



Quest Diagnostics and Inovalon Advance Value-Based Healthcare with Industry-First Real-Time Analytics at the Point of Care

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"Data Diagnostics™" provides valuable on-demand insights to align clinical management with quality, utilization and financial performance goals

MADISON, N.J., Sept. 29, 2015 /PRNewswire/ -- [Quest Diagnostics](#) (NYSE: DGX), the world's leading provider of diagnostic information services, and [Inovalon](#) (Nasdaq: INOV), a leading technology company providing advanced, cloud-based data analytics and data-driven intervention platforms to the healthcare industry, today announced the national launch of Data Diagnostics™, a suite of hundreds of real-time patient-specific data analyses that clinicians can order individually, on demand at the point of care within their existing workflow to identify and address gaps in quality, risk, utilization and medical history insights. Unseen in healthcare today, the solution supports the healthcare industry's transition from volume- to value-based healthcare by providing actionable insight to improve clinical and quality outcomes as well as financial performance for practices, health plans, ACOs, hospitals and other providers across the healthcare community in real time.



The solution draws on two of the world's largest datasets of clinical, claims, quality and laboratory data, including Quest's 20 billion clinical laboratory test results and Inovalon's clinical datasets on more than 123 million patients. Data Diagnostics™ is also unique for providing seamless integration within Quest's Care360® and EHR lab ordering and connectivity platform serving approximately half of the physicians and hospitals in the United States. This integration means physicians can readily order and access Data Diagnostics™ reports within their existing clinical workflow, a functionality that is key to bringing the power of big data to the point of care in real time.

Powered by Inovalon's sophisticated large-scale data interconnectivity and analytical platform, Data Diagnostics™ allow clinicians to order advanced analytics for their patients on-demand and, within seconds, receive results, for informed decision making during the patient encounter. Areas of focus will include several categories designed to assist health plans, accountable care organizations (ACOs), hospitals, integrated healthcare delivery systems, provider organizations, and individual physicians to achieve strong clinical and quality outcomes, utilization efficiency, and overall financial performance.

"Quest and Inovalon share a commitment to empower insights leading to actions that create healthier lives," said Steve Rusckowski, president and CEO, Quest Diagnostics. "This solution is a game-changer for healthcare. Our collaboration with Inovalon also demonstrates how we are executing on our long-term strategy to generate value and differentiation from our data assets as well as our national scale and information technology."

"Physicians, hospitals, health plans, and the myriad of integrated healthcare delivery systems are all eager to deliver high quality care while staying simultaneously vigilant to financial factors", said Keith Dunleavy, M.D., CEO of Inovalon. "The challenge has been the integration and aggregation of data, and the ability to analyze the implications and deliver the findings where and when they are needed in real time. Translating petabytes of data into actionable insights on demand is enabling clinicians to treat their patients more effectively at the point of care, achieve more meaningful impact within less time, gain insights otherwise potentially unknown to the treating clinician, assess gaps in care to achieve incentive quality metrics, and avoid waste. This isn't simply a new approach to managing health data, it's a major paradigm shift that will further the transformation of healthcare as we know it."

As the healthcare industry transitions from consumption and volume to quality-based and value-based care, virtually every segment of the U.S. healthcare system, including health plans, hospitals, government programs, shared-risk organizations, ACOs, integrated care delivery systems, physicians, pharmaceutical and life sciences companies, is now under pressures to deliver high quality care while being simultaneously vigilant of financial performance. Driven by legislation within the Medicare Modernization Act, Affordable Care Act, many state Medicaid initiatives, and the U.S. Department of Health & Human Services (HHS) goal of achieving 90% of all Medicare fee-for-service payments to quality and value by 2018, factors of quality, disease severity-based payments, and utilization-based payment models are driving more than 50% of all payments across the healthcare system today with greater percentages pressuring healthcare delivery systems imminently.

Under a five-year, exclusive, collaboration agreement between Inovalon and Quest Diagnostics, Data Diagnostics™ will be available starting in the fourth quarter of 2015 with revenue split evenly between Quest and Inovalon. Additional terms were not disclosed.

About Data Diagnostics™

Data Diagnostics™ allow clinicians to request analysis on specific patients on demand, and receive the answer back within seconds. Hundreds of Data Diagnostics™ are organized into categories with examples below:

