



ResMed

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with every breath*

Sleep Market Panel

⊙ Results for June 2015



Notes:

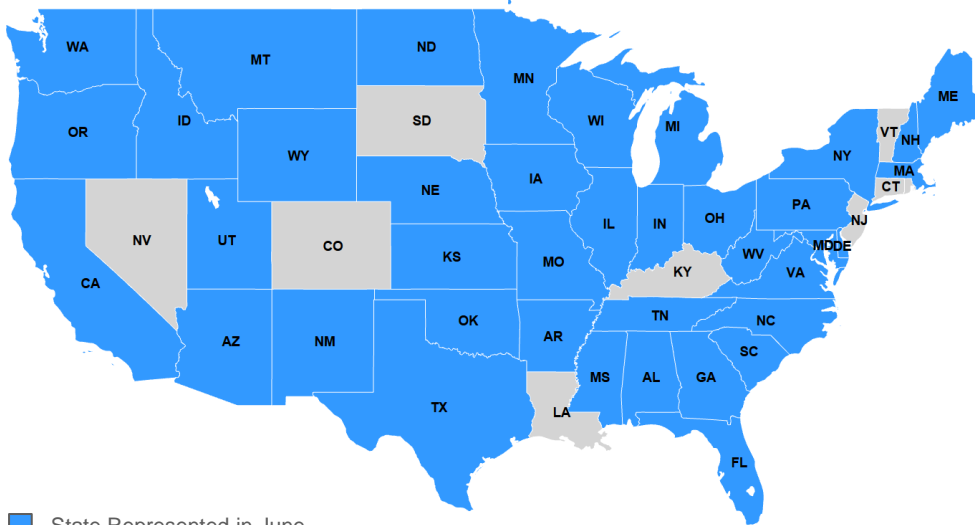
- This is a monthly trending report of panel member data along with additional analysis by:
 - Sleep labs affiliated with Hospitals vs. Independent Labs
 - **Hospital** - Labs affiliated with hospitals
 - **Independent** - Labs that are stand alone entities
 - Sleep labs conducting HSTs vs. Non-HST labs
 - **HST** - Labs reported conducting at least ONE home sleep test a month
 - **Non-HST** - Labs reported conducting NO home sleep tests



Panel Member Profile, June 2015

- In June, a total of 179 labs from 39 states submitted their data (6 are new panel members)

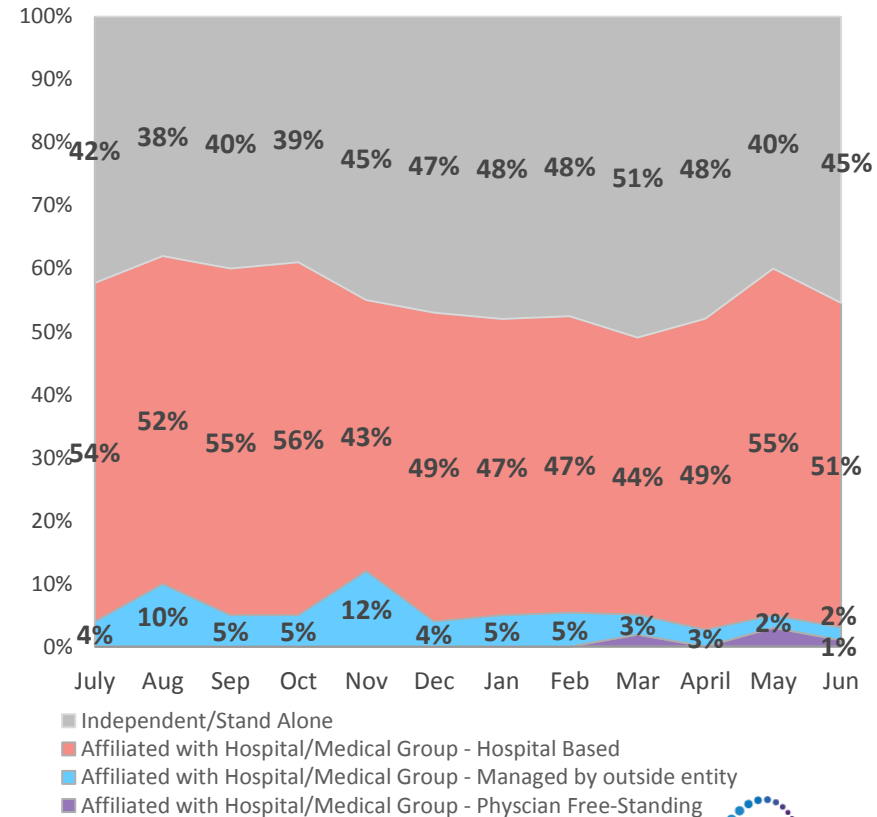
June 2015 Data Collected from 39 States



■ State Represented in June
■ Not Represented

Note: No representation from Alaska or Hawaii

Sleep Lab Business Model Trend



Note: Tracking of Physician Free-Standing as a type of business model began Mar 2015.

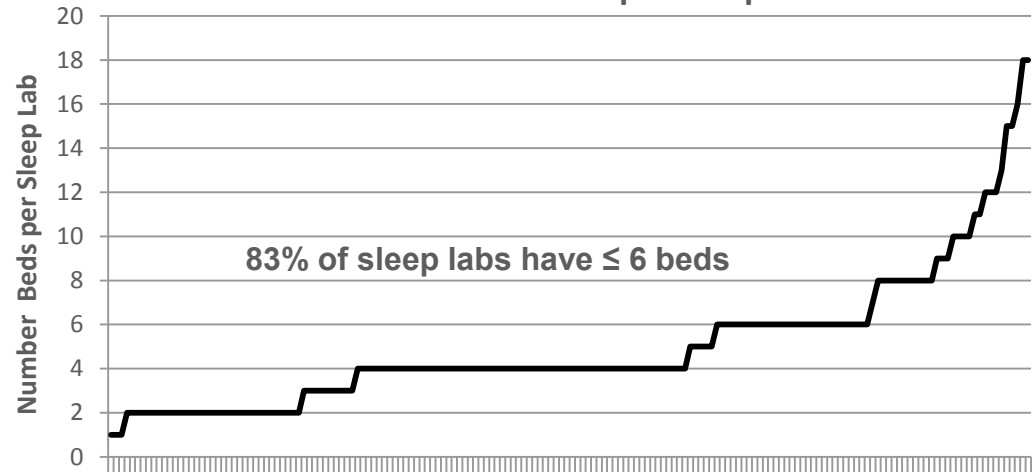




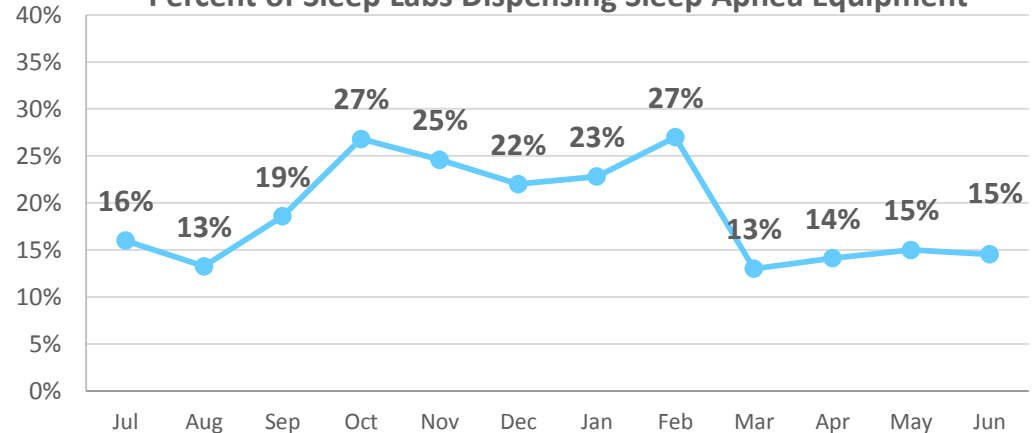
Panel Member Profile, June 2015

- Lab sizes ranged from 1–18 beds, with an overall average of 5 beds and a median of 4 beds
- In June, 15% of labs dispense therapeutic sleep apnea equipment to patients
- The percentage of labs dispensing sleep equipment averaged 19% in the last 12 months Jul'14 - Jun'15

