

Message

From: Haworth, Patty [patty.haworth@walgreens.com]
Sent: 5/6/2014 3:26:13 PM
To: Jhaveri, Nimesh [nimesh.jhaveri@walgreens.com]; Gourlay, Alex [alex.gourlay@walgreens.com]; Crawford, Kermit [kermit.crawford@walgreens.com]; Wagner, Mark [mark.wagner@walgreens.com]; Fluegel, Bradley [bradley.fluegel@walgreens.com]; Dubinsky, Jason [jason.dubinsky@walgreens.com]; Wasson, Stewart [brad.wasson@walgreens.com]; 'sbalwani@theranos.com' [sbalwani@theranos.com]; Cook, Fran [fran.cook@walgreens.com]; Kazanis, Marge [margaret.kazanis@walgreens.com]; Jenrick, Kerri [kerri.jenrick@walgreens.com]
CC: Big, Nadia [nadia.big@walgreens.com]; Holcer, Mary Beth [marybeth.holcer@walgreens.com]; Spearman, Katala [katala.spearman@walgreens.com]; 'dlee@theranos.com'; Kozlowski, Casey [casey.kozlowski@walgreens.com]
Subject: Diagnostic Testing Executive Steering Committee Slide Deck

All,

See attached slide deck for the Diagnostic testing Executive Steering Committee meeting today.

Be well,

Patty

Patty Haworth, MBA, PMP

Program Manager

Pharmacy, Health and Wellness PMO

Walgreen Co.

200 Wilmot Rd., MS# 2222

Deerfield, IL 60015



Every day I help people get, stay and live well.

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-----Original Appointment-----

From: Jhaveri, Nimesh

Sent: Friday, March 14, 2014 2:33 PM

To: Jhaveri, Nimesh; Gourlay, Alex; Crawford, Kermit; Wagner, Mark; Fluegel, Bradley; Dubinsky, Jason; Wasson, Stewart; 'sbalwani@theranos.com'; Cook, Fran; Kazanis, Marge; Jenrick, Kerri

Cc: Big, Nadia; Holcer, Mary Beth; Spearman, Katala; 'dlee@theranos.com'; Haworth, Patty; Kozlowski, Casey

Subject: Diagnostic Testing Executive Steering Committee Meeting

When: Tuesday, May 06, 2014 10:30 AM-11:00 AM (GMT-06:00) Central Time (US & Canada).

Where: 108-5B/Call-in

From the conference room 1085B:

Using the conferencing remote dial into the Theranos directory.

Password [REDACTED]

If calling in:

ID [REDACTED]

PW [REDACTED]



Diagnostic Testing – TheraNOS Partnership

Executive Steering Committee Meeting
May 6, 2014

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Walgreens
AT THE CORNER OF HAPPY & HEALTHY

Agenda

- Diagnostic Testing Program Governance
- Operational Performance
- Marketing Research and Creative Expression
- Information Technology Integration
- Timeline
- Next Steps



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Since we last met...

- Launched 8 stores on 4/15
- Training has been streamlined
 - 63 additional technicians have been trained
 - Training program reduced to 2 days
- Theranos
 - Physician Sales Detailing team defined
 - Operations team defined
- Walgreens
 - Corporate team defined



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Diagnostic Testing Program Governance

Kermit Crawford, Jason Dublinsky, Brad Fleugel, Alex Gourlay, Nimesh Jhaveri, Mark Wagner, Brad Wasson
Theranos: Sunny Balwani, COO

Executive Steering Committee

Sylvia Van Loveren, Troy Mills, Dave Miller, David Barber, Sai Venegas,
Jin Weeast, Adam Pellegrini, Matt Sesto, Lorinda Tisdell,
Heidi Wold, Priya Jagannathan, Erich Rautzel,
Matt Reilly, Tim Engstrom, Jeff Gomanous, LaWanda Savage-Henton,
Shannon Couffer, Greg Kuntelmann, Christian Holmes

