Siemens Healthineers and IBM Watson Health Forge Global Alliance for Population Health Management

Alliance to Enable Providers Worldwide to Transform Health Through Value-Based Healthcare

CAMBRIDGE, Mass. and ERLANGEN, Germany - 11 Oct 2016: IBM (NYSE: IBM) and Siemens Healthineers today announced a five-year, global strategic alliance in Population Health Management (PHM). The alliance aims to help hospitals, health systems, integrated delivery networks, and other providers deliver value-based care to patients with complex, chronic and costly conditions such as heart disease and cancer. The health-focused alliance is the first of its kind for the companies, which have a long-standing global relationship that spans diverse industry sectors including IBMs work with Siemens Building Technologies, Siemens PLM and Siemens Digital Grid. It also marks Siemens entry into PHM.

Siemens Healthineers and IBM Watson Health intend to help healthcare professionals navigate unprecedented changes propelled by a growing volume and diversity of health data, an aging global population, increasing prevalence of chronic diseases, changes in healthcare payment models, and the digitization and consumerization of healthcare.

"The adoption of PHM solutions that demonstrate meaningful use of IT applications is expected to accelerate rapidly. Patient care is moving into a broader but coordinated environment where routine, manual tasks are automated by PHM solutions that unify siloed systems, stratify comorbidities, empower patients through engagement, and benchmark outcomes at network, practice, and patient level," said Koustav Chatterjee, Frost & Sullivan Transformational Health Industry Analyst. "I expect the shift from volume to value-based healthcare delivery will accelerate adoption of PHM technology and service solutions helping providers effectively manage chronic conditions and prevent unnecessary system utilization."

The alliance leverages the expertise and global reach of both companies, including Siemens track record introducing technology-driven innovations to a broad range of providers and IBM's unique cognitive healthcare offerings. As part of the alliance, Siemens Healthineers will offer PHM solutions and services from IBM Watson Health. These offerings are designed to help meet hospital and healthcare systems' demands for value-based care analytics and reporting, and patient engagement. Siemens Healthineers will also provide consulting services to support providers in their transition to value-based care.

For example, Siemens Healthineers has access to IBM Watson Care Manager, a new cognitive solution from IBM designed to help providers and patients to work together to support individual health. IBM Watson Care Manager integrates disparate types of clinical and individual data and applies cognitive analysis to draw out insights for nurses and other care managers so they can closely monitor and counsel individuals with chronic conditions.

"Combining our strengths, Siemens Healthineers and IBM can effectively help providers transition to a value-

based healthcare environment," said Matthias Platsch, head of Services at Siemens Healthineers. "We will bring the power of Siemens Healthineers' extensive relationships with providers and our deep domain expertise in clinical workflows, services, and digital health technologies to bear to help bring population health management offerings to healthcare providers. The new alliance fits perfectly into the services business of Siemens Healthineers. Thus we will enter the rapidly growing PHM market which is expected to play a significant role in end-to-end value-based healthcare."

Under the strategic alliance, it is the intent of IBM and Siemens to work together to jointly develop and deploy new PHM offerings leveraging each company's expertise and assets, including those added to the Watson Health portfolio from acquisitions such as Phytel and Explorys.

"We are at an unprecedented time in healthcare. Mature and developing markets are increasingly focused on how patient outcomes are optimized, quality is standardized among individuals and across populations, and costs are reduced," said Deborah DiSanzo, general manager for IBM Watson Health. "Siemens and IBM are ideal partners to work at the forefront of this evolution and enable personalized healthcare in the U.S. and globally."

About Siemens Healthineers

Siemens Healthineers is the separately managed healthcare business of Siemens AG and enables healthcare providers around the world to meet their current challenges and to excel in their respective environments. A leader in medical technology, Siemens Healthineers is constantly innovating its portfolio of products and services in both its core areas in imaging for diagnostic and therapeutic purposes as well as in laboratory diagnostics and molecular medicine. Siemens Healthineers is also continuously developing its digital health services and hospital management offerings, working closely with operators to develop common fields of business and to help them to not only minimize their risks, but also to exploit new opportunities.

In fiscal 2015, which ended on September 30, 2015, Siemens Healthineers generated revenue of €12.9 billion and net income of over €2.1 billion and has about 45,000 employees worldwide. Further information is available on the Internet at www.siemens.com/healthineers

About IBM Watson Health

Watson is the first commercially available cognitive computing capability representing a new era in computing. The system, delivered through the cloud, analyzes high volumes of data, understands complex questions posed in natural language, and proposes evidence-based answers. Watson continuously learns, gaining in value and knowledge over time, from previous interactions. In April 2015, the company launched IBM Watson Health and the Watson Health Cloud platform. The new unit will help improve the ability of doctors, researchers and insurers to innovate by surfacing insights from the massive amount of personal health data being created and shared daily. The Watson Health Cloud can mask individual identities and allow this information to be shared and combined with a dynamic and constantly growing aggregated view of clinical, research and social health data. For more information on IBM Watson, visit: ibm.com/watson. For more information on IBM Watson Health, visit: ibm.com/watsonhealth.