Ceresti Health Selected as Top 10 Healthcare Startup by Healthcare Tech Outlook for 2019

Leader in value-based care for patients with dementia featured as the cover story for the 2019 Healthcare Startup Edition.

CARLSBAD, Calif., Nov 18, 2019—Ceresti Health, a digital health company that achieves the Triple Aim (improved care, quality and costs) for members with dementia, today announced that Healthcare Tech Outlook magazine has selected Ceresti Health as a Top 10 Healthcare Startup company for 2019. The cover story entitled "Transforming Dementia Care" details how Ceresti's digital care management program combines technology, content, coaching and predictive analytics to proactively avoid unnecessary hospitalizations for a population that incurs 25% of all hospitalizations.



"We are honored to be selected by Healthcare Tech Outlook as one of the top 10 healthcare startups," said Dirk Soenksen, CEO and co-founder of Ceresti Health. "This recognition highlights the progress we have made in demonstrating that dementia is a condition that can be managed effectively by payers and providers or value-based care."

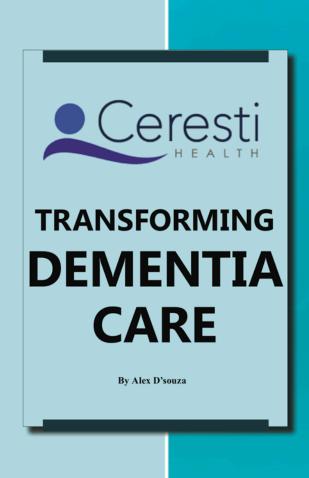
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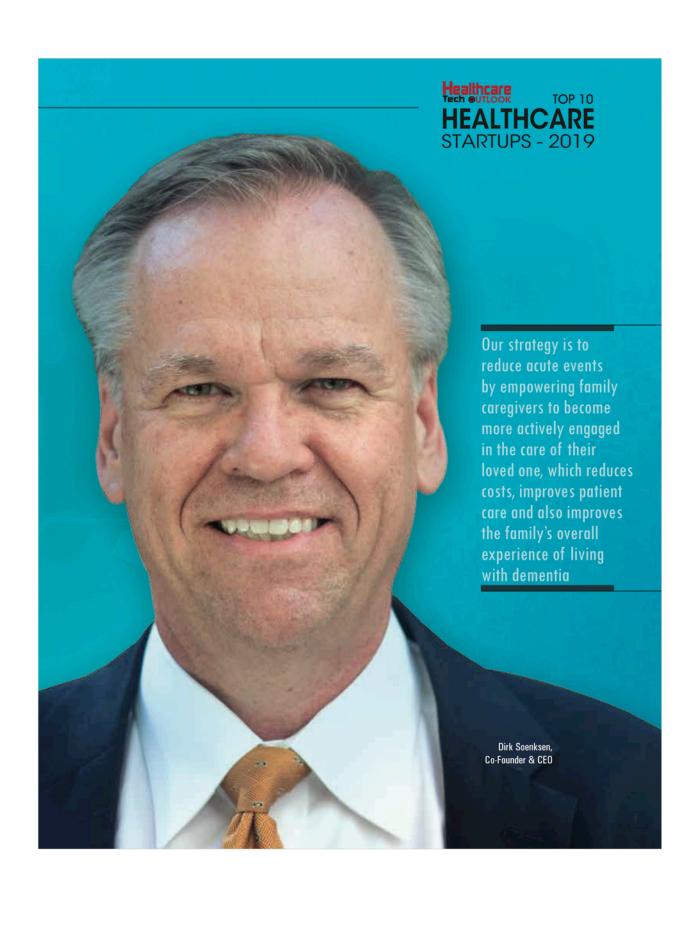
COVER STORY

s the healthcare industry shifts to value-based care, payers and providers are increasingly focused on reducing healthcare costs while also improving the quality of care. Value-based care is fully entrenched in managed Medicare programs (e.g., Medicare Advantage) that are administered by private insurance companies that provide coverage for about 35 percent of U.S. seniors, expected to grow to 50 percent by 2025. Medicare Advantage payers and providers deploy population health management programs(PHM) to improve cost and quality outcomes for those patient populations that drive the highest costs; for example patients with diabetes, heart disease or pulmonary disease. Effective engagement of patients in the management of their own health is a critical success factor in all PHM program.

