Table of Contents

1. Executive Summary
2. Team
3. Progress to date
   3.1 Working prototypes
   3.2 Compliance
4. Healing a Broken System: Why Healthcare is ready for CarePay
   4.1 The Patient’s Perspective
   4.2 The Provider’s Perspective
   4.3 A word on Healthcare outside the US
5. An Alternative Healthcare Ecosystem – CarePay for Patients
   5.1 The Payment Solution, CarePay as an alternative to Insurance
   5.2 Utilizing the Blockchain – the CareX HealthVault
   5.3 CarePay on Amazon Alexa
6. An Alternative Healthcare Ecosystem – CarePay for Providers
   6.1 An IT Solution – Security, Transparency, Affordability
   6.2 A Payment Solution, CarePay as the alternative to accepting Cash
   6.3 An (International) Marketing Engine
   6.4 An Alternative Healthcare Ecosystem – CarePay for Suppliers and Beyond
7. Connecting CareX to a wider movement on the Blockchain
8. Go to Market Strategy
9. CarePay Projections
September 14, 2018

Dear Friends,

This is a challenging time in the healthcare industry, with unprecedented threats and opportunities. On the one hand, costs are going up relentlessly, particularly in the United States, where families and small businesses especially are finding it increasingly difficult to pay for their most basic needs.

On the other hand, the internet has helped enable a more connected healthcare ecosystem, with many people relying on technology to find care in new ways, often venturing far from home for the best quality and most affordable treatments. Quality care is increasingly available around the world.

I propose we find a way to negate the threats and take advantage of the opportunities by forming an ecosystem that relies on the power of the blockchain.

Together we can bring more CARE into the world.

Sincerely Yours,

Mike Bishop
CEO
CareX Blockchain Platform
713-900-1817
https://carex.tech
1. Executive Summary

The CareX Blockchain Platform is built around CarePay, a new way for people to find and pay for health care.

By using Blockchain based CarePay, patients and providers can escape complex middlemen in order to give or receive payment for services, regardless of borders.

CarePay is designed to be used for all types of medical needs, from complex procedures like knee replacements, to check ups, or trips to the emergency room. CarePay isn't just for personal consumption, but can be given or exchanged to anyone at any moment, right from their wallet.

CareX doesn't only benefit health care patients. It also creates an effective digital alternative to the business and administrative challenges experienced by providers by taking them back to the basics of a transparent market, where prices are readily available and payments are immediate. Once providers have accepted a payment using CarePay, they can turn it into USD at any moment. Using CarePay, Providers can rest assured they will get paid the price they set for their service. What's more, CarePay doesn't interfere with current payment systems. Rather, it runs alongside and in addition to existing insurance models as a low cost, alternative revenue stream that brings in patients based on market forces.

CarePay is more than just a payment platform. CarePay holders will be able to utilize their wallet to securely host their health information, from medical records to insurance details. Wallet holders can securely share this information with providers. This way, patients are at the center of their healthcare, freely choosing who serves them, rather than being beholden to a provider network or insurance provider.

Thanks to an integration with Amazon Alexa, CarePay patients will be able to find and book doctors automatically, as if over the phone. This makes CarePay immediately available to over 119 million Americans.

CarePay will not only be applicable to healthcare patients and providers at hospitals, emergency rooms, or doctor's offices. Pharmaceutical suppliers and pharmacies are among the future planned participants.
2. Team

Strategic Partners

Investors
3. Progress to date

CareX is already well on its way to becoming a reality. Using the well-oiled team that has been working together in various capacities for 15 years, the engineering team behind CareX know what the hurdles are to building and scaling a new healthcare technology.

We already beta tested the CareX wallet and underwent several transactions successfully.

3.1 A Solid Base: Building off of the Scottline Healthcare analytics platform

The team that designed a real-time analytics dashboard used by Scottline Health Solutions are behind the development of the CareX Wallet, CareX HealthVault, the CareX Chatbot, and the integration of these solutions on the Blockchain.

