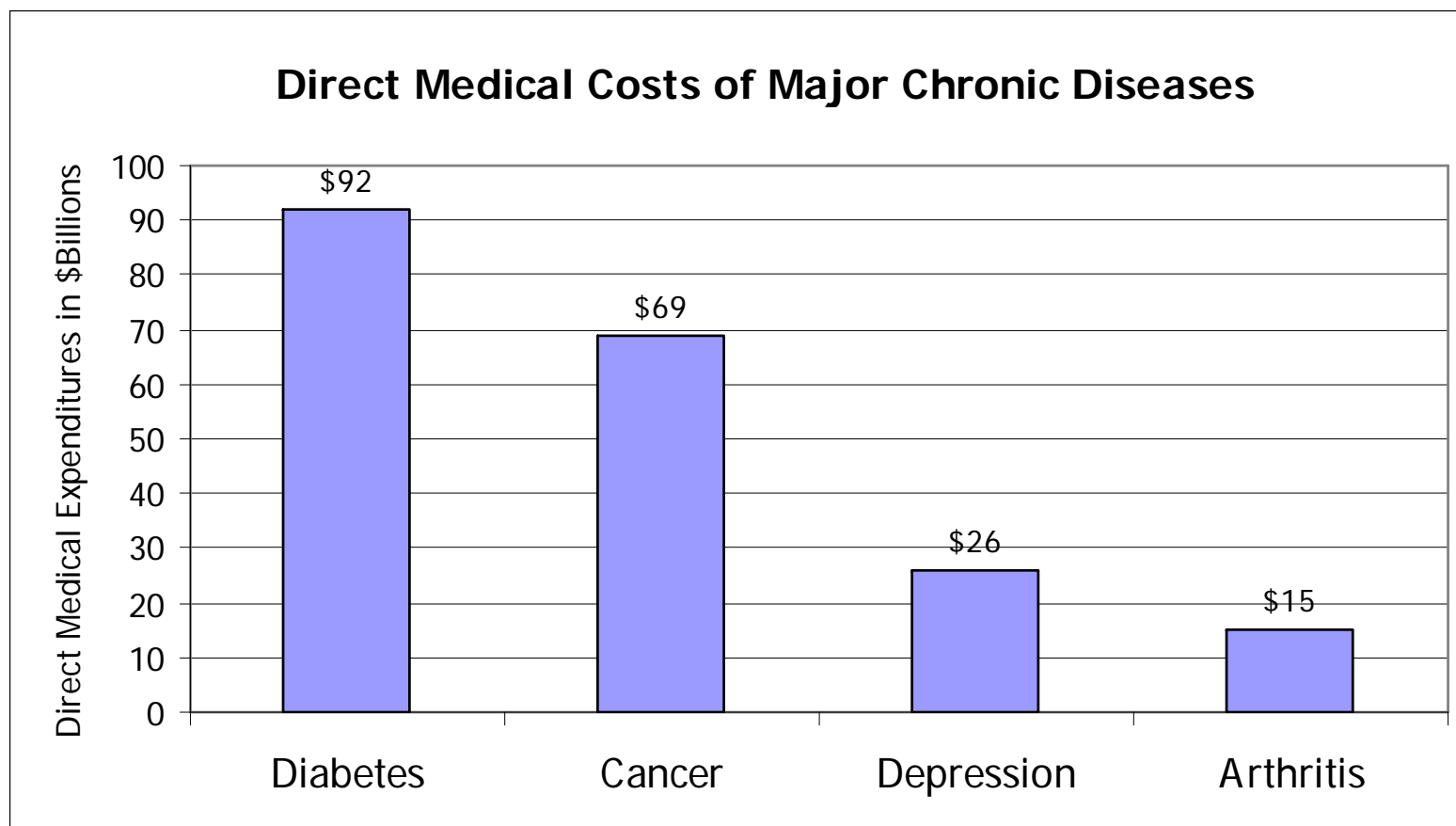




Diabetes Self-Care Reinforcement

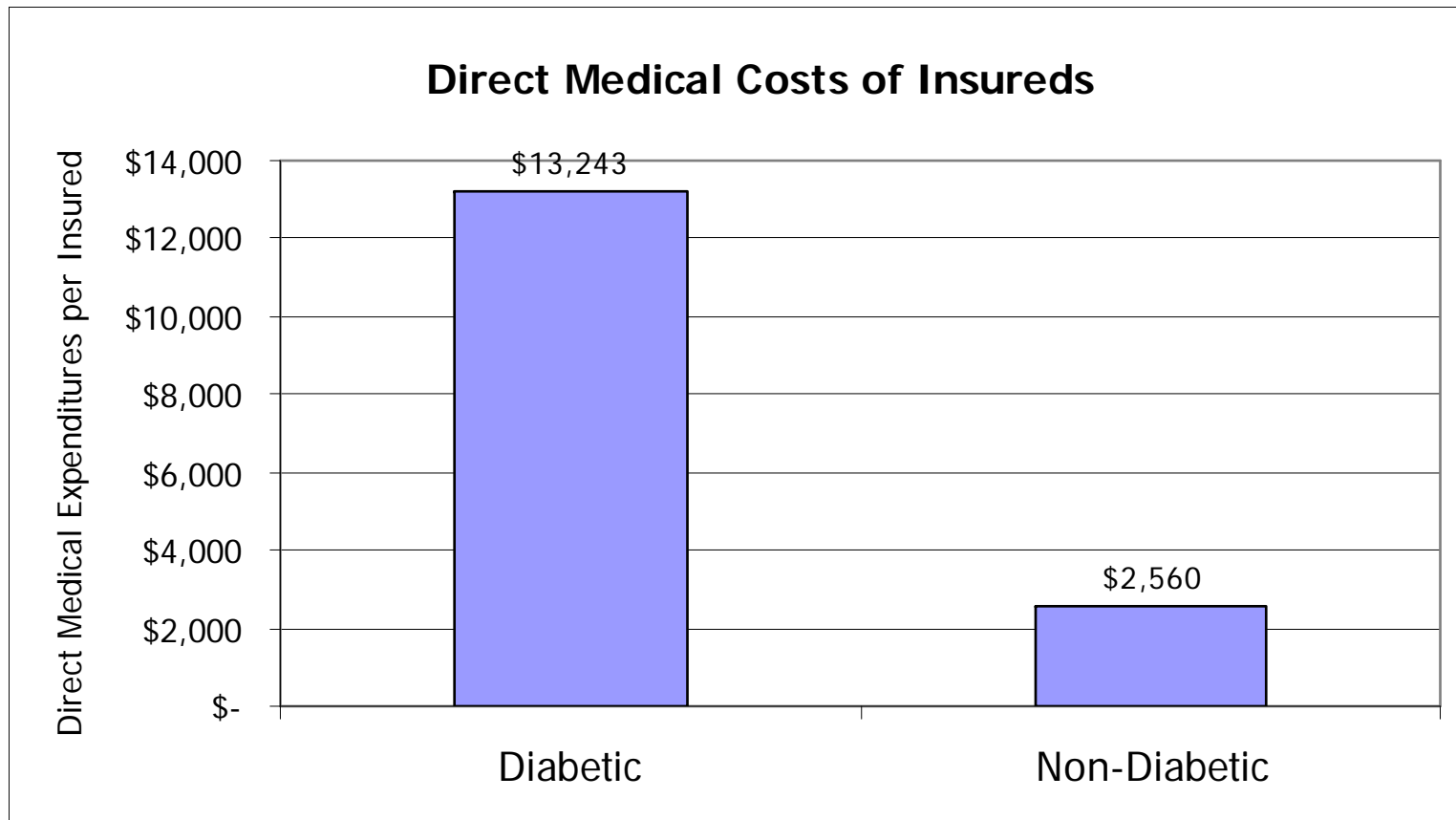
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Diabetes is the most expensive chronic disease in terms of direct medical costs