1. **Quality-Related:** Quality-Related Data Diagnostics™ allow clinicians to gain on-demand insight into patient's historical, current, or predicted clinical and quality status under models such as NCQA HEDIS®, Medicare Advantage 5-Star Quality bonus programs, managed Medicaid quality incentive programs such as New York's QARR program, the Affordable Care Act's commercial Quality Reporting System (QRS), and Accountable Care Organization (ACO) quality performance hurdles for shared savings, and a multitude of other quality performance programs that now are used to measure quality and dictate billions of dollars of annual incentive bonuses. The results of quality-related Data Diagnostics™ inform clinicians on precise quality measure status and provide insight to facilitate improvements to quality measurements for the patient.
2. **Historical Data-Related:** Historical Data-Related Data Diagnostics™ allow clinicians to gain on-demand insight into historical disease progression, laboratory results, medication adherence, cardiac tests, vaccination histories, surgical procedures, and other factors, which can materially aid in the clinician's evaluation of the acutely ill and previously unknown patient, new patient intakes, specialty consultations, and other valuable patient assessments. The results of Historical Data-Related Data Diagnostics™ can save significant amounts of encounter time, improve the targeted nature of exams, save lives when patients are unable to provide data accurately or are previously unknown to a physician or emergency department, and save costs by avoiding unnecessary duplicative evaluations or tests.
3. **Risk Score-Related:** Risk Score-Related Data Diagnostics™ allow clinicians to gain on-demand insight into historical risk score status, progression, diagnosis contributors and predicted future progression across all major risk score models, including Medicare Advantage, state-specific managed Medicaid, commercial Affordable Care Act, and Accountable Care Organization (ACO) models. The results of Risk Score-Related Data Diagnostics™ provide insight to support the achievement of patient risk score accuracy, supporting accurate disease burden documentation of unaddressed or worsening conditions, and appropriate reimbursement accuracy.
4. **Waste Avoidance-Related:** Waste Avoidance-Related Data Diagnostics™ allow clinicians to gain on-demand insight into factors impacting care costs, such as medication prescription formulary alternatives, back imaging, head imaging, and acute care utilization. The results of Waste Avoidance-Related Data Diagnostics™ provide insight into the how unnecessary duplication of tests can be avoided, less expensive formulary alternatives can be identified, and high-cost patient behaviors can be addressed.
5. **Eligibility-Related:** Eligibility-Related Data Diagnostics™ allow clinicians to gain on-demand insight into patient eligibility for payment and/or support programs related to care, support, rehabilitation and more. The results of Eligibility-Related Data Diagnostics™ provide insight for clinicians, administrators and patients to determine payer eligibility (e.g. Medicaid eligibility status), state-specific program eligibility (e.g. NY DSRIP), and patient-specific support eligibility (e.g. a local Diabetes Support Program or Cystic Fibrosis Home Care Nurse Support Program).

In addition, organizations participating with the Data Diagnostics™ platform can request custom analytics to be developed for clinicians to order on demand, receiving responses back in real time directly within their existing clinical workflow. Examples include custom formulary optimization analyses, custom quality and care measures, amongst others. For more information about Data Diagnostics™ visit www.datadiagnostics.com.

About Quest Diagnostics

Quest Diagnostics empowers people to take action to improve health outcomes. Derived from the world's largest database of clinical lab results, our diagnostic insights reveal new avenues to identify and treat disease, inspire healthy behaviors and improve health care management. Quest annually serves one in three adult Americans and half the physicians and hospitals in the United States, and our 45,000 employees understand that, in the right hands and with the right context, our diagnostic insights can inspire actions that transform lives. www.QuestDiagnostics.com.

About Inovalon

Inovalon is a leading technology company that combines advanced cloud-based data analytics and data-driven intervention platforms to achieve meaningful insight and impact in clinical and quality outcomes, utilization, and financial performance across the healthcare landscape. Inovalon's unique achievement of value is delivered through the effective progression of Turning Data into Insight, and Insight into Action®. Large proprietary datasets, advanced integration technologies, sophisticated predictive analytics, data-driven intervention platforms, and deep subject matter expertise deliver a seamless, end-to-end capability that brings the benefits of big data and large-scale analytics to the point of care. Driven by data, Inovalon uniquely identifies gaps in care, quality, data integrity, and financial performance – while bringing to bear the unique capabilities to resolve them. Providing technology that supports hundreds of healthcare organizations in 98.2% of U.S. counties and Puerto Rico, Inovalon's cloud-based analytical and data-driven intervention platforms are informed by data pertaining to more than 769,000 physicians, 261,000 clinical facilities, and more than 123 million Americans providing a powerful solution suite that drives high-value impact, improving quality and economics for health plans, ACOs, hospitals, physicians, consumers and pharma/life-sciences researchers. Data Diagnostics™ is the intellectual property of Inovalon. For more information, visit www.inovalon.com.

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Forward Looking Statements

Certain statements contained in this press release constitute forward-looking statements within the meaning of, and intended to be covered by the

safe harbor provisions of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release other than statements of historical fact, including but not limited to statements regarding the expected timing of the roll-out of Data Diagnostics™, the timing, performance characteristics and utility of Data Diagnostics™, and the impact of Data Diagnostics™ on the healthcare industry, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. These forward-looking statements have been based largely on current expectations and projections about future events regarding Data Diagnostics™. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, which could cause the future events discussed in this press release not to occur and could cause actual results to differ materially and adversely from those anticipated or implied in the forward-looking statements. These risks, uncertainties, and assumptions include, among others, the successful development and implementation, sales, adoption, market penetration, and scalability and of Data Diagnostics™. Inovalon and Quest are under no duty to, and disclaim any obligation to, update any of these forward-looking statements after the date of this press release or conform these statements to actual results or revised expectations, except as required by law.



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