Operating Committee

Nimesh Jhaveri

Project Sponsor

Casey Kozlowski

Project Leader

Patty Haworth

Program Manager

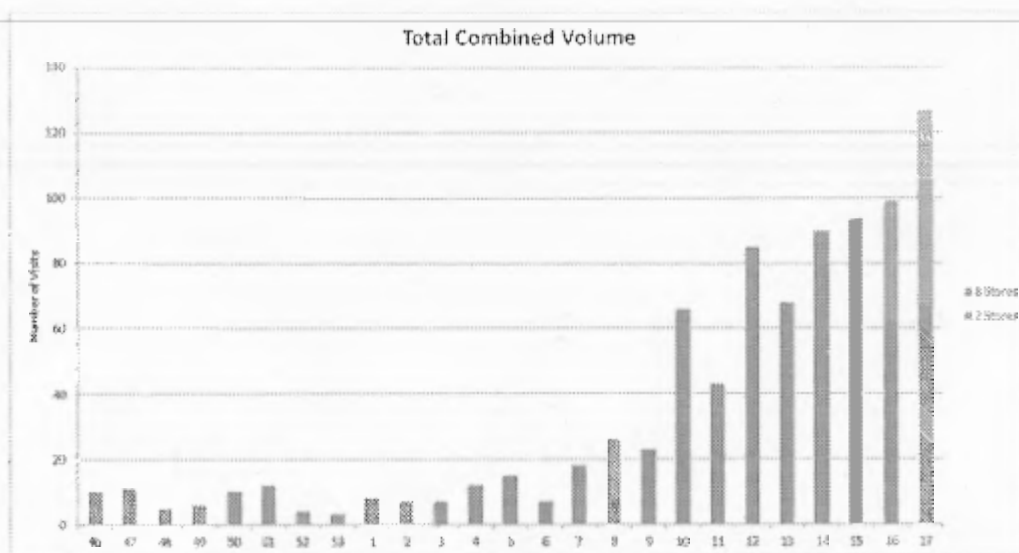
Work Streams



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Patient Vists



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Current Operations Metrics

	2/7/14	5/01/14
# Stores Launched	3	11
Average Patients / Per Store / Per Day	0.8	3.1
Average Check-In	10-11 minutes	8 minutes
Average Perform (95% range)	8-11 minutes	4-9 minutes
Venous Draws	43%	39%
Theranos Hired Phlebotomists	6	18
Theranos Certified Technicians	93	156
# of Training Days	3	2
Pass Rate	79%	86%

Venous Draws

Originally estimated that by end of February 2014 would be below 20% of total draws and below 10% by end of August

Current projections:

- Below 20% by end of August (90% confidence level)
- Below 10% by end of October (>95% confidence level)
- Below 5% by end of 2014 (90% confidence level)
 - » At which point move venous draws only to designated/24-hour stores
 - » However, there are few tests that we (WAG & Theranos) may agree to offer from Venipuncture for specialty pharmacy (To Be Discussed during May 2014 and this may keep the venous draws to ~5-15% during 2014)

Why higher number of venous draws so far:

- Learning process around ordering patterns for Arizona
- Ordering patterns are different than anticipated and Theranos is adding new cartridges rapidly to address these patterns



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Training Metrics

Wave 0	Number	Percent
Total Attended Classroom Training	118	-
Passed Initial Classroom Training	90	76%
Attended Remedial Training	18	-
Passed Remedial Training	3	17%
Total Passed Classroom Training	93	79%
Wave 1	Number	Percent
Total Attended Classroom Training	73	-
Passed Initial Classroom Training	47	64%
Attended Focused Training	23	-
Passed Remedial Training	16	70%
Total Passed Classroom Training	63	86%