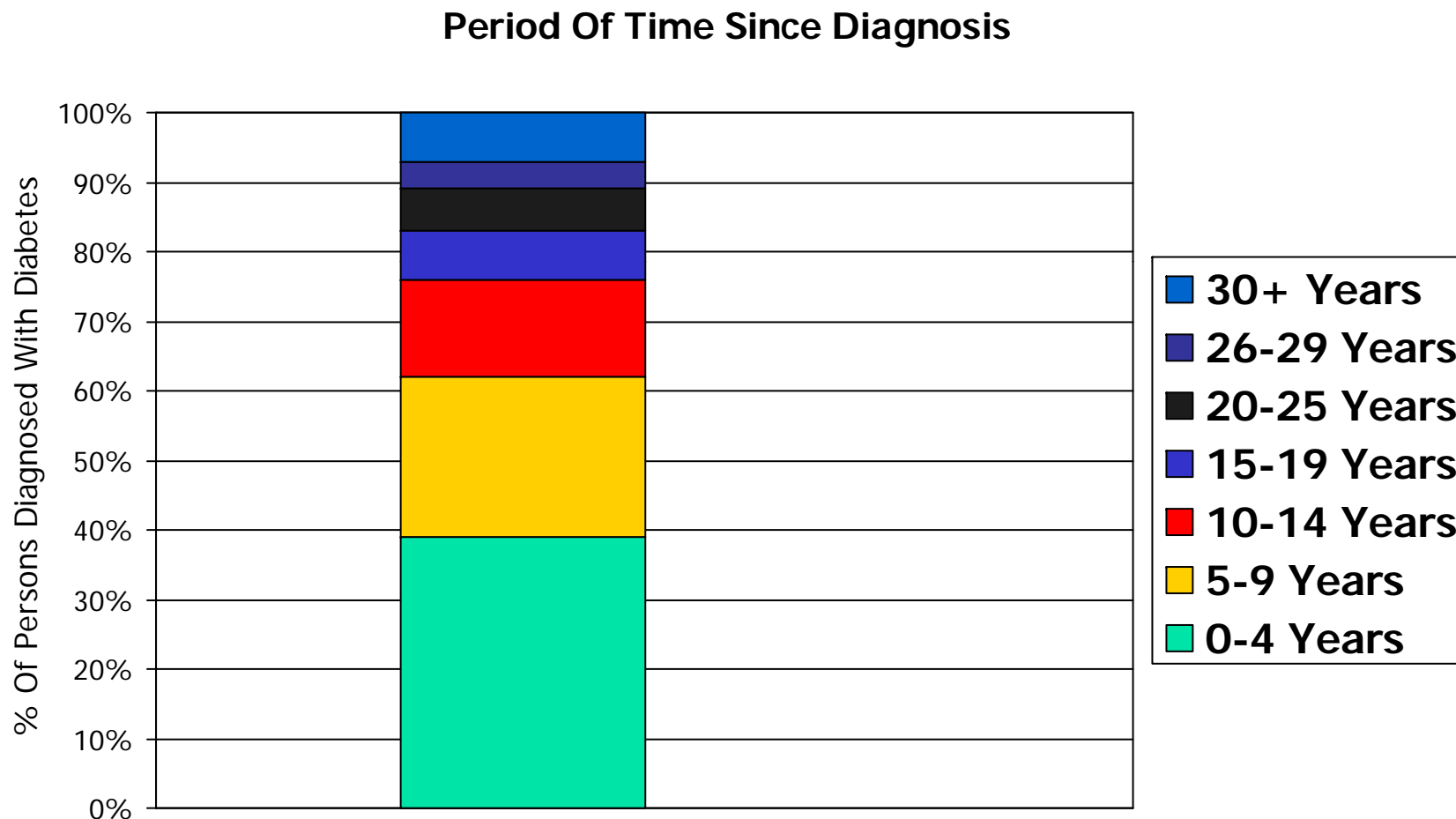
Sources: Diabetes - American Diabetes Association (2002); Cancer - National Institute of Health (2004), Arthritis - Annals of Internal Medicine 133:635-646 (2000); Depression - Journal of Clinical Psychiatry, December 2003, (2000)

The huge bill is causing health plans to increase their attention to diabetes



Source: American Diabetes Association

And the bill will continue to grow as most diabetics are still early in their “gestation”