One disease area that lacks a coherent population health approach is Alzheimer's Disease and other dementias (ADOD). ADOD is an irreversible brain disorder that slowly destroys memory and thinking skills and affects about 50 million people globally, according to WHO.

Traditional patient-centric approaches are not effective for ADOD because it is not possible to empower patients with ADOD to follow prescribed care plans for their chronic conditions or to identify the early signs of urinary tract and other infections, which are common in persons living with ADOD. As a result of unmanaged chronic conditions and unchecked infections, patients with ADOD have 2-3 times higher rates of emergency department (ED) visits and hospital admissions than those without the condition. Ten percent of Medicare beneficiaries have ADOD and





incur 25 percent of all facility utilizations. Driven by an aging population, the prevalence and impact of ADOD are projected to increase by more than 50 percent by 2050.

Acute events accelerate cognitive and functional decline for patients with ADOD, and perpetuate a cycle of more acute events and further declines. Acute events include ED visits and hospitalizations, and can also include family issues, disrupted routines, and new dementia-related behaviors. Most acute events can be avoided by empowering family caregivers (e.g., spouses or adult children) to be active members of their loved one's care team. However, family caregivers are often inexperienced and managed care organizations lack the ability to effectively integrate a family caregiver into the patient's care.

Empowering family caregivers with the knowledge, skills, and confidence required to improve care for their loved ones, reduce their own burden, and deliver other outcomes that matter is Ceresti Health. Founded in 2013, and following several years of painstaking research and development, the founders developed the Ceresti Family Caregiver Empowerment Program (FCEP), a comprehensive technology-enabled service that addresses the medical, psychosocial, and behavioral challenges of ADOD. Ceresti's FCEP employs technology and remote coaching to empower family caregivers by engaging them in a personalized program of education, support, software-based tools and coaching that is delivered via a tablet device that is sent to the home, or via the caregiver's smartphone. "Our strategy is to reduce acute events by empowering family caregivers to become more actively engaged in the care of their loved one, which reduces costs, improves patient care and also improves the family's overall experience of living with dementia," remarks Dirk Soenksen, co-founder and CEO of the company. Besides, Ceresti's business model results in cost savings for payers and providers of value-based care as soon as the company enrolls a patient/caregiver dyad in one of its programs. The Ceresti program is available at no cost to families, and pays for itself, typically in three months or less, from costs savings realized as a result of reducing facility utilization.

The story of Ceresti's inception is an interesting one. Prior to the founding of the company, Kevin Liang, a neuroscientist, explained to Soenksen-founder of venture-backed Aperio, a digital pathology solutions provider—that dementia has a multiplicative (negative) impact on the ability of someone with dementia to self-manage their chronic conditions. Liang suggested that this insight could be the key to a business aimed at improving care for millions of patients living with ADOD. Together with Mark Wrenn, another Aperio veteran, Liang and Soenksen co-founded Ceresti in 2013. All three have personal experience dealing with parents or grandparents with dementia or cognitive impairment. Initially, they developed digital versions of cognitive psychosocial therapies and tested them with ADOD patients in a memory-care facility. Armed with positive results they stumbled when they tested the product in homes, where more than 80 percent of patients with ADOD reside. "We observed spousal caregivers getting upset with their loved one because their loved one could not remember their names. We thought that a home-based approach is not going to work if we cannot make the caregiver a part of the solution," says Soenksen.