Using knowledge gleaned from developing a dashboard that accepts all kinds of healthcare provider data and transforms it into readable analytics, CareX is very close to a blockchain solution.

3.2 Compliance (HIPAA and the SEC)

CareX has experience implementing the Health Insurance Portability and Accountability Act (HIPAA), which governs how healthcare providers handle sensitive patient data. All of our technical staff and servers are certified as HIPAA compliant. As a result, the CareX platform is on the fast track to delivering the first HIPAA compliant blockchain solution. HIPAA compliance is a major issue for healthcare providers and a prerequisite for CareX’s success.

CarePay should not be considered an investment in the CareX Blockchain Platform or as a type of security. They should only be used to purchase medical services from providers. Purchasers are free to buy CarePay for anticipated future use. If they do consider them a type of investment, then purchasers should only be accredited investors under the terms of Regulation D and 506(c) of the United States Securities and Exchange Commission (SEC).
4. Healing a Broken System: Why Healthcare is ready for CarePay

Healthcare by the numbers

Healthcare spending, taken as a whole, is very high in the United States, and growing.

From 2005 to 2015, both health insurance premiums and deductibles in the United States tripled, while overall patient satisfaction with health care decreased by 50%.

Only 80% of health insurance premiums go towards paying for service, while the other 20% is lost in administrative overhead. Oftentimes hospitals go unpaid for months, or longer—causing ever increasing costs for those who do pay.

Overall, CMS projected that total health care spending for 2016 reached nearly $3.4 trillion, up 4.8 percent from 2015. According to CMS, U.S. health care spending is projected to reach nearly $5.5 trillion by 2025, a full 20 percent of GDP.

Learn More:

https://www.advisory.com/daily-briefing/2017/02/16/spending-growth
4.1 The Patient's Perspective

High Deductibles Causing Pain for Small Business and Debt for Families

Patients struggle to bear the high costs of health care in the United States by paying increasingly expensive insurance premiums, which can only serve as a cap on a family’s exposure to financial ruin.

Because of high annual deductibles, most patient’s day to day care is still paid out of pocket.

Since costs such as a doctor’s visits and many other routine visits are paid out of pocket, price comparison is increasingly important. Currently, consumers suffer from a lack of transparency, trust, and a general inability to systematically access the best health care at the most affordable price.

In our view, while the internet has increased the amount of information available to health care consumers, a very high percentage of self-pay consumer purchases are a result of chance, haphazard decision making, procrastination, and poor information.

Moreover, the self-pay consumer pays the health care provider at the provider’s ‘Usual and Customary Rate’, which on average is 40% more than what insurance companies pay for their insured members. This discount represents one of the largest advantages of the insurance model. By leveraging the cooperative negotiation power of the CareX network, token holders will also get the best prices.

But prices for a given procedure vary widely within a town, state, country—without necessarily any difference in the quality of outcomes.

The prices Medicare pays serves as a benchmark for illustrating this wide disparity, as reported in the Huffington Post.

American hospitals charge vastly different sums for the same medical procedures. The cost of treating chronic obstructive pulmonary disease, for example, varies greatly from hospital to hospital throughout the New York area. At Bayonne Hospital Center in New Jersey, the average amount charged per patient is staggering $99,690, compared to an average of $7,044 per patient at Lincoln Medical and Mental Health Center in the Bronx.
Price changes in consumer goods and services in the USA, 1997-2017

Price change in consumer goods and services in the USA, measured as the percentage change since 1997. Data is measured based on the reported consumer price index (CPI) for national average urban consumer prices.

Source: United States Bureau of Labor Statistics (BLS) via @mikequindazzi on twitter

OurWorldInData.org/technological-progress/ • CC BY-SA
Although many qualify for subsidized insurance premiums, they are still required to pay their deductible up front. In 2015, this was capped at $6,500 for an individual and $13,200 for a family, potentially ruinous costs for many low income Americans.