Distribution of Beds per Sleep Lab

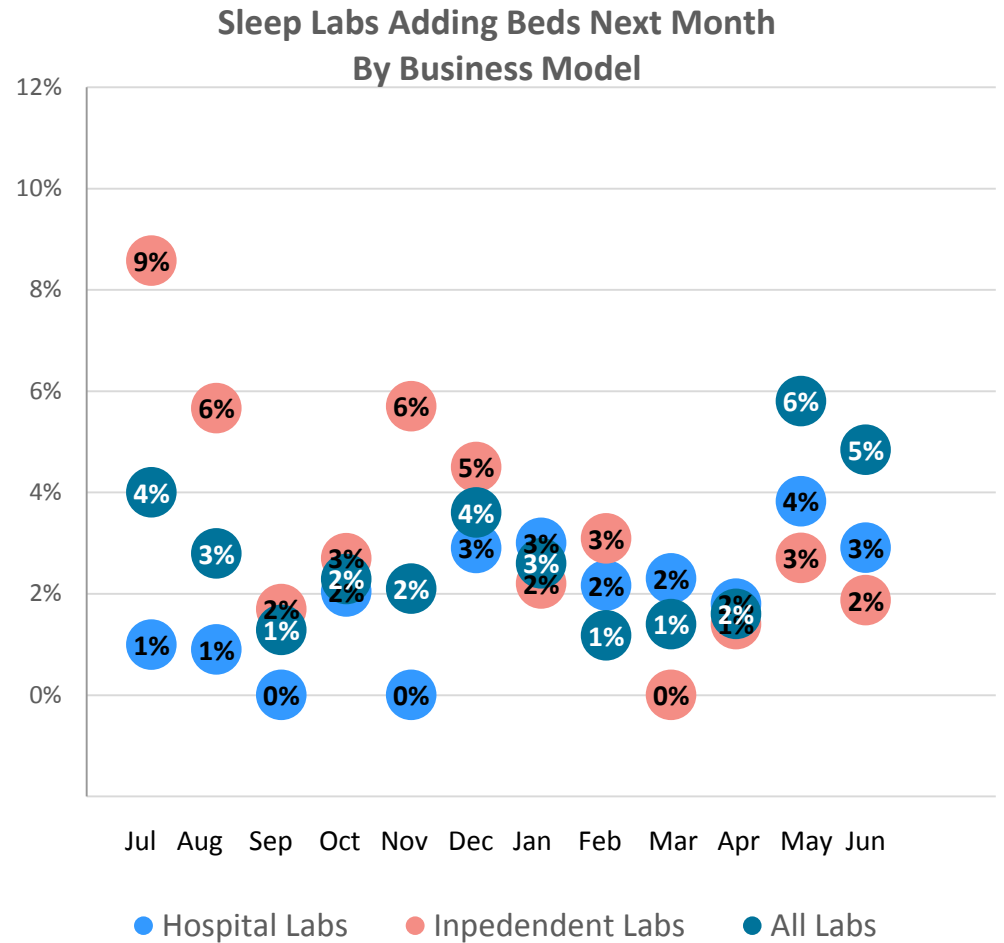


Percent of Sleep Labs Dispensing Sleep Apnea Equipment



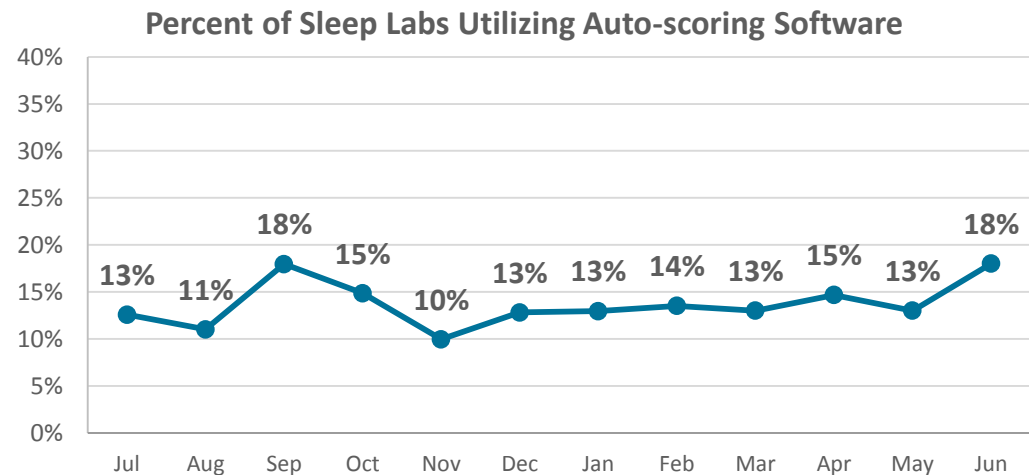
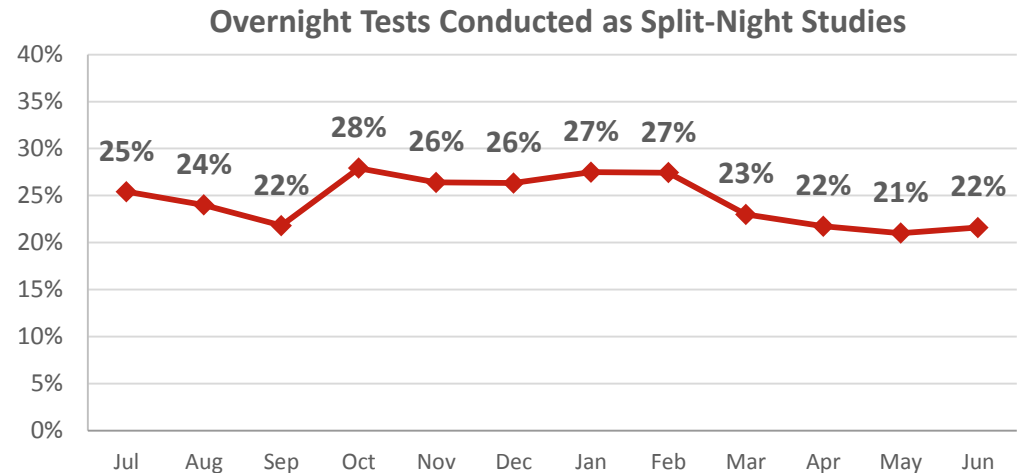
> Sleep Labs Planning to Add Beds Next Month

- 3% of total labs plan to add more beds to their facility in June
- The percentage of total labs planning to add beds in the next month averaged 3% in the last 12 months Jul'14 - Jun'15



