

Interactive Patient Care System Skylight CareNavigator™

**Healthcare
Interactive Patient Care**

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**Thomas G. Klopack
CEO**

BIO: Thomas G. Klopack joined Skylight as chief executive officer in July 2011. Klopack brings more than 35 years of experience in both strategic and operational roles for leading-edge, rapid-growth technology companies. Prior to joining Skylight, Klopack served as the CEO of Automedics, a medical device startup focused on improved IV drug delivery. He was president and CEO of IntelliDOT Corporation, a startup in hospital point-of-care medication delivery information systems before moving to Automedics. Klopack also served as CEO for Mountain View, Calif. – based Aclara Biosciences. Prior to Aclara, he was

also executive director for Photothera after serving as chief operation officer for Aurora Biosciences Corporation. Before joining Aurora Biosciences, Klopack held multiple management positions at Raychem, part of Tyco Electronics and Tyco International.

Klopack received a bachelor's degree in chemical engineering from Carnegie Mellon University and earned a master's of business administration from Harvard Business School.

About

Skylight Healthcare Systems:

For more than a decade, San Diego-based Skylight® Healthcare Systems has been transforming the patient experience throughout the continuum of care. From pre-admission through post-discharge, Skylight CareNavigator™, the company's innovative interactive patient care system, uses common communication devices including televisions, computers, and mobile devices to address patient and family needs in health education, services and communication with physicians and care teams. Hospitals subsequently experience improved HCAHPS, reduced readmissions, greater clinical efficiencies and increased reimbursements.

Together with Skylight's account management and clinical consulting teams, hospitals, health systems and Accountable Care Organizations deploy CareNavigator™ to manage populations, increase patient satisfaction and achieve meaningful use. CareNavigator also integrates with existing hospital systems to streamline clinical workflow, improve operational efficiencies, and enhance revenue through additional service offerings including pharmacy and retail.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Klopack, what is the overall vision and concept at Skylight Healthcare Systems?

Mr. Klopack: Skylight is about engaging patients to take more responsibility and be more involved in their care. It is the ability to get them educated, get them teed up in the hospital first, and then follow them home. We want both the patient and the family to understand the basic things that allow them to get healthier faster and keep them out of the hospital.

CEOCFO: Would you give us an example of how this system works?

Mr. Klopack: Our traditional business, which we have been in for about 12 years, has been to help educate and engage the patient when they are lying in bed in the hospital. A typical patient is in the hospital plus or minus four days. During those four days, they have things happening to them. From an entertainment side, they have a TV at the foot of the bed, which is pretty universal. That TV generally has access to cable channels, but they spend a lot of time lying in bed and waiting for the next thing. In the middle of the afternoon, they are watching throwaway TV. We use that TV as a two-way communication device. We end up hooking it up with a broadband connection and a computer associated with the TV so that the TV becomes a display device. They can watch TV if they want, they also have access to enhanced entertainment, but most importantly, they have access to an entire health library of information associated with various conditions that they may have or are curious about.

They also have the ability to communicate with hospital staff. When you think about it, the main way they communicate with hospital staff from their room is a big red button. When they push it, the nurse comes. If they want to get the room cleaned, they push that button, the nurse comes, and they ask the nurse to please see if someone can clean the room. When they are having trouble breathing, they also push that big red button. It is for clinical use, but it is also for a lot of non-clinical use. We provide them with a lot of non-clinical services through that interactive TV. Using their pillow speaker as a remote control, which is normally how they would access the TV anyway, we can provide access to request services through a menu-based system that is very easy to use and does not require any training. It is sort of like using cable TV. They have the ability to directly go and ask for their room to be cleaned as well as inquire about particular services available from the hospital – things like getting a minister to come to the room, getting pet therapy that some hospitals offer, or providing relaxation content.

CEOFCO: You mentioned the education portion. Is that the focus and is being able to communicate secondary, or are they of equal weight for you?