As a result, increasing numbers go without insurance entirely, thinking their healthcare needs would not justify the expense of an insurance premium. Oliver Wyman found that enrollment in the healthcare exchanges decreased by 22 percent in 2016 and 2017. This population, often young and too well off to qualify for government-funded welfare programs like Medicaid, therefore neglect going to the doctor for routine visits. This represents a loss both for patients and providers.

### 4.2 The Provider’s Perspective

#### Excessive administrative burden

For health care providers, offering services to insured patients is complicated, costly and fraught with delays. As indicated above, providers customarily discount their services by an average of 40% as a result of the insurance companies’ bargaining positioning. Moreover, providers often must wait for months before a claim is adjudicated and they receive payment. Finally, providers must write off a large percentage of their billings due to unpaid co-pays, deductible, co-insurance, disputed billing, and other situations.

The wait time for payment from an insurance provider is 27-90 days on average from the time of service.

The administrative burdens and payment delays often increase when government programs like Medicare and Medicaid are involved.

Illinois, for example, has more than $5 billion dollars in unpaid state health insurance and $2 billion dollars in unpaid Medicaid bills to healthcare providers who in many cases have waited years to be reimbursed.

The situation is so bad that many providers opt not to deal with Medicaid, turning away those most in need because they cannot afford to provide services for free. Approximately 50 percent of providers make this tough decision.

The administrative mess costs providers as well as insurance companies. Only approximately 80 percent of a healthcare insurance premium goes to actual medical services, on average. The remaining 20 percent go to the administrative costs of the insurance company.

These difficulties have led to a sharp increase in providers abandoning insurance companies in favor of cash only, concierge medicine, and other alternative business models.

However, many providers cannot afford to completely replace their business model, which is what is often necessary to make the shift profitable, instead giving into joining networks that provide nearly 100% of their revenue.
4.3 A word on healthcare outside the US

Many countries outside the US have nationalized health systems, and therefore experience different issues in care. Many of these systems, such as the National Health Service (NHS) in the UK, experience long waits for difficult and expensive procedures such as hip replacements. Patients in these countries are eager to find a way to pay for their care instead of waiting.

Other countries are either medical tourism destinations or feature populations who travel to other countries to receive treatment. In these situations, it is often difficult to arrange a payment for care, since there are prohibitions on carrying large amounts of cash and wire transfers are expensive.

With CareX, patients in these countries and situations can find the care they need for an affordable price, all while staying within a trusted network.

Medical Tourism, an Example

A resident in Dubai who is coming to Houston in the United States for orthopedic surgery and rehabilitation may need to pay more than the $10,000 cash allowed into the country on a tourist visit. Instead of bringing relatives or engaging in a costly bank transfer, he can purchase CARE tokens to pay for the procedure upon arrival.

This kind of service is invaluable to the person in need. At the same time, it helps providers gain valuable business on a global scale without changing a thing about their business.

5. An Alternative Healthcare Ecosystem – Carex for Patients

By introducing a new healthcare payment system, using the innovations of the blockchain, CareX not only solves the mess the current health system experiences today, but it completely reorients the healthcare marketplace back towards the benefit of the consumer by focusing on transparency, trust, and affordability.
5.1 The Payment Solution, an alternative to Insurance

CarePay can be paid to accredited healthcare providers directly in return for their services.

This means routine doctor visits all the way to more expensive operations and emergencies can be paid for using CarePay.

Use Scenarios

• For holders of cryptocurrencies like Bitcoin, which can be difficult to use in return for services, CareX turns a liquid asset into a service through a simple transaction.

• Employers can directly purchase discounted health care rather than cover or match a payment into an insurance premium.

• Family members can invest in a loved one’s health.

