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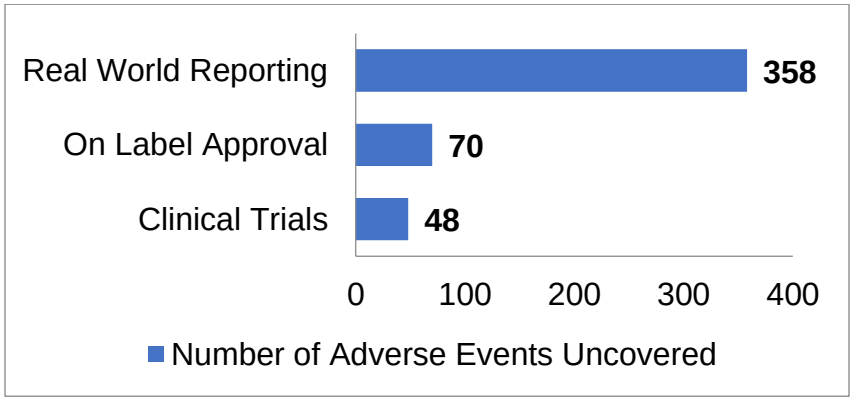
ADVERSEEVENTS SETS NEW STANDARD FOR DRUG DECISION MAKING WITH LAUNCH OF RXCOST™

First-of-its-kind analysis enables payers and providers to determine total economic impact of prescribing particular drugs

SANTA ROSA, CALIF., March 24, 2015… AdverseEvents Inc., a leading healthcare informatics company, today launched RxCost, the first methodology to identify the total costs of adverse drug reactions (ADRs) associated with FDA-approved drugs. RxCost, a component of the AdverseEvents Explorer platform, applies proprietary analytics to adverse drug event and healthcare economic data to help clients determine a drug's total medical cost and the long-term economic impact of prescribing a particular drug. RxCost enables clients to use this never-before-available data in drug evaluations and helps them choose safer, more cost-effective medications for patients.

Most formulary decisions are made using limited information—by considering safety and efficacy profiles based predominately on pre-approval clinical trial data. If a drug shows comparable or superior efficacy versus another, and costs less, it is likely to be preferred. Unfortunately, these analyses ignore the real-world reporting of ADRs once a drug is in use among broad patient populations. On average, these real-world reports, which are essential in discovering new drug risks that had not been identified in pre-market drug testing, uncover three-times more ADRs than clinical trials (see Table 1). RxCost provides the most complete representation of a drug's true cost by analyzing these real-world data and presenting the costs of actual adverse side effects of a drug (e.g., injury, hospital admission/readmission, disability and/or death).

Table 1



Sources: Data from ClinicalTrials.gov; data from FDA Adverse Event Reporting System (FAERS) via AdverseEvents Explorer; Duke, J., Friedlin, J., Ryan, P. (2011) A quantitative analysis of adverse events and "overwarning" in drug labeling. Arch Intern Med. 171(10):944-6.

"Prior to the creation of RxCost, the total downstream medical costs of prescription drugs remained unknown," said Brian Overstreet, CEO of AdverseEvents. "As a result, managed care insurers, hospitals and health systems, and agencies such as Medicare, have been selecting drugs without the benefit of incorporating up-to-date ADR data. The ability to quickly obtain, easily review and proactively act on these RxCost data will dramatically improve patient outcomes and lower system-wide costs."

AdverseEvents estimated avoidable serious events and negative patient outcomes from drug adverse events cost the U.S. healthcare system $25 billion in 2013. Yet, to date, the lack of actionable and independent adverse event and outcomes costing data has limited the development of strategies to mitigate this enormous cost burden. As part of AdverseEvents' full solutions suite of data, analytics and insight, RxCost ensures that healthcare decision makers will now have this vital information during the drug purchasing and formulary management processes.

RxCost:

- reveals costs associated with serious adverse event and outcomes per patient;
- identifies individual ADR's that are driving increased costs;
- compares cost per patient with the average cost of other drugs in an indication, class or mechanism of action; and
- shows both on- and off-label costs for a real-world financial picture, not just the limited scope provided by pre-approval clinical trials.

A white paper that explains how RxCost assesses real world drug safety by calculating the costs of side effects and poor patient outcomes can be downloaded at: http://info.adverseevents.com/whitepaper-rxcost.

About AdverseEvents Explorer

AdverseEvents Explorer is the health industry standard for drug safety data, analytics and insight. It is a web-based software application that includes the following:

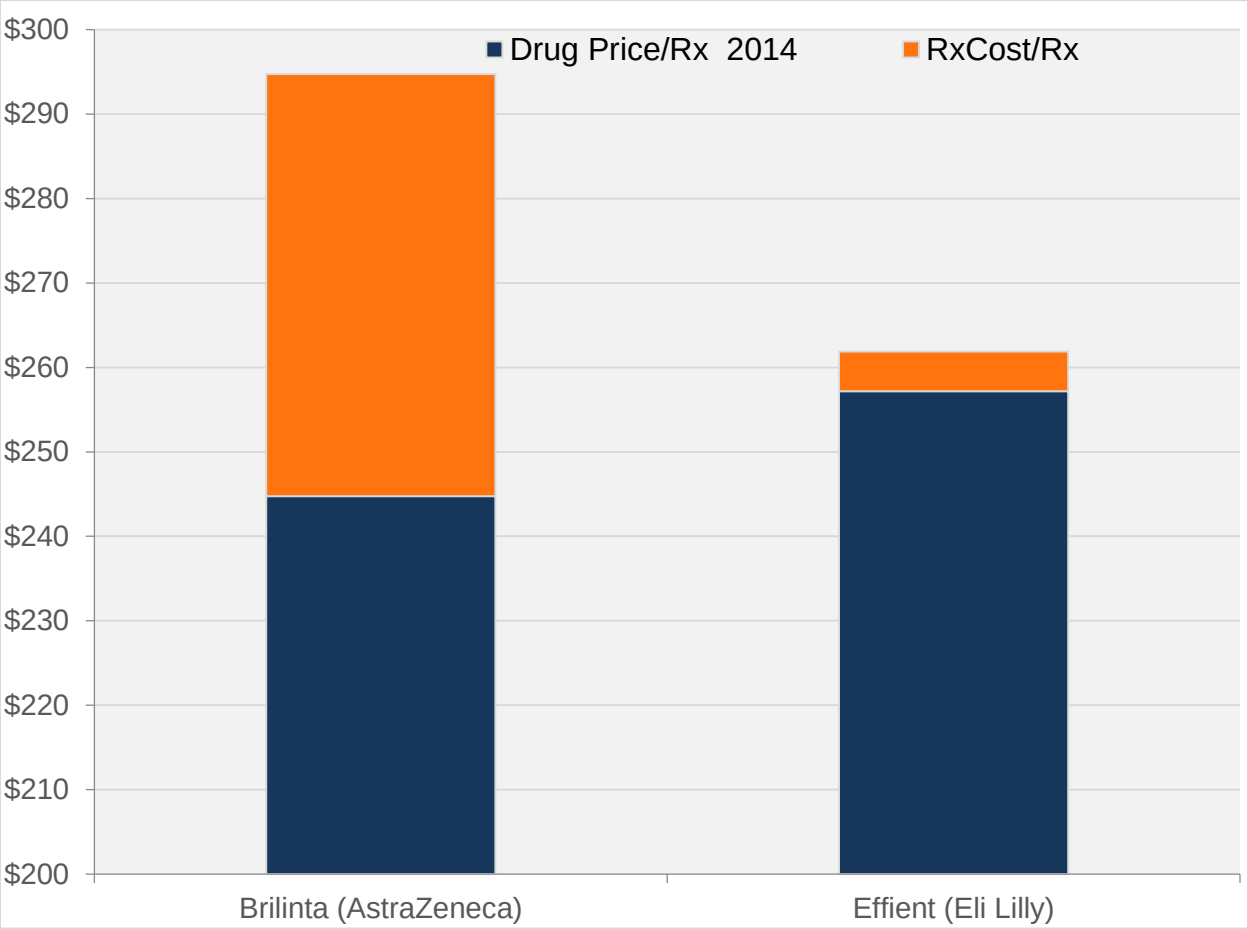
- Data
  - **RxFilter®:** RxFilter® provides complete data optimization of the FDA Adverse Event Reporting System (FAERS) dataset through a 17-step algorithmic process to make it completely accessible and searchable
- Analytics
  - **RxScore®**: A FICO-like scoring system that represents an overall assessment of a drug's potential risk to a patient (i.e., the likelihood of what side effects will happen to a patient from taking a specific drug and what those side effects will cost).
  - **RxSignal®:** A predictive algorithm used to identify drug and adverse event combinations that may be the target of a future safety alert/labeling change by FDA.
  - **RxCost**: The first-ever analytic that determines downstream medical costs from adverse drug reactions revealing the total cost of one drug vs. another (i.e., the total cost of prescribing one drug over another).

- Insight
    - **RxOutcome®**: A Health Economics Outcomes Research (HEOR) dashboard that provides a comparative look at adverse events and outcome rates within a class or indication (i.e., a view into what happened to patients).
    - **Drug Safety Monitors**
    - **Special reports**
    - **Published/Custom Reports**

About AdverseEvents, Inc.
AdverseEvents, Inc. (AEI) is a California-based healthcare informatics company that improves patient safety and reduces systemic healthcare costs through the comprehensive analysis of post-marketing drug side effect data. Utilizing data-mining and analysis technology, through its proprietary RxSuite™ of analytics, AEI makes post-marketing drug safety data accessible, actionable, and predictable.

In addition to managed care organizations, AEI also provides services to enterprise markets including the pharmaceutical industry and financial institutions. For more information visit: www.adverseevents.com. On Twitter: @AdverseEvent.

RXCOST - TOTAL ECONOMIC IMPACT OF PRESCRIBING A PARTICULAR DRUG



Brilinta (AstraZeneca) and Effient (Eli Lilly) are FDA-approved prescription drugs intended to reduce the likelihood of thrombotic cardiovascular events such as heart attack. The above RxCost chart suggests that while the purchase price of Brilinta may be cheaper than Effient, the total downstream costs of side effects associated with its use will result in larger total expenditures.

Number of Prescriptions: AdverseEvents uses published U.S. sales for each drug and the benchmark drug price to calculate an estimated number of prescriptions per year for each drug.

RxCost: RxCost is a proprietary analytic of AdverseEvents that computes every drug's aggregate cost of serious reported adverse events and outcomes based on costing data from AHRQ's Healthcare Cost and Utilization Project (HCUP).

Drug Price/ Rx = AdverseEvents calculates a benchmark drug retail price based on reimbursements to pharmacies for each drug as determined by Medicaid. AdverseEvents calculates the number of prescriptions in 2014 by dividing the published U.S. sales amount for each drug by the benchmark drug price.