Source: American Diabetes Association

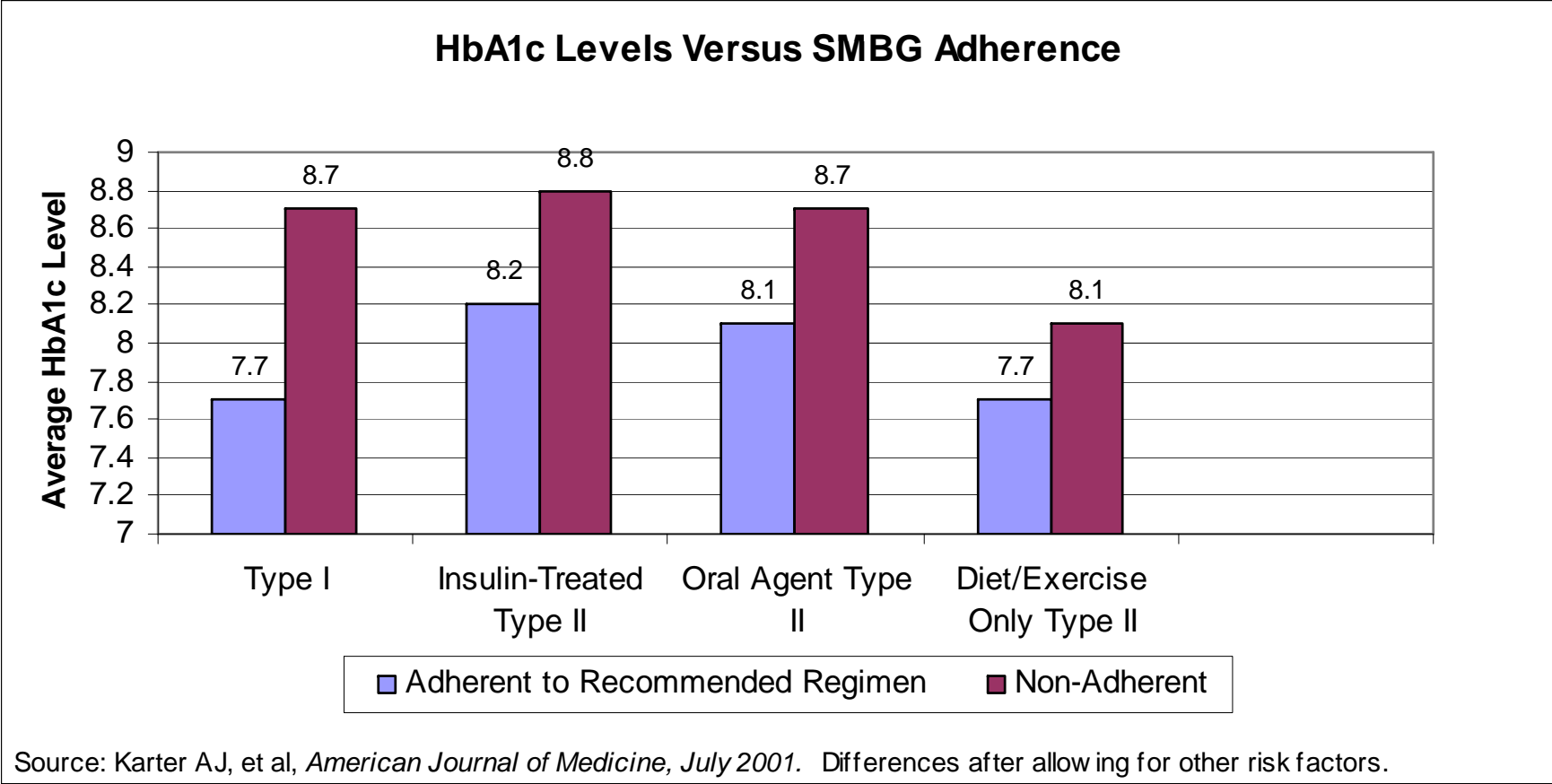
The \$64,000 question: How do you improve early preventive care?

ADA Recommended Preventive Care Steps

CDC Study

■ Annual physician visit:	90%
■ Bi-annual HbA1c tests:	68%
■ Annual eye exam:	63%
■ Daily blood glucose self-monitoring:	56%
■ Annual foot exam:	55%
■ Flu shot:	43%
■ Pneumonia vaccine:	35%