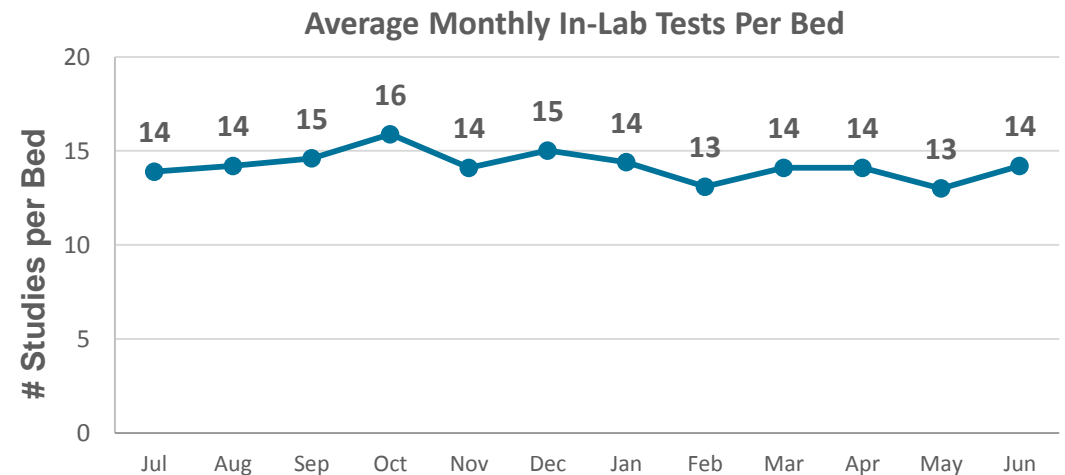
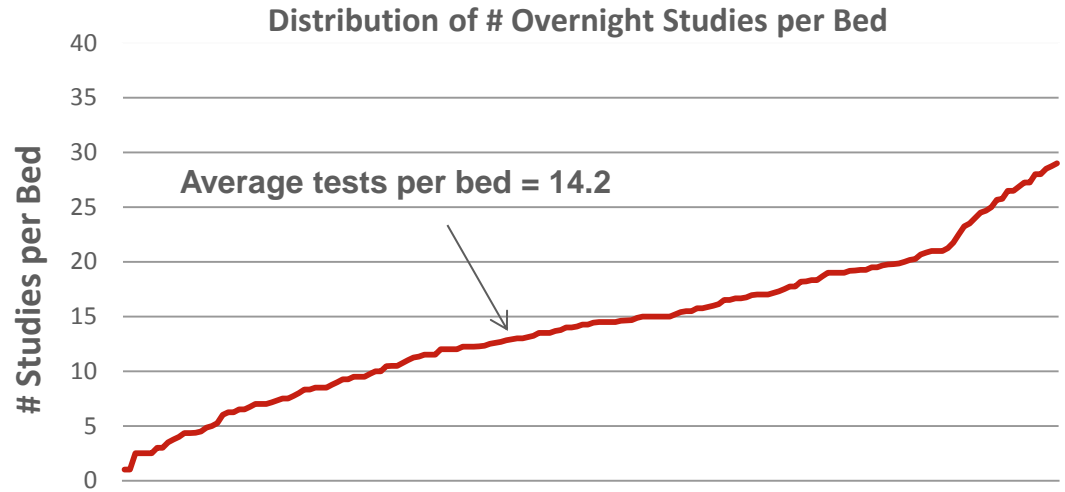
Split-Night Studies and Auto-scoring

- In June, 22% of overnight tests were conducted as split-night studies
- The percent of split-night studies conducted over the last 12 months Jul'14 - Jun'15 averaged 25%
- In June, 18% of labs reported using Auto-scoring or Computer Assisted Scoring
- The percent of labs using Auto-scoring over the last 12 months Jul'14 - Jun'15 averaged 14%



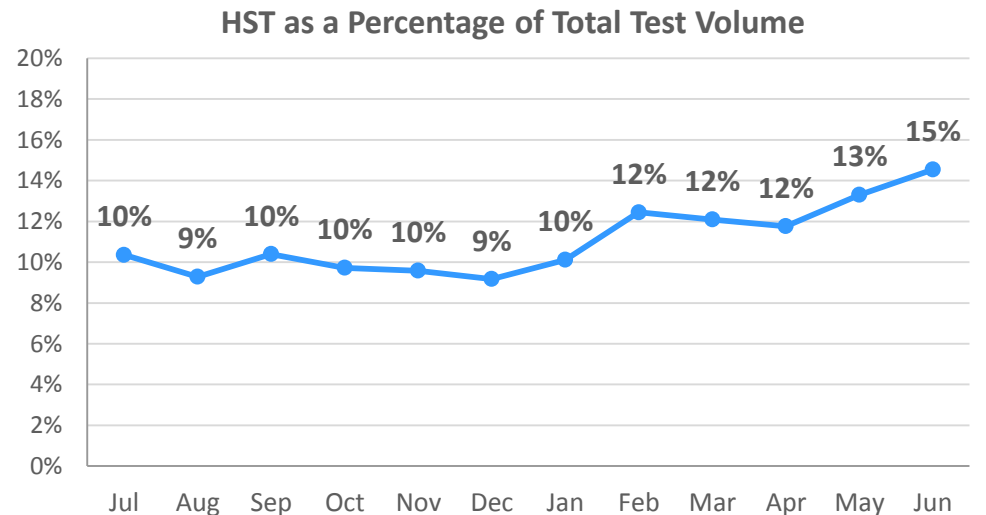
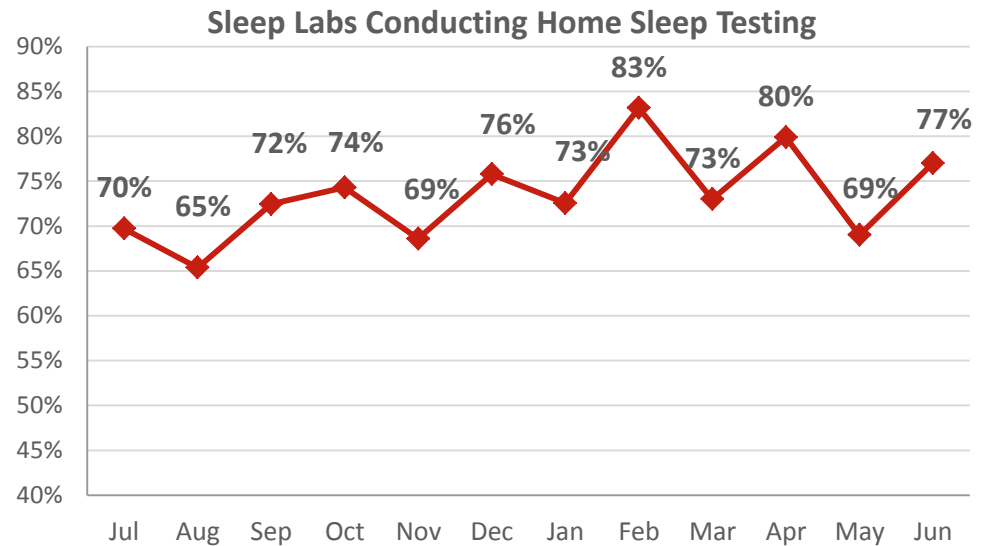
> Volume of In-lab Overnight Sleep Testing Per Bed

- In June, labs conducted an average of 14.2 in-lab overnight tests per bed, with a range of 1-29
- The number of tests conducted per bed in the last 12 months Jul'14 - Jun'15 averaged 14



Home Sleep Testing (HST)

- In June, 77% of labs conducted portable, at-home sleep studies
 - Among those conducting home testing, an average of 99% at-home studies were billed to insurance per month
- The percentage of sleep labs conducting home sleep tests has been increasing, averaging 73% in the last 12 months
- In June, Home Sleep Testing was 14.5% of the total testing volume