Mr. Klopach: Think about a system that you can proactively go in and pull things from. Maybe you are in for surgery and you want to know how to take care of your wound when you are home. Your husband and wife might help you with that, but you should understand something about what you need to do post-surgery to make sure you do not get an infection and can change bandages. You could proactively go and find that education on the system. You could proactively communicate to someone that you wanted to get more information about that. Another feature it can provide is push messaging. Say I am watching TV and the doctor has scheduled my surgery. We can display a message on the TV, like the ticker tape on the bottom of the screen if you are

watching CNN, that says your doctor would like you to view some important information about your upcoming surgery. Would you like to view that information now or later? You can press now, or you can press later. If you press later, it will come back and remind you again. In a certain way, we can drive the patient to certain things. Another example is if I am in for surgery and the doctor prescribes Coumadin. Coumadin is a blood thinner that requires you to be careful on how you use it and to get a lot of testing to make sure that you are at the right level of blood thinning and not too much or too little. The ability to say that it is an important drug that your doctor wants you to see causes you to want to look at the information now and get a chance to view it. To answer

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your question, making sure patients understand critical things, to make sure they do not have a problem, are very important. It is clearly tied into the health of the patient and important for the health care system. The additional ability of the patient to reach out and provide information back, complain about something, and say they have an issue about something is also important for their ability to have a successful stay. Quietness at night is often an issue in hospitals and people have trouble sleeping. If you are watching TV and you are not sleeping at nine o'clock at night, we can put a ticker tape on the screen that says if it is too noisy for you to rest, please hit the noisy button in the main menu. If you hit that button, a nurse is alerted and they will come in and find out if it is noisy in your room or if there is a problem. They find out whether or not it is noisy or you are having trouble sleeping because you are in pain or if you are having an issue and are just nervous. They may put on relaxation information for you to help you get to

sleep. These are ways that hospitals can make the patient stay in the hospital bed much more comfortably along with more information so that they are a bit better when they leave.

CEOFCO: Are hospitals embracing patient satisfaction?

Mr. Klopach: There is an entire change going on in the industry, and it is being driven partly by the Affordable Care Act and partly by the whole view of consumerism and the patient as a consumer. The Affordable Care Act has various programs that will incent hospitals to provide a good patient experience and also penalize hospitals if they do not provide a good patient experience. There is a program called HCAHPS and it can reduce the hospital's payments by up to 1%, or

increase a hospital's payments by up to 1%, which for most hospitals is a very significant number. It is based on if the patient had a good experience or not. They are in nine specific categories that include things like pain management, communication with nursing, quiet at night, and room cleanliness. Think about staying at a hotel and the

message you get afterwards asking how it was along with the rating system that is shown on a website where you go to rate hotels. Hospitals are literally at that point now, and that rating system is available on government websites that tell you how that hospital is doing. There is specific money associated with the hospital, both positive and negative based on those ratings.

CEOFCO: Are there particular types of hospitals that are using your system?

Mr. Klopach: It is pretty widespread. Our largest hospitals are north of 1,000 beds, and our smallest ones are as low as 30, 40 or 50 beds. We are in roughly 100 hospitals now across the U.S., and there is a whole trend for hospitals in the healthcare system to treat patients with a more consumer approach. It is not just coming in and fixing you without any questions. Now, it is much more a part of your health program where the hospital and health system is going to

work with you to get you to better health. The entire industry is moving away from pay-for-service to pay-for-performance. You may have heard that talking to other companies in the industry. Five years ago nearly every hospital in the country said they did not care about readmissions. In fact, when a patient came back and saw them a week later, it was great business for them and they got paid again. Now, there are very clear penalties on 30-day readmissions in certain cases, and the entire industry is looking at us and saying to forget about 30 days. They do not ever want a patient to come back in the hospital. They are going to manage the patient from when they walk in to when they get home and would like to keep them in the lowest cost-care mode that they can. Usually, that is the patient at home. The ability to get the patient out of the hospital quickly and keep them out of the hospital is important. Our primary product has been the ability to manage the patients using the TV at the bedside in the hospital. We also are one of the pioneers in providing web-based systems that allow us to inform and manage the patient pre-admission for scheduled events and post-discharge. If you were going in for knee surgery at several of the hospitals we are in, when the doctor associated with the hospital scheduled your surgery, he would hand you a prescription that said to please log in to the Skylight CareNavigator site. It is usually privately-branded for the hospital. When you log in, you would have the ability to receive information on what was going to happen to you, about your condition and have the ability to fill out forms associated with coming into the facility. You would get reminders 24 hours before to not eat after midnight, and in the case of orthopedic surgery, the facilities would ask you to take a very simple survey that would baseline things like your range of motion and functional skills. Now when you come into the facility, you get that same information on the TV with our system. Post discharge, you are contacted again through that website that you have logged into, which will ask you for various pieces of information. For example, you saw a video about wound care when you