• Medical Tourism: A patient travels to another country for medical care. Since paying for cross border medical services is not only a difficult task requiring bank account transfers or the risk of multiple travellers carrying huge amounts of cash. With the CarePay platform, patients can easily pay for the service digitally and avoid fiat currency exchange risk.

Built on the Ethereum ledger, CarePay are an ERC20 smart contract created by CareX. They are fully public and auditable.

When Care Cash are purchased, that money is deposited in a CareX escrow account. When a provider exchanges CARE for USD, the money leaves the escrow account and goes into the provider account. This allows providers to control their cashflow, while ensuring CarePay functions less like a bank and more like a utility.

Transactions take place on the CareX Wallet which will have versions available for desktop, tablet, and smartphone. The CARE App will be downloadable in iOS and Android or as a browser client.
5.2 Utilizing the Blockchain – the CareX HealthVault

Another exciting feature of the CareX Wallet is incorporating medical history on the blockchain. We are implementing normalization schemes for medical data of all sorts, whether they are blood tests, MRI results, diagnosis by doctors, etc. We are implementing clear standards for importing any alphanumeric medical data onto our cryptographic platform.

This transaction information will be kept safe by our multi-signature protocol so that a third party can access it only if both doctor and patient sign off on the request using their mobile phones. Patients will also be able to give trusted family or friends access to their wallet and records in times of emergency.

Product advantages

- Secure and Anonymized using private key cryptography
- Multi-asset
- Transactions are publicly auditable
- Decentralized
- No restriction or fee based on user location
Finally, the CareX Wallet enables consumers to find providers that accept CarePay anywhere in the world and compare to find the best prices. To help this process, the Wallet will include an interactive ‘Chatbot’ that can find good healthcare deals, locate doctors and even make appointments for you.

**CarePay on Amazon Alexa**

CarePay is launching an artificially intelligent virtual assistant that can:

- Tell how much a procedure will cost anywhere in real time
- Find availability and book appointments.
- Find reviews of local doctors and securely make transactions in Care Cash

CarePay will launch on the Alexa smart device, allowing the 119 Million Americans who own one to start using CarePay immediately. Doctors will be able to sell to patients in their area, which adds value to joining CarePay.

A future use case:

Alice has had a cough for two weeks that regular medicine won’t help, and even makes worse. Alice, who has a CareX Wallet consults the ChatBot, who asks questions about her symptoms. That information is used to narrow the type of healthcare need Alice may require. With this information Alice is able to pick a CareX provider and even schedule an appointment for a doctor consultation, saving both time and resources to get to the point of doctor-patient interaction.
6. An Alternative Healthcare Ecosystem - CarePay for Providers

CareX offers health care providers, such as clinics, doctor's offices and hospitals, significant advantages.

Besides an alternative payment solution that is borderless, immediate, and secure, CareX allows providers to host and access healthcare information. By accepting CareX, providers will get free access to the a proprietary Health Analytics Dashboard with a market value of $10,000 USD annually per clinic.
6.1 An IT Solution – Security, Transparency, Affordability

Security – Patients’ lives are at risk from cybersecurity attacks

Healthcare providers continue to be one of the biggest hacker targets. Steps must be taken to protect patients, whether from ransomware, stolen personal information, or attacks on medical devices. Doing nothing will have a huge impact to patient care and the stakes are simply too high to ignore.

Recent Cyber Attacks:
$2.3k UVM Medical Center patients affected in phishing incident - July 26, 2017
$266k LA medical center patients’ PHI compromised in ransomware attack - August 21, 2017

Source:

Blockchain technology is quickly being recognized as the only way to accomplish true security. Even government entities have come to accept this. What they lack is a consumer-focused solution that avoids centralization and rewards those who use it.

Blockchain projects by US government agencies

Several US government agencies, including the Centers for Disease Control and Prevention (CDC) and the General Services Administration (GSA), are implementing Blockchain in their operations. The CDC has launched a pilot project for the use of the technology during disaster relief operations, particularly on public health data surveillance aimed at preventing the spread of preventive and chronic diseases.