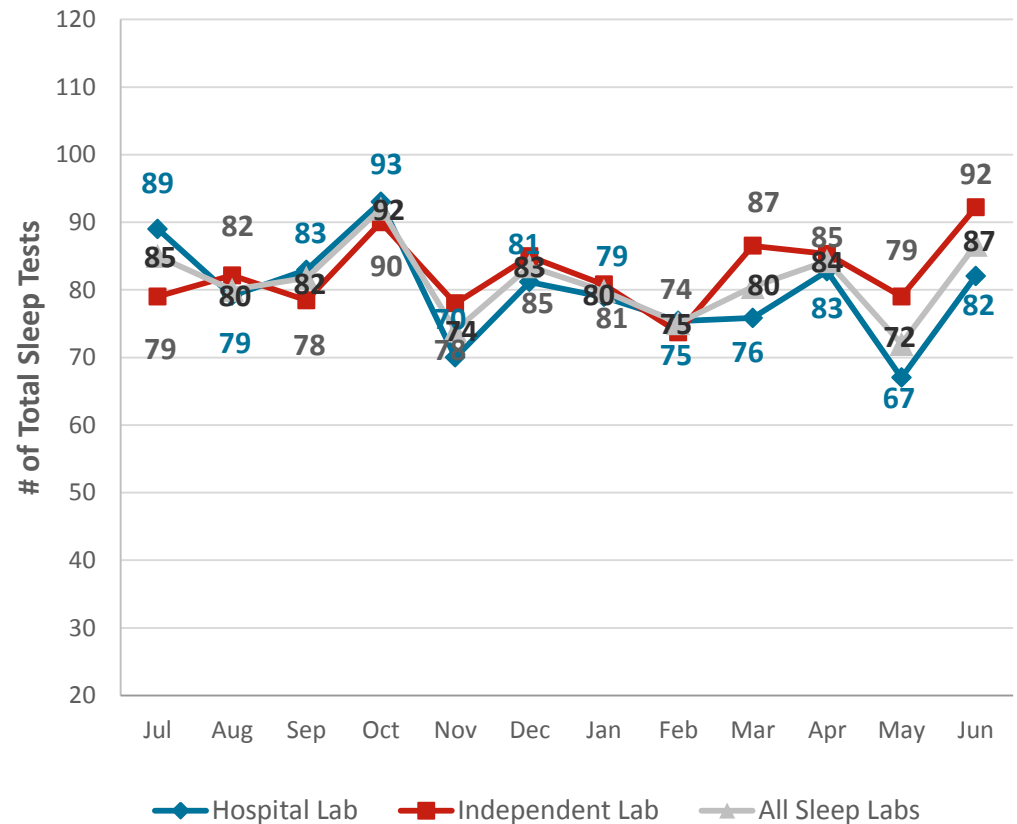




Average Monthly Testing Volume Conducted Per Lab (In-Lab + HST): By Business Model

- In June, the average number of total sleep tests were:
 - Hospital Labs: 82
 - Independent Labs: 92
 - All Labs: 87
- The number of tests conducted per lab in the last 12 months Jul'14 - Jun'15 averaged:
 - Hospital Labs: 80
 - Independent Labs: 83
 - All Labs: 81

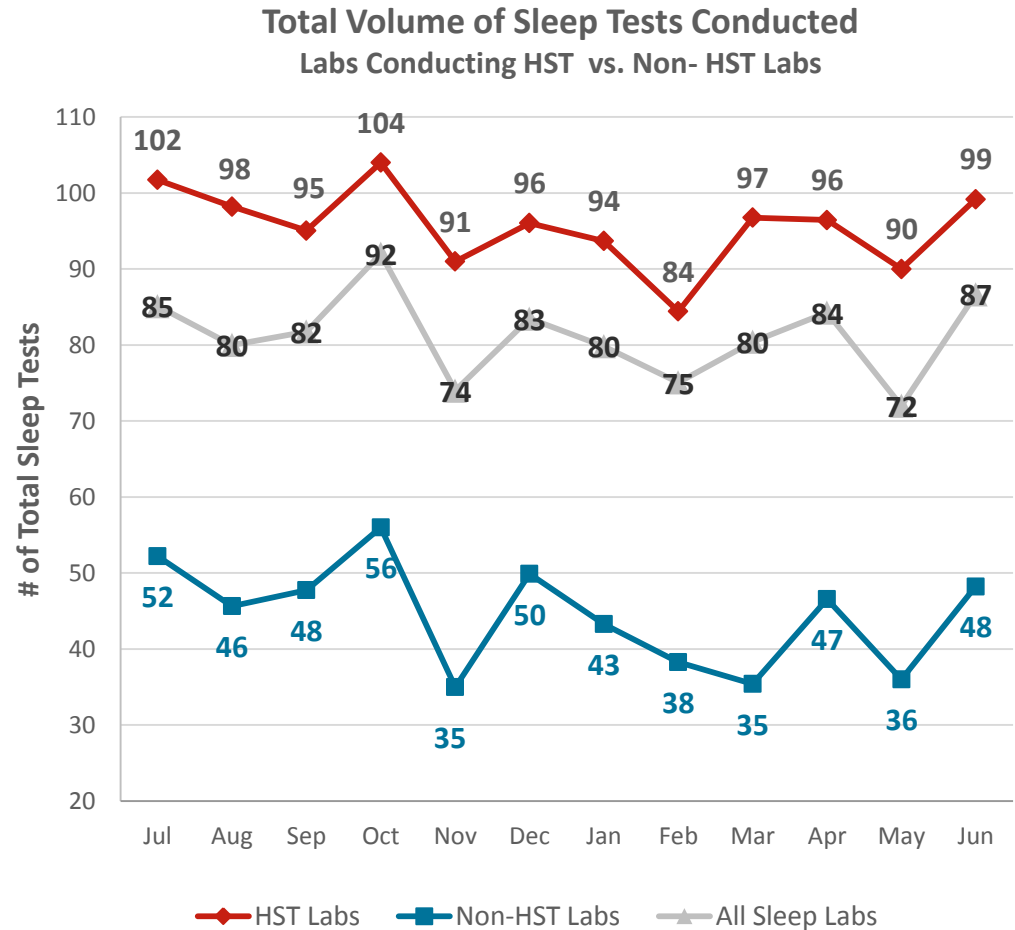
Total Volume of Sleep Tests Conducted Hospital Labs vs. Independent Labs





Average Monthly Testing Volume Conducted Per Lab (In-Lab + HST): HST vs. Non-HST Labs

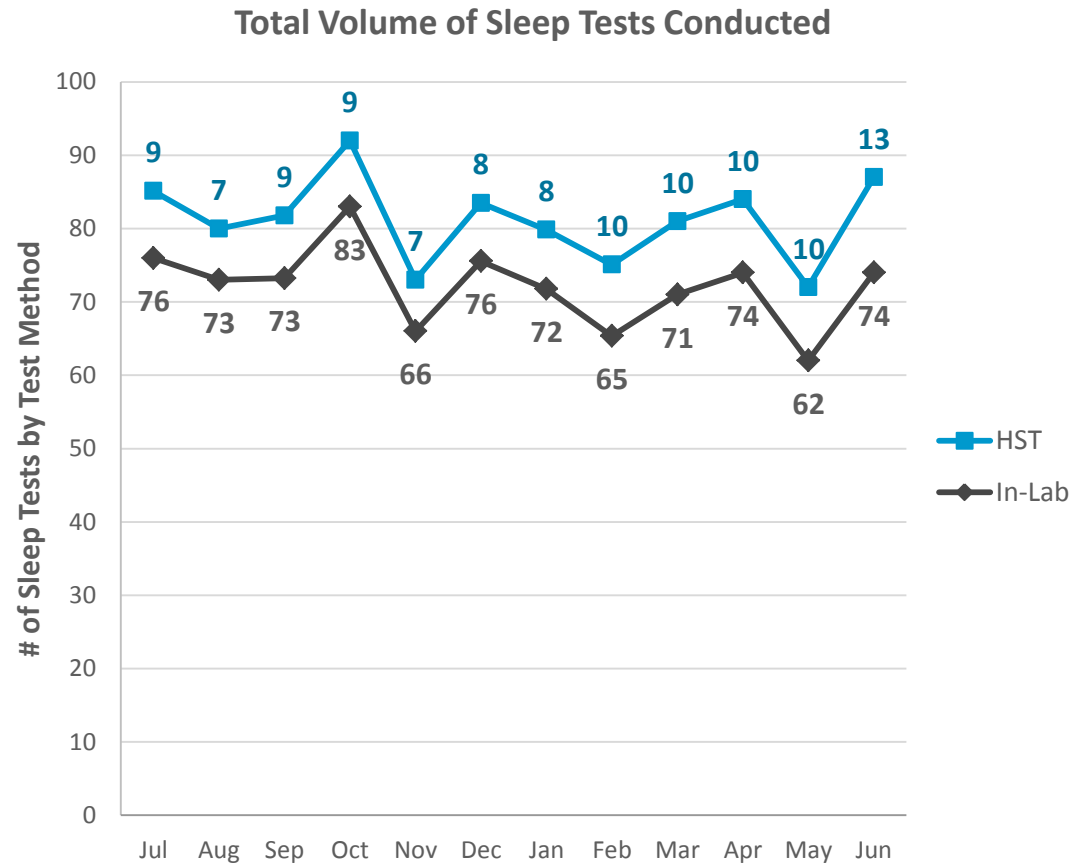
- In June, the average number of total sleep tests were:
 - HST Labs: 99
 - Non-HST Labs: 48
 - All Labs: 87
- The number of tests conducted per lab in the last 12 months Jul'14 - Jun'15 averaged:
 - HST Labs: 96
 - Non-HST Labs: 45
 - All Labs: 81