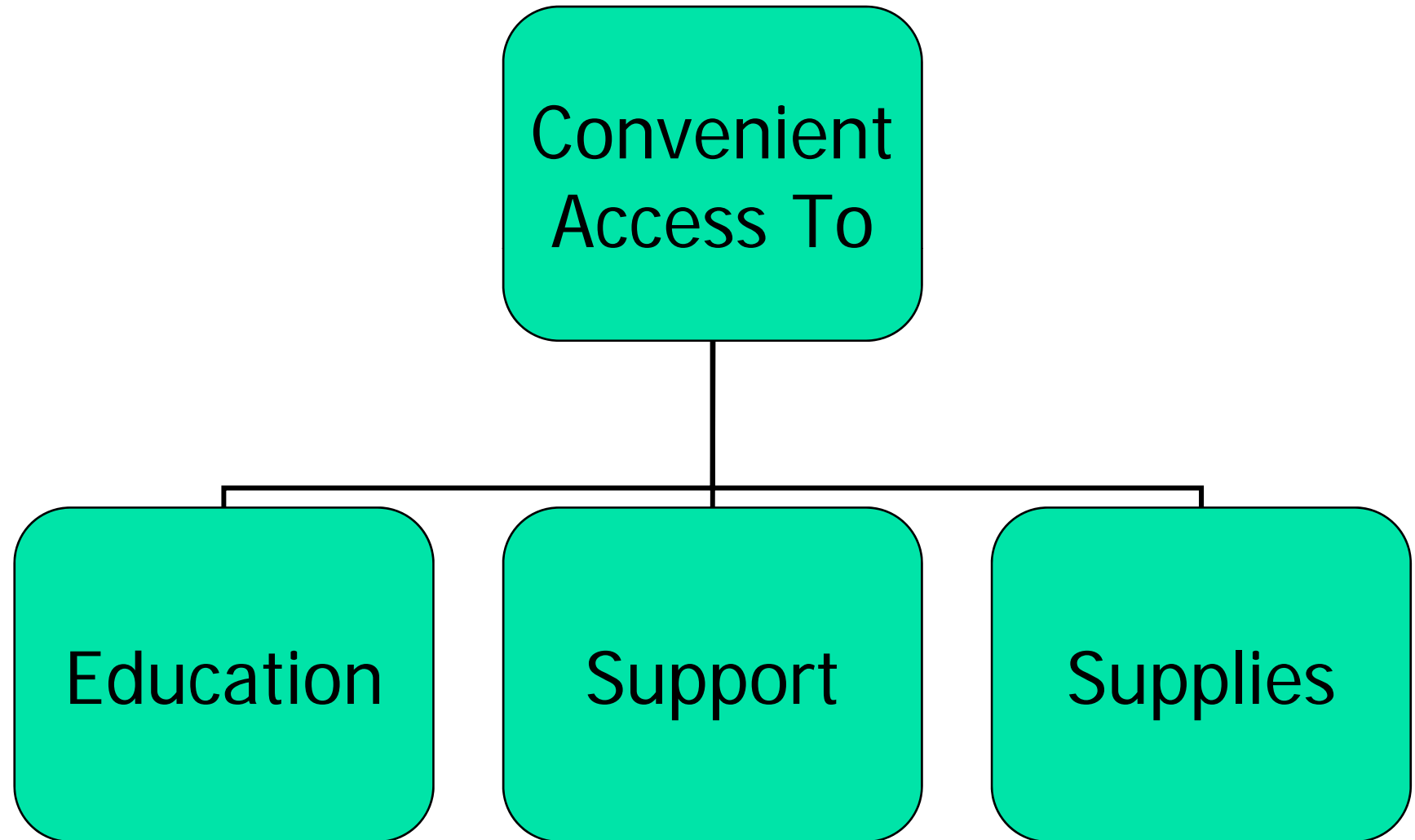
Blood glucose self-monitoring of blood glucose is the leading indicator of effective diabetes preventive care



Who is Neighborhood Diabetes?

- We are a 7 year old company focused entirely on diabetes care
- We make money as a mail order distributor of diabetes testing supplies, insulin pumps and pharmacy medications
- Our success is based upon our ability to deliver better results for health care providers and their patients

We believe effective preventive care comes by removing all barriers to *patient access*



Education: The Neighborhood Diabetes Way

- Failure in initiating self-care is often linked to a lack of understanding of:
 - What the recommended diabetes care protocol is
 - How to use the self-testing equipment
 - How the insurance reimbursement works
- We **visit** any patient in their home to teach them about diabetes care:
 - The protocol for diabetes self-care (screenings, eye exams, foot exams, flu shots, etc.)
 - The mechanics of using a glucose meter (finger pricking, calibrating the meter, replacing batteries, etc)
 - Their insurance reimbursement coverage (Medicare, Medicaid or commercial)

