



**RRC's Management Team
Owned and operated over
200 Outpatient Dialysis Facilities**

RRC was created to partner with Nephrologists and Hospitals to increase the quality and availability of modality choices for dialysis patients, and to offer expanded opportunities to physicians and hospitals

CEO- Barbara Bednar MHA, RNN, CNN
36 years experience- was the COO of Renal Treatment Centers, a NYSE traded dialysis provider. Barbara managed the operations and grew RTC's business from 2 to 192 Dialysis Centers. She also was the co-founder and COO of Physicians Dialysis and grew the business to 26 Dialysis Centers and was acquired in 2004.

CFO- Dennis Fitzpatrick
17 years experience in Healthcare- was the CFO of Physiotherapy Associates and Benchmark Medical. He was also the Executive VP of Reimbursement at NovaCare.

COO- Nola McMullen, RN
20+ years of nephrology experience- was a Director of Dialysis Services for Renal Treatment Centers. Also was the Director of Operations for DaVita.

Senior VP Business Development- Larry Nail
20 years experience in Healthcare- was VP Business Development for U.S. Renal Care, and VP Business Development for National Surgical Care. Larry was also a VP Mergers & Acquisitions at Renal Care Group.

VP Business Development- Bob Kraus
25+ years experience in Healthcare- was VP of Marketing & Sales for Vascular Access Centers. Prior to that was Director of Sales & National Accounts for AKSYS and VASCA. Bob also was Director of Corporate Accounts at Fresenius Medical Care

Physician Opportunities

- ▶ **Joint Venture Partnership**
 - An investment up to 40% of the development costs gives you a pro rata percentage of ownership in the dialysis facility. You will directly benefit from the profitability of the facility. In addition, you will participate in a drag-along provision in the event of a change of ownership or IPO.
- ▶ **Real Estate Ownership**
 - If ownership is not for you, consider owning the dialysis center building. This means your financial stake is related to the property rather than to the profitability of the facility.
- ▶ **Medical Directorship**
 - Some physicians prefer no risk of ownership from a joint venture or real estate. As a RRC Medical Director, you will have direct involvement in managing the patient care in the facility.
- ▶ **Nephrology Fellows**
 - RRC is interested in providing opportunities within our existing facilities and/or ownership in a de novo center

The RRC Advantage

- ▶ Experienced management team with nephrology clinicians in CEO and COO positions
- ▶ National supply & drug contracts to bring lowest possible cost.
- ▶ Experienced Reimbursement department assuring timely and complete cash collections.
- ▶ Established human resource management, financial reporting and billing departments.

The RRC Advantage

- ▶ Regulatory compliance assuring that the facility meets local, federal and state requirements.
- ▶ Staff training programs, Quality Improvement Programs, and trending of outcomes to provide benchmarking of facilities.
- ▶ Management Reporting and analytics to effectively manage in a bundled environment.
- ▶ Marketing programs to develop referral relationships.
- ▶ Strong financial backing for future expansion and recapitalization.

Summary of Reliant Renal Care

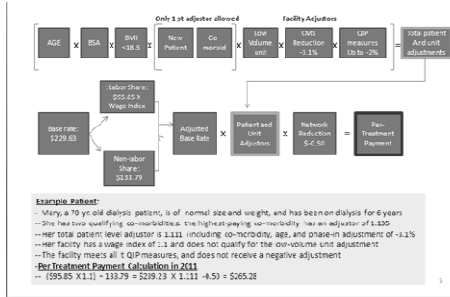
- ▶ Management team with over 100 years of industry experience.
- ▶ Proven track record of improving center performance.
- ▶ Strong financial backing.
- ▶ Partnering for clinical and financial success.

Potential Effects of Bundling on the Industry

- ▶ Medicare reimbursement currently results in a -2 % or higher profit margin loss for providers, bundling has the potential to make the loss even greater
- ▶ Smaller facilities may suffer financial hardship and exit industry
- ▶ Potential to be an acquisition opportunity over the next 1-1.5 years
- ▶ Change in Operational mindset
 - Push home therapies for better margins based on patient's acceptance
 - Contract with group purchasing organization or large pharmacy distribution company to assure the best pricing
 - Increase communication with MD partners to facilitate changes needed
 - Establish clinical protocols for anemia and bone metabolism
 - Establish laboratory testing formularies
- ▶ Companies are currently preparing for bundling in the following ways:
 - Monitoring outcome measures related to QIP
 - Analyzing EPO utilization under PPS for most effective dosing
 - Virtual anemia and bone metabolism management
 - Drive Home Programs and In-center self care programs