Average Monthly Volume of In-Lab Tests vs. HSTs Conducted Per Lab

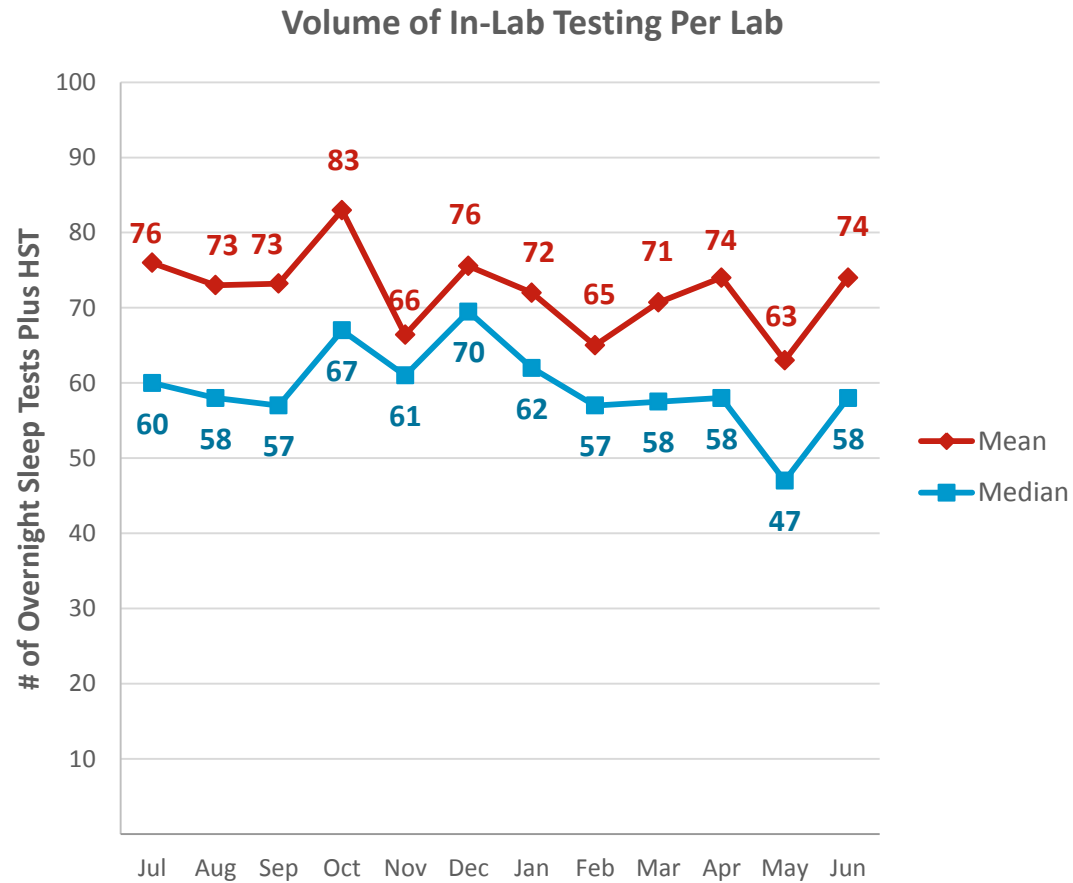
- In June, the average number of sleep tests per lab by test method:
 - In-Lab: 74
 - HST: 13
- The number of tests conducted per lab in the last 12 months Jul'14 - Jun'15 averaged:
 - In-Lab: 72
 - HST: 9





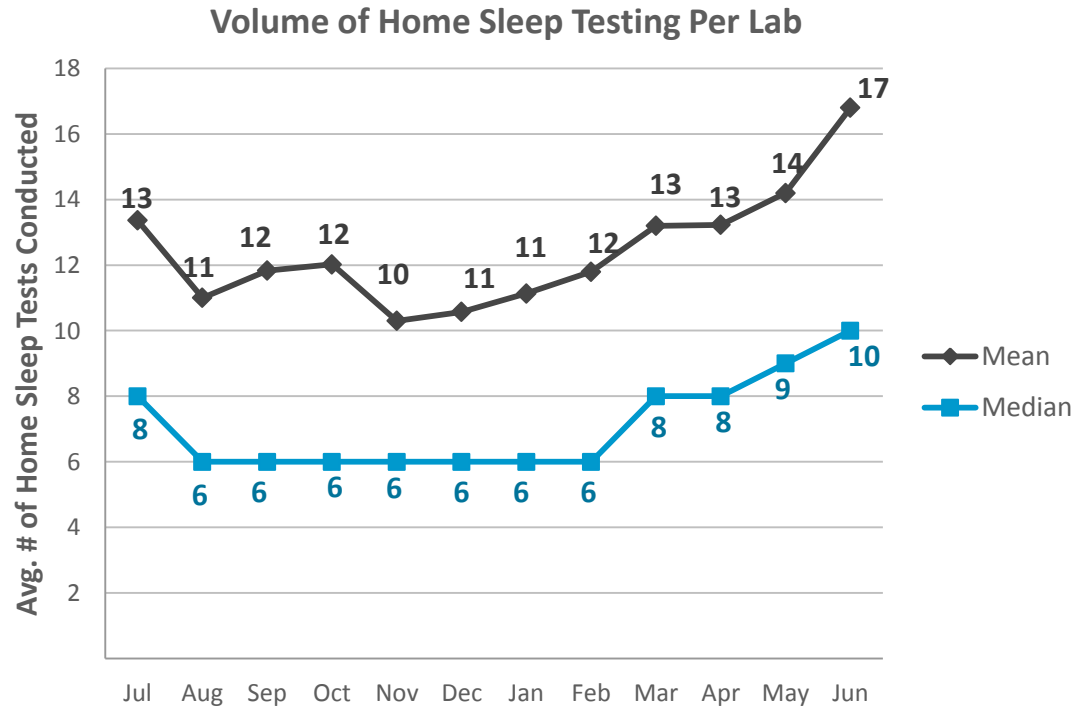
Volume of In-lab Sleep Tests Conducted Per Lab

- In June, the number of sleep In-lab tests per lab:
 - Mean: 74
 - Median: 58
 - Range: 2-345
- The average number of tests conducted per lab in the last 12 months Jul'14 - Jun'15 was 72 (with a median of 73)



> Volume of Home Sleep Testing

- Among those conducting home testing in June, the number of sleep tests conducted per lab:
 - Mean: 17
 - Median: 10
 - Range: 1-100
- The average monthly number of home tests conducted per lab in the last 12 months, Jul'14 - Jun'15 was 12