A Personalized Program for Each Caregiver/ Patient Dyad

Ceresti delivers a version of its program that is personalized for every caregiver/patient dyad. "Personalization is the key to driving and sustaining engagement," says Soenksen. "We achieve personalization, dynamically and at scale, using

proprietary personalization AI engine that integrates care plans for patients, evidencebased assessments, claims data and real-time engagement data." Caregivers receive daily education on their tablets or smartphones. Education is delivered in the form of short videos, targeted tutorials, synopses, and is personalized based on the medical needs of their loved ones. Caregivers also receive education based on their specific psychosocial needs and are connected to local communitybased resources based on their needs for support, e.g., respite care. Caregiver adaptability, self-care and understanding how to access

support are important themes in every Ceresti program. Software-based tools, including a Ceresti App for families, make it easy for family members and friends to be integrated into the patient's care team.

Family caregivers are paired with a remote social worker coaches who supports them throughout their program. Ceresti coaches use evidence-based techniques to increase caregiver health literacy and motivational interviewing to foster active participation by the caregiver in their loved one's care. Coaches communicate with family caregivers via messaging or phone calls, and track the progress of multiple families using Ceresti's care management portal.

Caregivers typically engage with their programs for about 45 minutes every week, and provided that the program is personalized continually, will engage for many months. Caregivers complete a personalized risk assessment an average of 3-4 times every week, which enables effective remote monitoring of patients and their caregivers, and allows Ceresti coaches to make actionable alerts to care managers and/or providers about potentially avoidable events.

Delivering High Value to All Stakeholders: Payers/Providers and Caregivers/Patients

The effectiveness of Ceresti's caregiver program is best illustrated with a family success story. An 82-year-old patient, Tom, was diagnosed with frontotemporal dementia in addition to COPD, bipolar disorder, diabetes, hypertension, and sleep apnea. He lived at home with his wife Renee as his primary

caregiver. Renee felt unprepared and alone in coping with her role as a caregiver and experienced a high level of anxiety and burden. After enrolling in Ceresti's program, Renee developed a deeper understanding of Tom's conditions and skills to manage his care. Renee completed daily tasks and activities on her Ceresti tablet and regularly interacted with her Ceresti

coach, who personalized her program to address the specific challenges she faced. As Renee progressed through the customized learning modules and worked with her coach, she became a more effective caregiver and was able to reduce her stress and burden significantly. Her engagement ultimately contributed to better health outcomes for Tom and prevented several emergency department visits and hospitalizations.

The value to payers and providers is illustrated in a pilot study with Landmark Health, a provider organization that specializes in home-based medical care. Ceresti's FCEP reduced monthly medical costs by 33 percent versus a matched comparison group. These results are not

statistically significant due to insufficient sample size. Family caregivers of patients with at least 6 chronic conditions and dementia also reported high program satisfaction (NPS=92) and reduced their caregiver burden. A study in a larger patient population is underway with caregivers of patients in four payer populations in multiple states. Ceresti also deployed the it's program with caregivers of patients with dementia that were eligible for both Medicare and Medicaid, managed by Blue Cross Blue Shield of Minnesota (BCBSMN) in 2018. Stella, the parent company of BCBSMN, also invested in Ceresti because of their commitment to the Ceresti's approach of empowering family caregivers to improve patient outcomes.

Scripting such success stories, Ceresti is powered by a team of experienced and passionate professionals. "Our entire approach is built on being agile," says Soenksen. The company constantly receives feedback from families and quickly learns if something is working or not, and why. Ceresti also conducts regular status calls with its payer/provider clients to get feedback, learn, and optimize its approach.

While Ceresti is squarely focused on improving patient care and reducing healthcare costs, the company's broader mission is to change the conversation around dementia. "The lack of a disease-modifying treatment and the stigma around dementia leave many believing that nothing can be done for persons living with dementia. We believe that compelling outcomes from a novel intervention like the Ceresti's caregiver program can, and will, change the conversation around dementia," concludes Soenksen.

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About Ceresti

Ceresti Health is a digital health company that achieves the Triple Aim (improved care, quality and costs) for members with dementia. Our tech-enabled care management program combines technology, content, coaching and predictive analytics to proactively avoid unnecessary hospitalizations for a population that incurs 25% of all hospitalizations. We empower and support family caregivers (e.g., spouses and adult children) to effectively care for a loved one who struggles with self-management and who is not able to effectively participate in traditional population health programs. Learn more at ceresti.com.