

REGENEXX Executive Summary

What is Regenexx?

Regenexx is an advanced regenerative treatment within the specialty area of **Interventional Orthopedics**. Regenexx procedures allow the avoidance of orthopedic surgeries using a patient's own **Orthobiologics** to heal themselves by way of outpatient, non-invasive, image-guided injections.

Interventional Orthopedics (I/O): The traditional continuum of orthopedic care follows the course of pharmaceuticals to physical therapy, and inevitably surgery. Interventional Orthopedics 'intervenes' this path giving a patient an alternative choice to surgery.

Orthobiologics: natural biological substances within the body (blood platelets, stem cells and cytokines) that facilitate healing of orthopedic structures such as cartilage, bone, ligaments, tendons, and muscle.

THE REGENEXX VALUE PROPOSITION

"Self-funded employers offering Regenexx procedures as a benefit see on average a greater than 80% reduction in orthopedic surgical spending because when given an alternative to surgery, employees choose this option more than 99% of the time with ultimately better outcomes."

What are the risks of surgery? Orthopedic surgery was invented because joints and orthopedic structures don't have access to necessary Orthobiologics and blood flow that facilitate healing.

- Opioid addiction & absenteeism
- Heart attack & infection
- Poor results, revisions & progression
- Blood clots & stroke
- Non-completion of difficult physical therapy
- Nerve damage & death
- Harms healthy intact tissues to access injured tissues
- **More than 50% of orthopedic surgeries are proven to be ineffective**

Benefits of Regenexx vs. surgery:

- Avoids surgery
- Less costly
- Pioneers of orthopedic stem cell injections
- Patented technologies & procedures
- Produces more than half the world's research on orthopedic stem cells
- Amplifies the body's ability to heal without damaging healthy intact tissue
- Treatments are customized to the pathology of the unique injury
- Risks are similar to a blood draw
- Only stem cell / orthobiologic national clinical network with 65 locations and growing rapidly
- Only stem cell clinical network in the USA with a court order stipulating FDA compliance
- Many re-insurers already cover
- Growing network of broker advocates with CMO's supporting efficacy
- Growing network of providers offering Regenexx as a **covered in-network benefit**



Bringing REGENEXX to the Market

Currently, Orthopedic Stem Cell procedures are considered 'investigational' by insurance providers. This simply means that the procedures have moved beyond the 'experimental' phase by having passed the safety test and are considered effective, but don't have enough total procedures completed to be considered 'prevailing.' This is a band width issue that is diminishing each year with a growing national clinical network.

Who Can Utilize Regenexx Procedures?

Due to the current investigational label, self-funded employers have an advantage over fully insured employers in that they are able to add these procedures to their benefit packages for employees.

What is the Regenexx Corporate Program for Brokers & Employers?

Launched in 2018, the program brings these procedures to employers who self-fund their insurance or workers comp either by direct contract or by working through their trusted partner brokers.

To add Regenexx procedures, employers amend their Summary Plan Descriptions. Regenexx provides the legal language that is valid in all 50 states and does not open a plan to other 'experimental' or 'investigational' treatments. Regenexx works with third party administrators so the employee experience is the same as with other covered

in-network benefits. There is no liability to the employer because Regenexx procedures are a choice in care made by the employee at time of treatment. Pre- and post-care are already covered in-network.

What are the Costs?

There are no initiation, participation, or maintenance costs to add Regenexx procedures to an employer's plan. The program's only cost occurs when services are utilized at the time of treatment which is enormously less than the surgery it replaced. Many employers incent use by offering employees lower deductibles and cover medical travel because of the savings achieved.

Most insurers will cover Regenexx procedures under their clients' stop-loss. In the few cases where they do not, Regenexx offers a stop-loss policy an employer can purchase.

The average company in America spends 20-30% of their health care dollars on orthopedic surgeries over a five-year period. Regenexx procedures have, on average, saved current clients over 80% of this cost with procedures that eliminate the need for most orthopedic surgeries.

How Does Regenexx Engage Employees?

Surgery has been the norm in orthopedic care because there were no alternatives until now. Given orthopedic events are sporadic, educational reminders are needed regarding alternatives to surgery. Regenexx provides:

- Education on I/O benefits and access
- Constant communication promoting awareness
- Benefits card for employees
- Annual enrollment & wellness education
- Seminars & print materials
- Employer-specific benefits website & phone number
- Information for internal corporate communications
- Integration with third party healthcare navigation tools