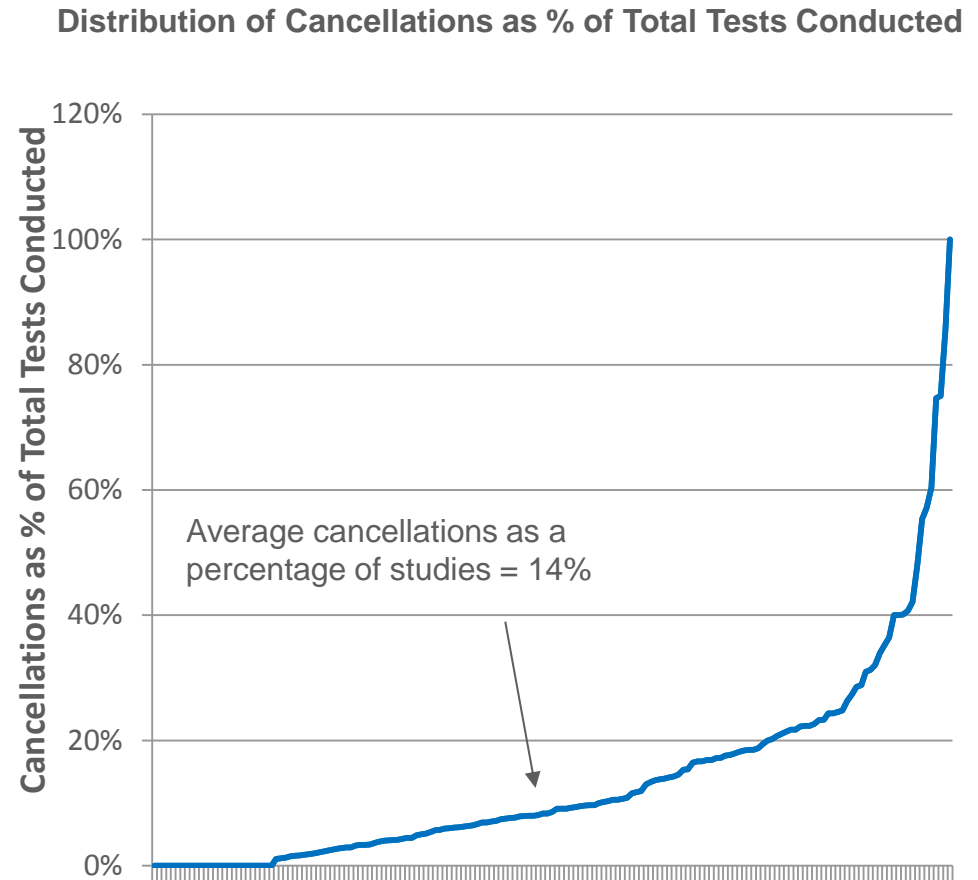
Base: Labs conducting HST

Range of Home Sleep Studies Conducted Per Lab											
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1-60	1-54	1-82	1-58	1-50	1-48	1-70	1-84	1-63	1-84	1-93	1-100

> Volume of Patient Cancellations

- In June, cancellations per lab averaged 10, with a range of 0-68 per lab
- Cancellations per bed averaged 1.9 with a range of 0-13 per bed
- Cancellations as a percentage of studies conducted averaged 14%, with a range of 0%-100%

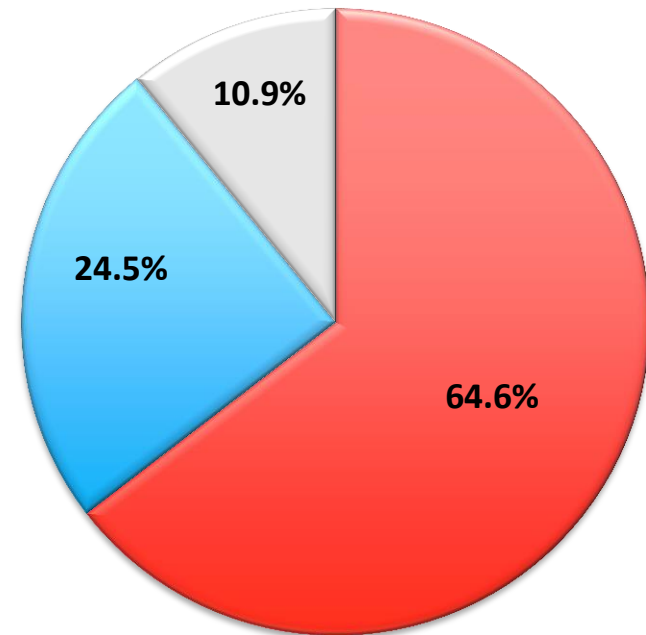
“Cancellation” is defined as an appointment that is dropped and not rescheduled.



- In June, 46% of sleep studies resulted in a script for a PAP device

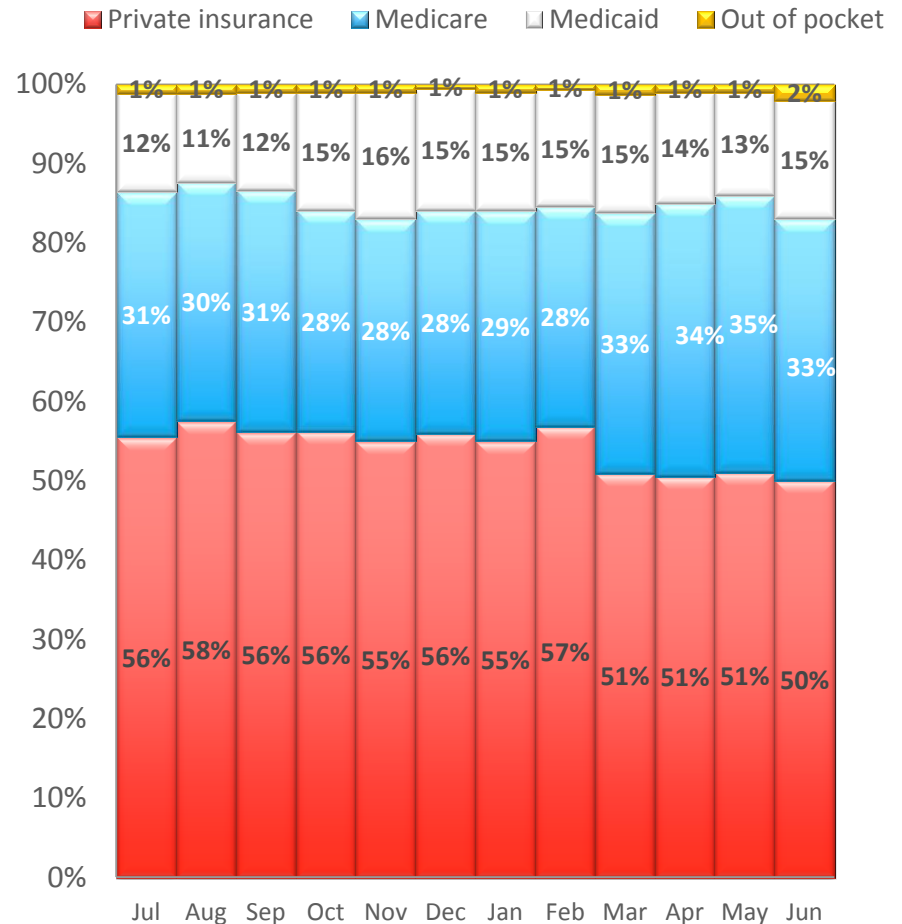
PAP Device Scripting Split

■ CPAP ■ APAP ■ Bilevel



- In June, 50% of sleep studies were billed to private health insurance and 33% were billed to Medicare (traditional and/or managed)
- 39% of labs reported tracking insurance pre-authorizations
 - Among those labs, an average of 62% of studies required pre-authorization, with a range of 1-100%

Billing Split



➤ Month-to-Month Trending

- Monthly comparisons (month-to-month percent change) can only be made using data from the exact same sleep labs.
- In the slides that follow, we refer to sleep labs who provided their data for 2 months in a row as “repeat panel members”