The GSA meanwhile is advancing a program to develop a Blockchain-based system which is aimed at replacing the Fastlane procurement system for information technology projects.

Source:
Transparency – An Open Network

Security must be combined with accessibility and the openness associated with connectivity.

The CareX platform provides a secure environment for the network participants to leverage an ecosystem that will increase revenue, access to a global pool of resources, and increasing operational efficiencies—thereby contributing to the bottom line.
Affordability

As mentioned above, health care costs vary widely, without necessarily any difference in the quality of outcomes. While substantial data exists to compare the cost and quality of care for a particular procedure, there is currently no readily available resource for patients to access this information to make an informed judgement.

The current solutions that have been implemented by healthcare providers in dealing with healthcare data and the transfer of such across intermediary networks to other healthcare systems have proven to be very inefficient. They have been vulnerable to exploitation by hacking, are expensive to set up, and are confusing to use. This has resulted in a difficult but necessary choice for all involved in the healthcare process to work out a solution that is secure, scalable, and affordable.

Large-scale incumbent healthcare providers, hospitals, technology firms, insurance companies, and pharmaceutical companies are competing to control patient’s data in a centralized system.

With the use of CareX’s decentralized, secure suite of features we plan to provide a platform that will reduce the need to store multiple copies of patient data in multiple systems while also empowering the providers to have control of their own medical data.

We also envision a system where we can reduce the workload for pharmacies, insurance companies, and doctors in verifying the legitimacy of prescriptions and reduce intentional fraud and mistakes that take place far too often as a result of clerical error. By making data more accessible, we hope that specialists and primary care physicians can quickly diagnose a patient by getting access to the necessary medical history, saving them time and money.

From our discussions with many medical professionals in the industry, the best way to determine treatment for a person is to look and see at what has worked in the past and for whom it has worked. This same principle can be applied to diagnosing illnesses as well.

Eventually all this anonymized medical data, whether it be a blood test, MRI results, X-Rays, echocardiograms, etc. will be fed into our artificial intelligence powered neural network and leveraged to help medical professionals quickly diagnose and recommend treatment plans for individuals, contribute to medical research, and help make the world a healthier place.
6.2 A Payment Solution, CarePay as the Alternative to Accepting Insurance

The value to healthcare providers of having a way to immediately receive compensation for their work cannot be understated. It only really becomes clear by comparing it to what clinics, hospitals and small doctor’s offices usually go through to receive payment (see section 2.3)

As mentioned above, CareX represents a 20 percent efficiency savings, which can be passed onto consumers or added to the profit margin–ideally both.

6.3 An (International) Marketing Engine

By presenting prices for consumers to compare, the CareX Wallet and the CareX ecosystem will also act as an online marketplace.

Providers eager to grow their businesses merely have to lower their prices to catch the customer’s eye. This form of advertising is free to all providers that accept CARE, encouraging the greatest benefits of the network to the patients. Providers win without having to refuse business provided by insurance companies, who get discounts in return for a certain level of business brought by their own customer base. By cutting out the middleman, CareX saves both providers and patients substantial amounts of money.

6.4 An alternative revenue stream

CarePay represents a new source of income for healthcare providers, including but not limited to the burgeoning market for cryptocurrencies like Ethereum and Bitcoin.

CarePay is governed by a fully public and auditable smart contract. Care Cash is exchangeable into and out of US dollars and other fiat currencies as well as cryptocurrencies like Bitcoin and Ethereum, meaning providers can cover costs or secure their profits in all these currencies.