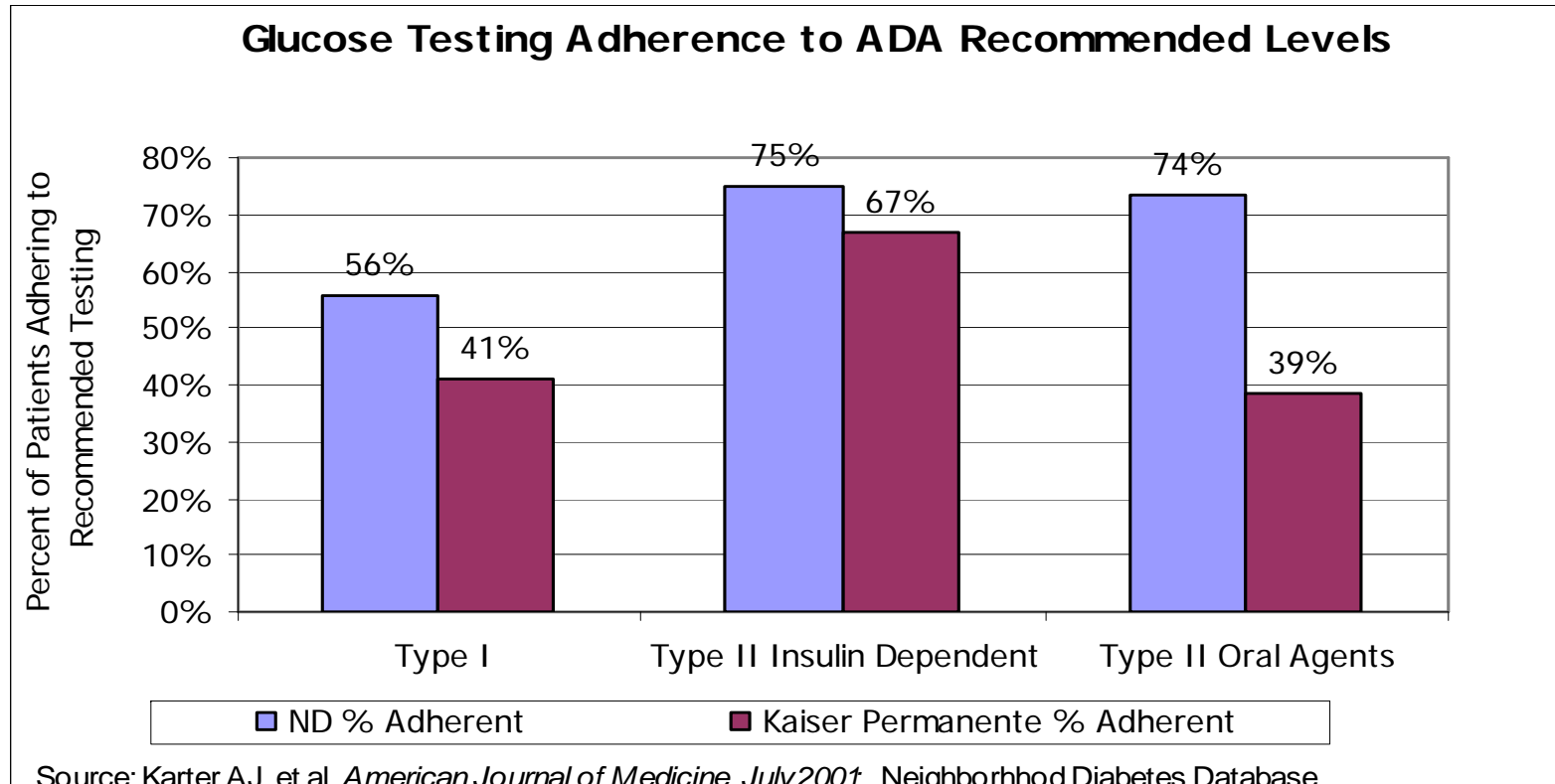
Support: The Neighborhood Diabetes Way

- The lack of a regular, ongoing support mechanism is what often causes people to stray from their self-care.
- We assign a specific customer care representative to each customer to:
 - Conduct a follow up call after the in-home training
 - Conduct regular 90 day “check-in’s” to:
 - Ensure testing barriers are overcome (or to see if additional training or alternative equipment is needed)
 - Re-order supplies (we can determine if testing is being done at prescribed levels)
 - Encourage office visits for HbA1c’s, foot exams, eye exams, etc.
 - Establish a personal rapport

Supplies: The Neighborhood Diabetes Way

- The monthly trip to the pharmacy too often causes people to run short of supplies (due to time restrictions, travel constraints, physical infirmity, etc.)
- We make sure that our customers can get *any* product they need from us.
 - We carry all products (testing supplies, pumps, pharmacy medications)
 - We carry all brands of products
- We deliver supplies directly through the mail so that customers never have to leave their home.
 - We handle the prescriptions and refills directly with the physician's office
 - We handle all insurance reimbursement processing

Our success is based upon our ability to deliver outcomes



Note: Kaiser Permanente data is from an intensive study of the glucose testing regimen of 24,000 of their diabetics in Northern California.