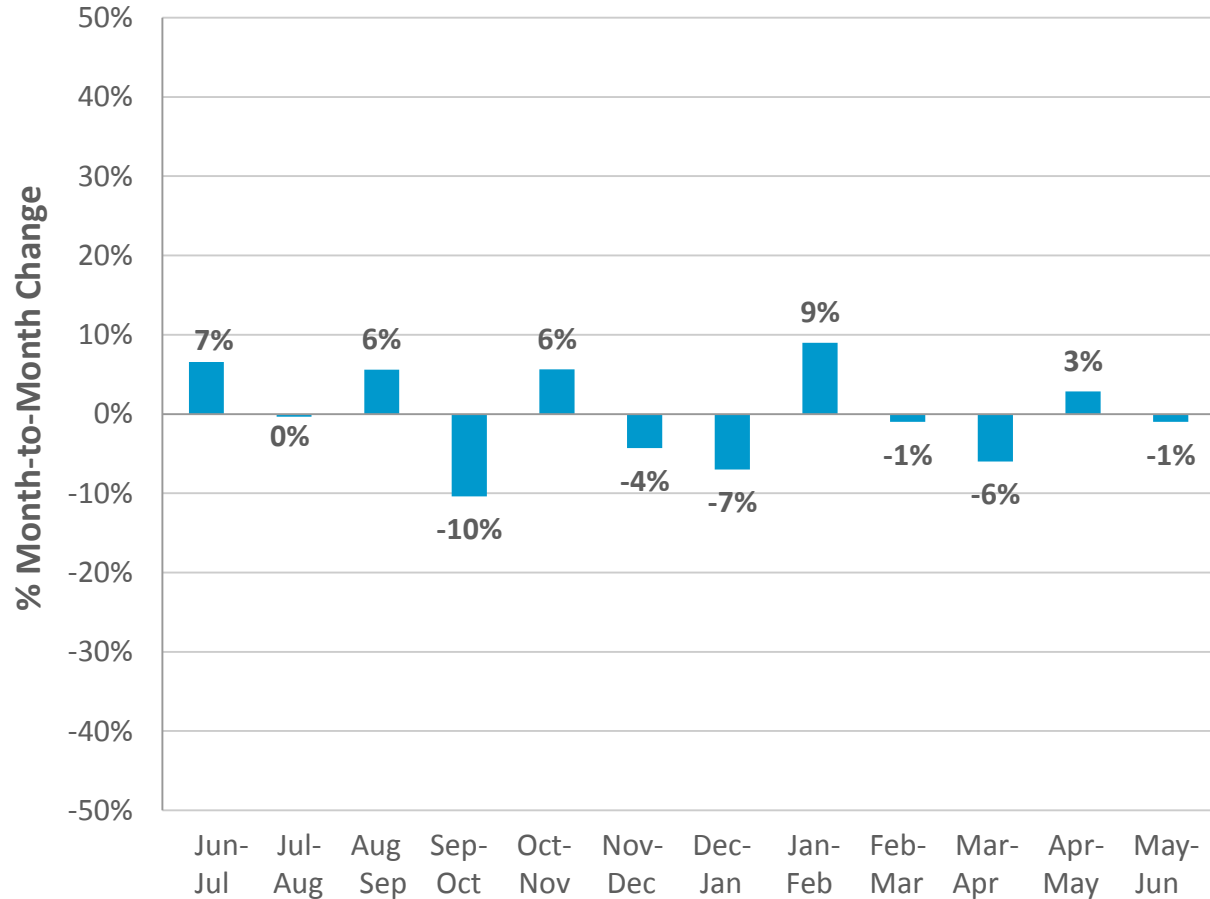
	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec	Dec-Jan	Jan-Feb	Feb-Mar	Mar-Apr	Apr-May	May-June
Number of Repeat Panel Members	126	140	130	117	131	147	146	144	137	126	137	135



Month-to-Month Changes in Volume of In-lab Overnight Sleep Testing

- For repeat panel members, the volume of in-lab sleep tests decreased 1% from May'15-Jun'15
- There was an no change in monthly testing volume over the last 12 months Jul'14 - Jun'15

Volume of In-Lab Sleep Testing Month-to-Month % Change

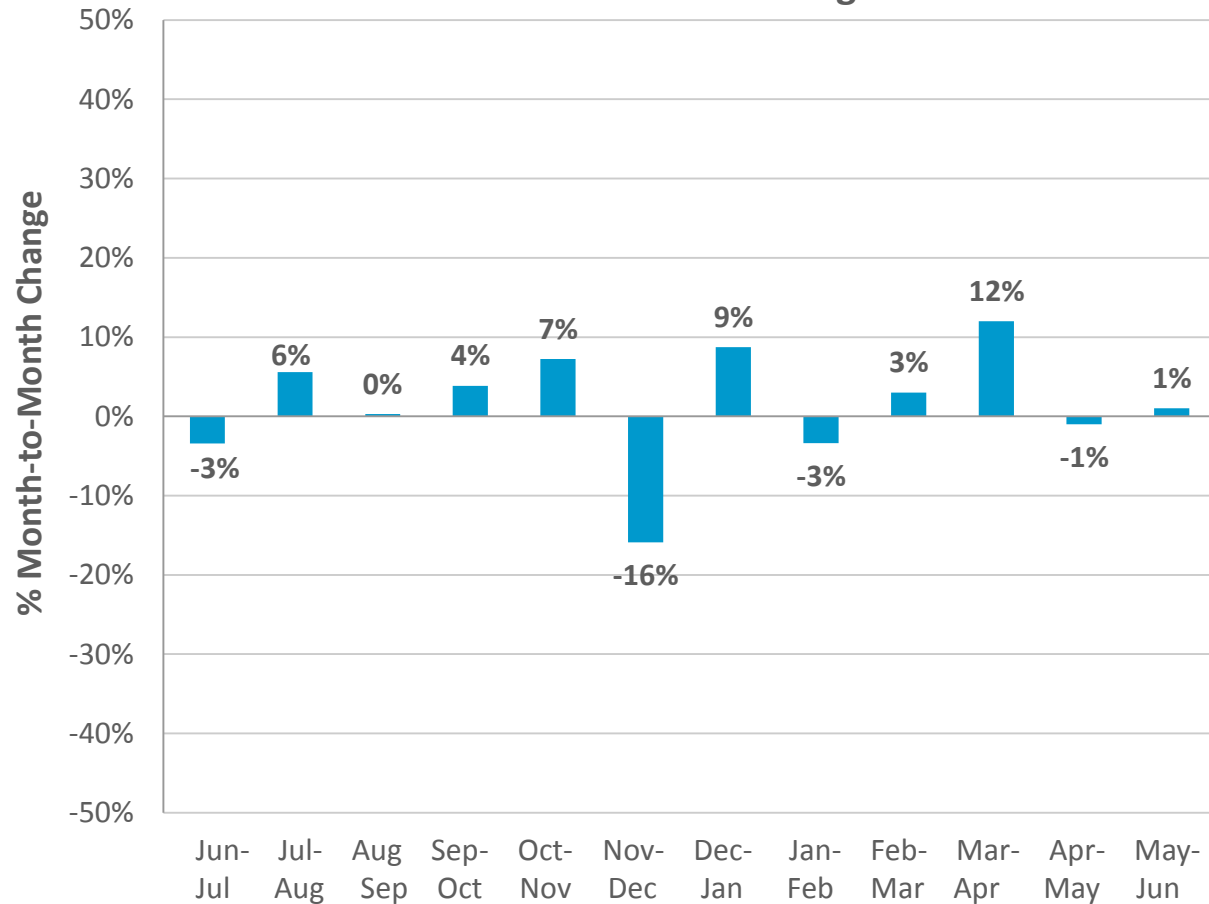




Month-to-Month Changes in Volume of Home Sleep Testing

- For repeat panel members, there was a 1% increase in Home Sleep Testing from May'15-Jun'15
- On average, there was a 1% increase in monthly testing volume over the last 12 months Jul'14 - Jun'15