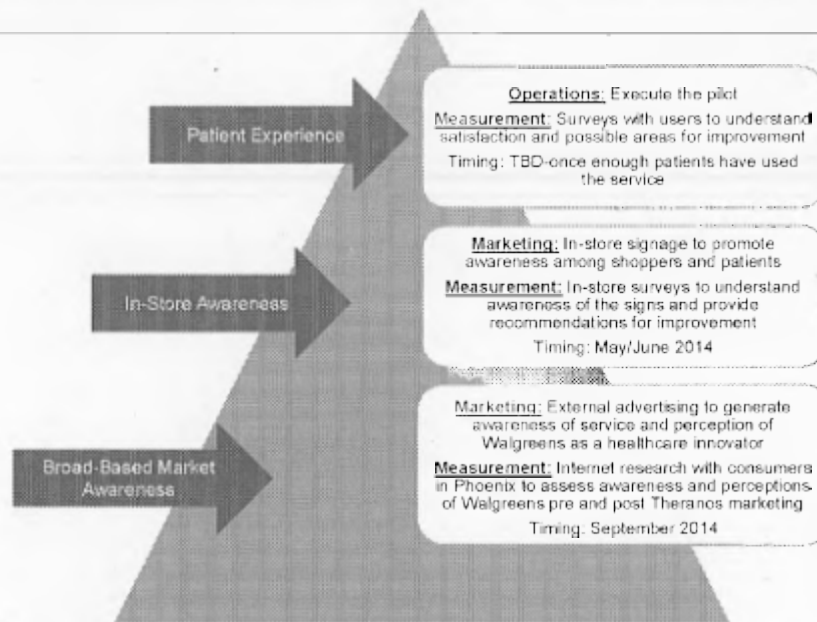
Goal Pass
Rate = 80%
in 2014,
90% in
2015 &
Beyond



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Marketing Research Overview



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Creative Expression

- Concept of what out-of-store marketing may look like starting in Phoenix in August & September (final creative and tactics to come)



Outdoor Banner

approved creative

Let's the visual do the talking—to be specific, by demonstrating the scale of a final sample.



Poster



Bus Shelter



Billboard
(Screens with a mile or a mile)

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Information Technology Integration

★ We are here

* Phase 2 had been previously deemed unnecessary

	Phase 0	Phase 1	Phase 3*	Phase 4
Software	<ul style="list-style-type: none"> Theranos App via Internet 	<ul style="list-style-type: none"> Theranos App via Internet 	<ul style="list-style-type: none"> Theranos App via One Patient View search app 	<ul style="list-style-type: none"> Theranos App via Enterprise EHR
Hardware	<ul style="list-style-type: none"> All Theranos HW 	<ul style="list-style-type: none"> All Theranos HW 	<ul style="list-style-type: none"> Theranos HW with Walgreens peripherals 	<ul style="list-style-type: none"> Walgreens HW and peripherals
Connectivity	<ul style="list-style-type: none"> Cellular (WiFi) 	<ul style="list-style-type: none"> Walgreens LAN / or other internet option (DSL/Cable) 	<ul style="list-style-type: none"> Walgreens LAN / or other internet option (DSL/Cable) 	<ul style="list-style-type: none"> Walgreens LAN
Functionality	<ul style="list-style-type: none"> Slow processing speed Redundant equipment at check-in 	<ul style="list-style-type: none"> Faster processing speed 	<ul style="list-style-type: none"> Reduced dual entry Easier application access Search functionality Quality Reporting 	<ul style="list-style-type: none"> Streamlined, secure data Eliminate redundant HW Integration with PARS
Target Date	<ul style="list-style-type: none"> Current 	<ul style="list-style-type: none"> End of Q3 FY14 	<ul style="list-style-type: none"> End of Q4 FY14 	<ul style="list-style-type: none"> TBD