8

ESRD PPS Payment Algorithm

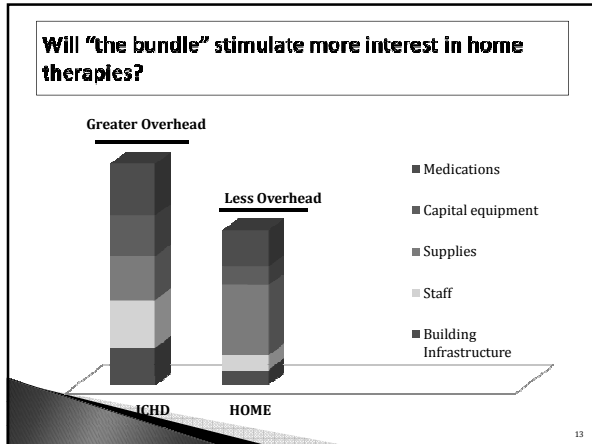


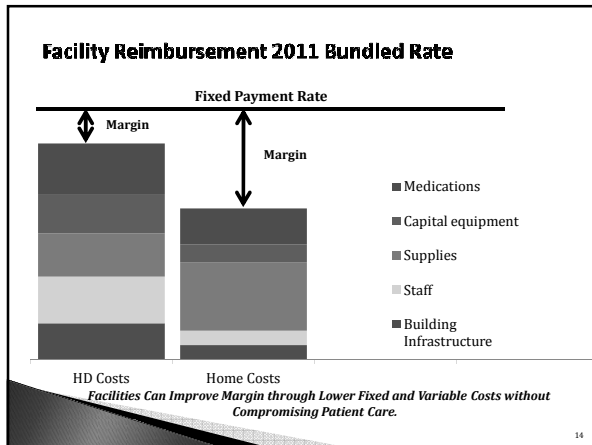
Estimated Impact of Final Rule Modifiers on ESRD PPS

Modifier	Payment multiple	Add. Payment/tr.
Age		
18-44	1.171	\$30.27
45-59	1.015	\$2.99
60-69	1.000	\$6.00
70-79	1.011	\$1.53
≥80	1.045	\$1.67
Underweight (BMI < 18.5)		
	1.031	\$1.74
Body surface area (per 2.3m²)		
	1.023	\$4.55
Start of dialysis < 4 months		
	1.510	\$117.11
Pericarditis, within 3 months		
	1.114	\$76.18
Bact. Pneumonia within 3 mo.		
	1.135	\$38.00
On dialysis within 3 months		
	1.189	\$48.00
Hereditary hemochromatosis		
	1.072	\$16.53
Metabolic bone disease		
	1.000	\$20.79
Mucopolysaccharidosis		
	1.021	\$3.51
Low Volume (A, D00) 1/yr or from 2006-2008		
	1.189	\$48.00

- ### EPO Usage and Anemia Management
- ▶ Bundled reimbursement amount is \$53.60/treatment of the total \$229.63 base rate or 23.3%
 - ▶ For RRC, that corresponds to about 5,000 units of Epopgen per treatment
 - ▶ Amounts over 5,000 units/tr will result in a loss in reimbursement. Control of Epopgen usage will be critical to financial survival
 - ▶ **Strategy:**
 - Virtual anemia manager with remote data access to lab results will monitor Hgb, and iron indices, and ESA dose on a "real time basis" and make prescriptive changes based on physician approved protocols
 - EPO exception reporting will be tracked on appropriateness of very high ESA dosing and reported back to the physician
 - If patients need higher doses beyond 5,000 units/tr, sq weekly dosing should be used vs IV
 - Institute protocols to reduce ESA resistance/inflammation such as catheter use

- ### Bundled Lab Tests: All ESRD related tests and limited in frequency
- ▶ Bundled reimbursement amount is \$8.46/treatment or \$101.52/month
 - ▶ Anything beyond allowable frequency of testing will result in a lab expense higher than reimbursement
 - ▶ Company will be billed directly for all ESRD lab tests by the Laboratory
 - ▶ Allowable frequency of testing includes the following:
 - Per Treatment: HGB and HCT
 - Weekly: Prothrombin time, BUN, CR
 - Monthly: CBC & Diff, Chem Panel
 - Quarterly: Ferritin, PTH
 - ▶ **Strategy:** A formulary of laboratory testing and frequency will be developed with the Medical Director and be used as a standing order for all lab testing. Lab tests entered outside of the formulary will need the approval of the Center Director before being processed.





- ### Key Success Takeaways
- ▶ Critical items to control for financial survival
 - Anemia Management
 - Laboratory Testing Frequency
 - Capture of patient adjusters
 - More interest in home therapies
 - Best Pricing for Supplies (Consolidate with one vendor)
 - ▶ The Bundle will change the way care is delivered and CMS expects innovation

Innovation

“The best way to predict the future
is to create it”Peter Drucker