Volume of Home Sleep Testing Month-to-Month % Change

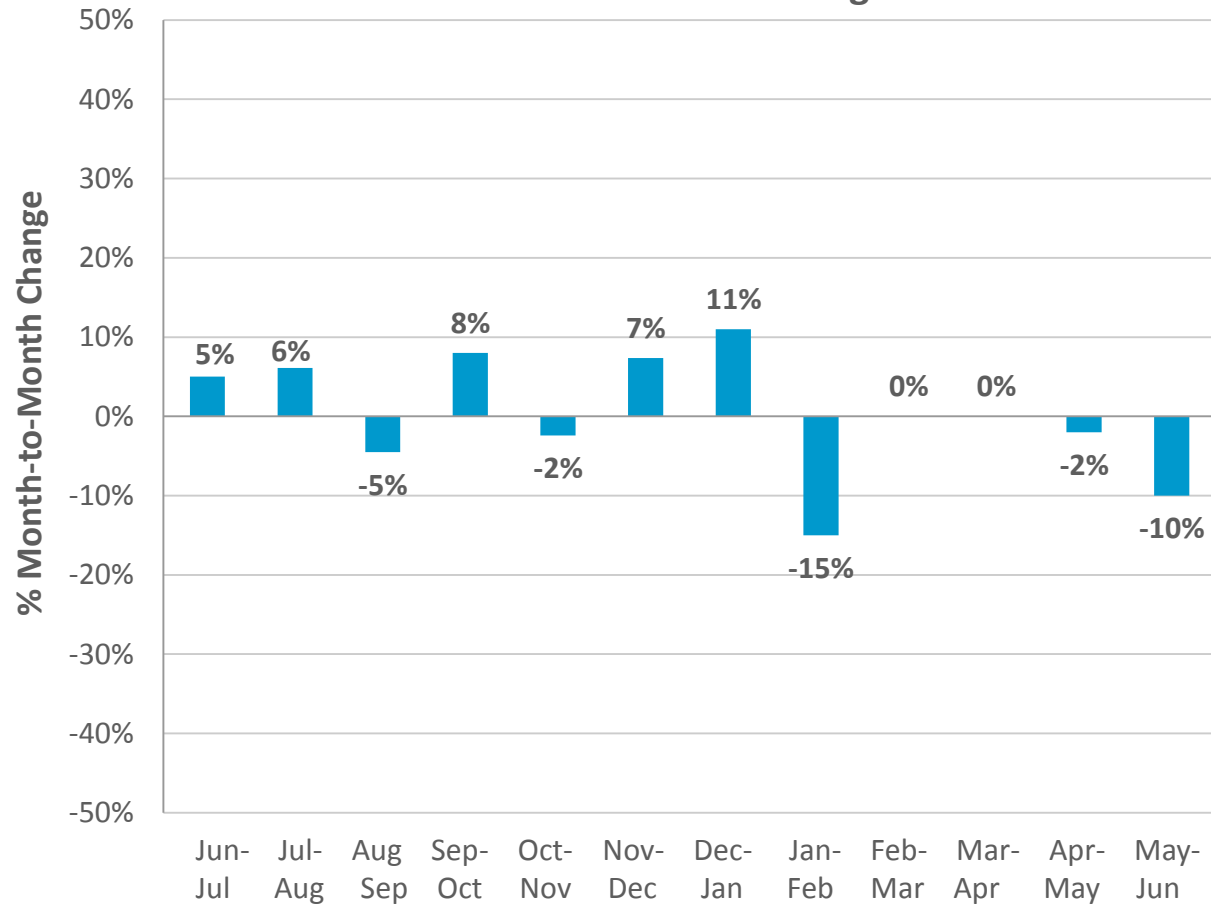




Month-to-Month Changes in Volume of Patient Cancellations

- For repeat panel members, there was a 10% decrease in the number of cancellations from May'15-Jun'15
- There was no change in cancellations on average in the last 12 months, Jul'14 - Jun'15

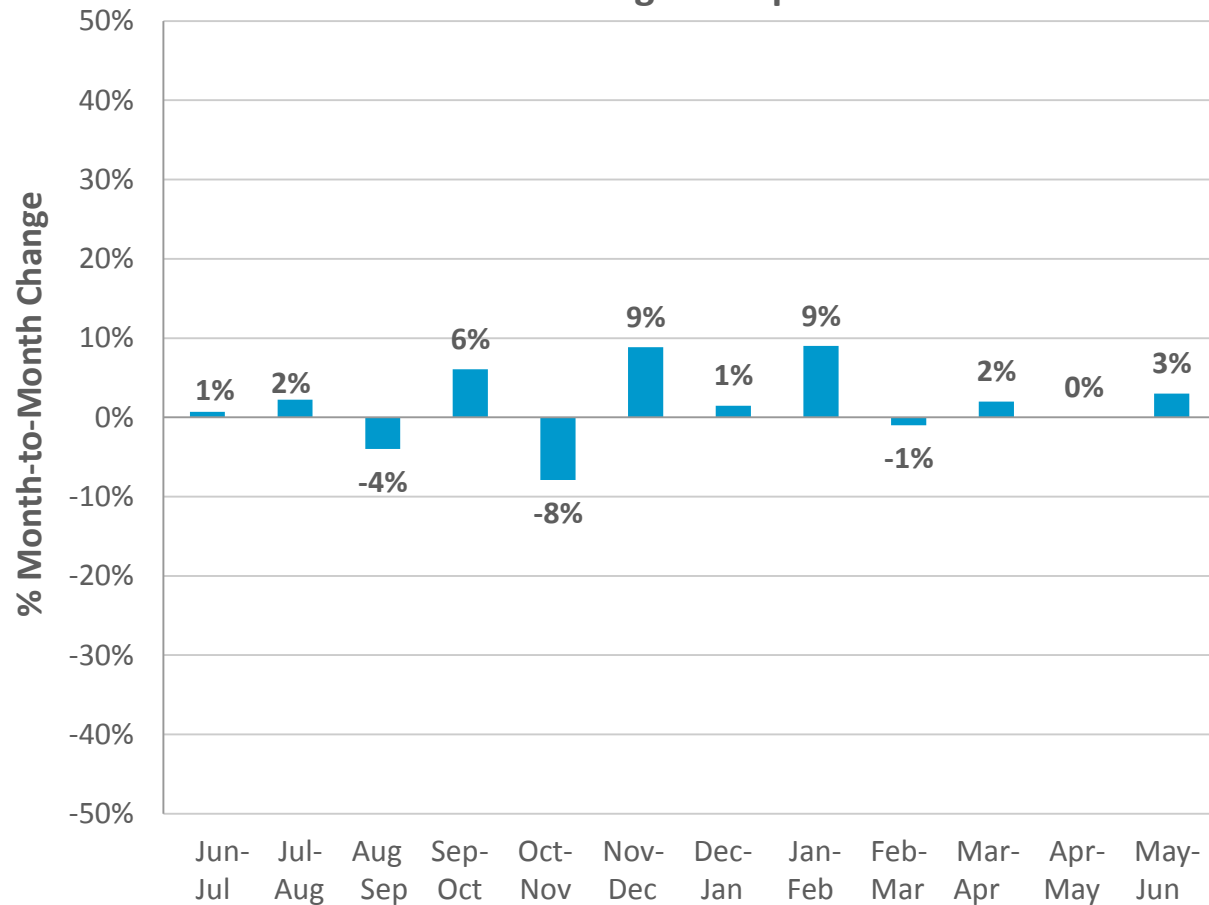
**Volume of Patient Cancellations
Month-to-Month % Change**





Month to Month Change in % of Sleep Studies Resulting in Scripts

Month to Month Change in % of Sleep Studies Resulting in Scripts



- For repeat panel members, there was a 3% increase in the percent of sleep studies resulting in scripts from May'15-Jun'15
- On average, there was a 2% increase in number of studies resulting in scripts in the last 12 months, Jul'14 - Jun'15



Month-to-Month Change in PAP Device Scripting Split

- For repeat panel members, the PAP scripting changed as follows from May'15-Jun'15:
 - CPAP increased 2%
 - APAP decreased 1%
 - Bi-level decreased 1%

