

## Q&A with Steve Lindo, CEO of Simergent, LLC developing an Affordable In Home Automated Kidney Dialysis System for Emerging Markets



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**Interview conducted by:**  
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**CEOCFO: Mr. Lindo, what is the idea behind Simergent LLC?**

**Mr. Lindo:** The idea behind Simergent is to allow patients in emerging markets whose kidneys no longer work to receive dialysis treatment in the own home at a price that they can afford.

**CEOCFO: What is the problem logistically and medically in doing home dialysis?**

**Mr. Lindo:** It is not so much a medical problem or a logistical problem, but the reason that you do not see very many patients performing home dialysis here in the US has everything to do with the way Medicare reimbursement was implemented. In this country we only have about ten percent of our dialysis patients performing therapy at home using what we call peritoneal dialysis, which is the type of dialysis that we are focused on. It was an unintentional artifact of the way the Medicare reimbursement formula was set up. Many dialysis clinics figured out that they could make more money off of Medicare if they prescribed hemodialysis. Hemodialysis requires a patient to travel to a clinic three days a week where they are connected to a machine that removes their blood, filters the toxins out, then puts the clean blood back into the patient. Up until a few years ago, clinics could charge Medicare twice if they prescribed hemodialysis; once for the hemodialysis treatment itself and then again for certain injectable drugs that only the hemodialysis patients needed. What did they do? Did they prescribe what was best for the patients, or what the patients would have preferred? No! They prescribed what could make the most money! Since then, somewhat recently, Medicare changed the way that their reimbursement works, so it no longer favors hemodialysis. However, the problem in this country is that, from a logistical standpoint, we still have so many of these brick and mortar hemodialysis clinics already in place. Therefore, many of them feel the need to fill those hemodialysis chairs first. Once those chairs are full, then they may prescribe peritoneal dialysis.

**CEOCFO: Where does Simergent come in?**

**Mr. Lindo:** Simergent is focused on emerging markets, such as Mexico, India, and China. We are addressing the 2.3 million kidney failure patients around the world who will die because they cannot afford or they cannot access dialysis treatment. They don't necessarily have a dialysis clinic on every corner in many parts of Latin America or Asia. Therefore, our goal was to give them a world class, easy to use machine at a price point that they can afford, that is still not compromising whatsoever when it comes to safety or efficacy.

**CEOCFO: What have you created in machinery? How can you do this affordably?**

**Mr. Lindo:** We have created both a medical device and a disposable tubing set. The way that we are able to do it much less expensively than the other devices that are out on the market has to do with right-sizing the machine. For example,