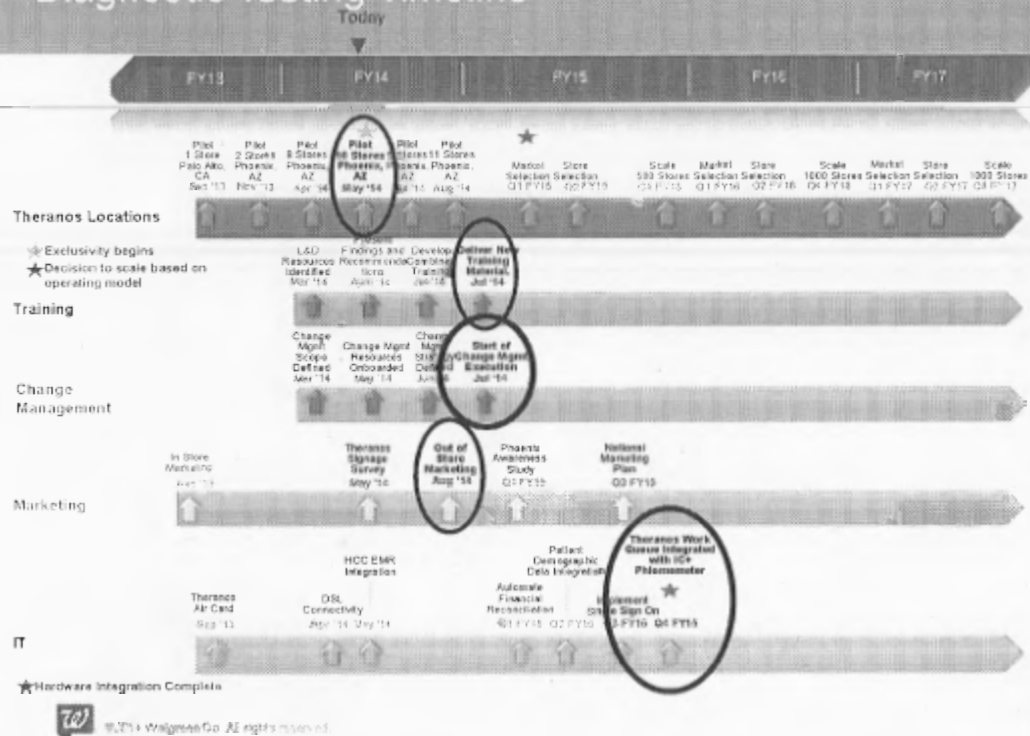
Note: These phases and corresponding scope are subject to change based on open items



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Diagnostic Testing Timeline



Patient Feedback

"I usually go to Lab Express to have my lab work done. When I go there it costs me \$140, with you, it costs me \$17" – Customer at 3464

"I have been putting off my lab work for a year because another lab quotes me \$1,000 for these tests. Today's visit cost less than \$100 for me" – Customer at 3464

"I have monthly standing visits and every time I come to Theranos I save \$400" – Customer at 5453

"My physician sent me here because if I did the tests at his lab it would cost me \$300 and the physician was going to have to break the tests up because of the costs. I was able to get all of the tests done at once, since it only costs me \$20 here" – Customer at 5453

"I called around before coming here and the cheapest estimate I got for my tests was \$550. Here my tests costs \$142.48" – Customer at 4139

"Last time I got billed for my tests at another lab it was \$627, at Theranos is was \$104" – Customer at 4139

"I typically pay \$150-200, today I paid \$27" – Customer at 3464



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The Path Forward

- Operations Improvement
 - Focus on venous draws reduction
 - Reduce new patient check in time to less than 8 min and existing patient to less than 2 min
 - Achieve 15 patients per day per store
 - Streamline training and pass rates
- Coordinate with Market Planning & Research and Well Experience Roadmap
- Launch marketing (in-store and external) and Change Management strategy
- Complete store rollout by 8/31
- Understand patient and provider acceptance once 20+ stores
- Once 20+ locations are live, activate Medicare, Medicaid/managed care and insurance push



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