We also aim to enable medical providers to be able to use CarePay for purchasing needed equipment and other supplies, allowing them to secure special rates and use their income without converting it into cash with extensive accounting benefits.
7. An Alternative Healthcare Ecosystem – CarePay for Suppliers and Beyond

Just as CareX can be used by patients to secure the services of healthcare providers, CareX can also be used by providers to secure necessary supplies. By using CarePay in this manner, providers can easily receive benefits from participating in the ecosystem (such as discounts and affordable pricing) instead of the current situation characterized by relentlessly increasing costs.

In turn, participating suppliers can gain valuable insights about the health market from sources within the CareX platform. They also benefit from the free advertising created by merely existing on the platform.

8. Connecting CarePay to a wider movement on the Blockchain

Decentralized ledger technology built on cryptography (the technology that powers blockchain) is here to stay. While others may attempt to create new networks using protocols similar to ones already built, our approach is to utilize the protocols that have already proven successful.

This is why CarePay is an ERC20 Smart Contract built on the Ethereum Blockchain. CARE wallets are ERC20 compliant and can hold Ethereum itself in addition to other ERC20 tokens.

Wallet holders can use our web and mobile applications, easing the learning curve for this new technology, without sacrificing the security and utility that it offers.
8. Go to Market Strategy

Our proposed method of growing the CareX Network involves targeted growth, by focusing on services insurance doesn’t usually cover, helping providers get high volume of patients in those services using CARE, and then expanding those service options, while helping patients utilize the other tools available on the platform, such as medical record storage.

The target markets and opportunities we see lie in three distinct categories:

1) **Domestic (US):** Procedures not covered by insurance, for procedures that do not meet deductible limits, as a new supplemental benefit for a company health plan, and for marginalized populations who cannot afford their own care.

2) **International:** Cross Border Medical Tourism both into and out of the US, and as a new way to fund non-profit work.

3) **Domestic (Foreign):** A supplement for national health plans with waiting lists, and as an outsourced Health IT infrastructure, with a focus on medical records and analytics support.
9. CarePay Projections

Carex will charge transaction fees for buying or trading CARE tokens. These fees will offset the costs of running the platform.

We conservatively project 30,000 patients being able to use the platform in 2019, using services costing an average of $5,000 USD (500 CARE).

5 Revenue Streams

| Service Markup | 10 % | Doctor rate for Stem Cell Therapy - 450 CARE ($4,950 x 10% = $495) |
| Transaction Fee | Patient -> CareX 2% | Patient buys 495 CARE for Stem Cell Therapy: Doctor rate * Service markup ($4,950 x 2% = $99) |
| Transaction Fee | CareX -> Provider 3% | Doctor cashes out Stem Cell Therapy ($4,950 x 3% = $148.50) |
| Transaction Fee | Supplier -> CareX 3% | Pharmacist accepts payment for prescription in CARE and cashes out Prescription = 20 CARE ($200 x 3% = $6.00) |
| Subscription | Billing and Analytics full suite (99% per month) | Memorial Hermann Hospital Katy subscribes for a year = $1,188 |

Assumptions for business model

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Users (Patients / CARE Token Users)</td>
<td>10,000</td>
<td>30,000</td>
<td>80,000</td>
<td>125,000</td>
<td>225,000</td>
<td>350,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Provider Network (Hospitals, Clinics)</td>
<td>1,000</td>
<td>5,000</td>
<td>10,000</td>
<td>20,000</td>
<td>40,000</td>
<td>60,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Supplier Network (Manufacturing Companies)</td>
<td>25</td>
<td>100</td>
<td>500</td>
<td>1,000</td>
<td>2,000</td>
<td>4,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Average Patient Transaction (10% annual increase)</td>
<td>$5,000</td>
<td>$5,500</td>
<td>$6,050</td>
<td>$6,655</td>
<td>$7,321</td>
<td>$8,053</td>
<td>$8,858</td>
</tr>
<tr>
<td>Average Supplier Contract (10% annual increase)</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,500</td>
<td>$6,050</td>
<td>$6,655</td>
<td>$7,321</td>
<td>$8,053</td>
</tr>
</tbody>
</table>