible for driving the highest expenditures.

A few months ago, *Diabetes Care* in May 2017, published a landmark review of 5.6 billion ambulatory care records from 2007-2013 in conjunction with the CDC. Specifically, the authors looked at which chronic conditions posed the highest risk for either an ED visit or an inpatient admission. Most striking, the two chronic conditions that were statistically significant from all others, including cancer, CHF, PVD, COPD etc., were **diabetic foot infections & diabetic foot ulcers**.

Independently, they had a three to six times higher risk of resulting in an ED visit or inpatient admission. The economic drain of these conditions is substantial, as the most recent estimates put the average cost to treat a DFU at \$44,200. Unfortunately, many of these result in below or above knee amputations which more than doubles the cost. In fact, it is virtually unknown outside of the limb salvage community, that a DFU has three times the five year mortality of breast cancer. Unfortunately, these conditions have historically been overlooked as the one of the highest cost drivers.

At MiMedx, the clear market leader in regenerative medicine, we recognize that these conditions are most prominent in primary care and often they go undiscovered until too late. Until the introduction of EpiFix, which is dehydrated human amnion chorion membrane (dhacm), regenerative medicine was extremely difficult to handle and

employ in practice, which made it unrealistic to the PCP and limited to advanced wound care clinicians who were skilled in preparing living or cryopreserved tissue. With the patent protected technology of EpiFix and dhacm from MiMedx, this tissue has a 5 year shelf life at ambient conditions, making it easy to store like a drug sample, and as easy to employ as applying a band aid. This technology has revolutionized regenerative medicine and is now accessible to the PCP. Additionally, this is the first regenerative technology that has shown >90% healing rates in multiple randomized controlled clinical trials, and is reimbursed by all Medicare carriers, most Medicaid, and almost all commercial payers.

This new opportunity has resulted in MiMedx assembling a complete platform for the ACO model that, after we provide you with the diagnosis & procedure codes to identify and carve out these patients, we will provide a turnkey solution that will help you achieve the quality measures & cost reductions that will significantly improve the health of your patients, dramatically improve patient satisfaction, increase revenue, and help you maximize your shared savings.

I would be extremely excited to share this solution with you at the upcoming ACO Strategy Summit, October 23-24th in Alexandria VA. I promise it will be well spent. If you are interested, please let me know. Finally, please refer to the recent attached business report about MiMedx to learn more about the cutting edge technology & solutions we are working on as we continue to be a leader in regenerative medicine & biopharmaceuticals.

Sincerely,

Sean McCormack

Director, New Market Initiatives

MiMedx