were in the hospital, but now you actually have to do it and you want to see it again or you want your significant others who are helping you to see it also. You get reminders of when you are supposed to go back for your checkups, directions for your doctor's office if you need that, and referrals to medical equipment companies if you need specific equipment. With the surveys, hospitals can ask how you are doing, when you went back to work, and what your pain scale and range of motion are. The ability to get that information from patients in an easy way rather than an annoying 6'oclock phone call in the evening is pretty powerful. It is something to get the patients who are interested to stay in touch. It allows you to both keep the patient out of the hospital and provide better care. They might have a level of pain, but they will read that it is normal and they do not need to go back in. On the other hand, they can read that something is unusual and when they notify their nurse or physician they tell him or her to come back in so they do not have a bigger problem. It is also getting the outcome information and being able to say that with our patients and in our hospitals this is the level of care you can expect. The hospitals we have that have started using this have been able to take the outcome information and use it as a marketing tool. They are able to say to insurance companies that they should be sending more patients and reimbursing at a higher rate because they do better. They can say that our patients get back to work faster, they have less pain, they have a better range of motion, they have a better lifestyle, and we have real data to prove that. The organizations are also able to use that data in order to be able to compare the performance among their various doctors.

CEOCFO: What is the competitive landscape for Skylight?

Mr. Klopach: When you look at just the area of how to engage the patient in the hospital, there are a couple other companies that do some things like us. There is only one that has a full range of capability and looks like us but that is in the in-patient stay

only. When you tie that in to how to engage the patient pre-admission and post-discharge, there are a lot of smaller startup companies that are doing bits. Nobody is really looking at that entire continuum of care – pre-admission to inpatient to post-discharge. We think we have a real market lead on that. It is interesting because the market was emerging two years ago, and when we talked about this we were being pioneers. Now, we actually have data and pretty much every hospital we go into is talking about how they are going to follow the patient home and how they will make sure patients do not come back in.

CEOCFO: What is involved in implementation of the system?

Mr. Klopach: We take a one-stop shop approach to this. When we contract with a hospital for the inpatient system, we do everything. We come in and make sure that all the hardware and software is implemented, we do all the training, and it is all part of the package. We supply this software as a service model, so we do not charge multiple different departments in different ways. We come in for a one-fixed price and make sure that everybody is up and running. Along with that, we provide ongoing service and support. We actually have a project manager who we call an account manager. He or she comes into the hospital on a regular basis every two to four weeks and works with the hospital to make sure that the system is being used well. When we extend that outside of the hospital to the website, we work with the hospital to set up the various messaging, conditions and education material that they want to provide. We even go as far as to do some minimal follow up with patients if they have technical questions about the website and that sort of thing.

CEOCFO: How do you ensure user friendliness?

Mr. Klopach: I think the key is a lot of experience. We have been in this business for 12 years and we have two main expertise areas in the company. One is technical. We understand how to put information on TVs and deliver the right thing at the

right times in the cycle and all the technical background that you can think of with that. The other key expertise we have is a little less obvious. We understand how to engage a patient. We understand how many questions to ask, when you should ask them, how you ask them, which ones do you ask in a negative way – “Are you having a problem?”, and which ones you ask in a positive way – “Would you like to recommend someone?” We have done this for a long time across many different institutions with everything from pediatric patients at three, four or five years old to the octogenarians at 80 or 90 years old. We have a lot of expertise in being able to do that. We have taken that same expertise of understanding the patient to how we design the TV. It is difficult on a TV because you have a very limited range of motion through what you have as the remote – up, down, left and right.

You also cannot spend any time training somebody. It has to be intuitive when you look at it. We are pretty good at taking that same level of simplification and applying it to a web page. The challenge of the web page is that you have infinite flexibility. The challenge people have with websites is that they have the ability to do many things on a page and things get complicated. We are very good at simplifying how this works to make it easier for patients to use.

CEO CFO: What makes Skylight Healthcare Systems an exceptional company?

Mr. Klopak: I think there are several things. We have a great team of people that really cares. The great thing in working in healthcare is that you come into work every day and you feel good about it. When you come in, you know you are making a difference.

You are making patients better faster. It is one of the advantages of healthcare. Everybody associated with it in some form feels that same mission. It is at a time when that industry is in a lot of change, moving from what is fairly inefficient and fairly disjointed – these silos of care that are uncoordinated – to thinking about the lifecycle of a patient and how you make that better. We are well positioned to go after that. The third thing is we are very good at what we do. We run efficient and we run as a good business. We have people who work very hard, we get very high ratings from our clients, and our clients are our best source of marketing literature.



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