

# Feedback plc

## **Elective Recovery Fund funding mechanism**

### **Feedback unlocks national NHS reimbursement mechanism and pens strategic implementation partnership**

Feedback plc ("Feedback" or the "Company"), the clinical infrastructure specialist, announces that the Diagnostic Enhanced Advice and Guidance diversions achieved through the Bleepa platform are now eligible for reimbursement under the Elective Recovery Fund ("ERF") and that any Integrated Care Board ("ICB") or hospital in England will, with immediate effect be able to utilise this funding, by local agreement, to reimburse expenditure on the Bleepa technology.

- Step change in commercial prospects
- Potential for funding within unlimited number of patients or pathways
- Existing relationships with ICBs and interest already expressed
- Focus with implementation partner on converting near-term customer contracts

The ERF is a revenue-based payment mechanism for additional activity delivered by NHS organisations, such as ICBs or Trusts, as part of a national incentivisation programme to reduce waitlists.

Management believes that access to ERF represents a step change in the Company's commercial prospects.

### **Highly scalable opportunity**

Diversions away from traditional outpatient appointments, such as those achieved by Diagnostic Enhanced Advice and Guidance ("DEAG") pathways facilitated by the Bleepa platform, are now eligible for a single payment of £206 per patient ("diversion payment") from the ERF. There are no limitations on the number of patients or pathways that are eligible under the funding mechanism, the more activity delivered and diversions achieved the more an ICB will be reimbursed. Based on the Company's existing programme at Queen Victoria Hospital NHS Foundation Trust, the Company believes that diversion away from outpatient appointments could be achieved in up to 90% of referrals using the DEAG approach, which would result in a significant revenue uplift for the participating ICB/Trust whilst simultaneously driving material efficiencies in service delivery and most importantly benefits for their patients, who would be spared multiple hospital attendances and experience an accelerated journey with up to an estimated 63% reduction in wait times.

The diversion payment will be paid directly to the commissioning ICB which will then allocate the funding to the provider Trust delivering the services. Feedback will negotiate locally a share of this ERF payment (alongside its implementation partner below). Based on expected patient volumes once fully rolled out the Company believes that an indicative ICB contract could generate over c. £2m per annum for Feedback under the ERF mechanism (assuming 66k patients per annum and that ERF rolls forward on an un-capped basis annually). ERF currently runs until 31<sup>st</sup> March 2025 but the Company believes, following central conversations, that the funding may be renewed in subsequent financial years to continue to support waitlist reduction.

### **Strategic partnership with implementation partner**

In order to deliver this solution at scale rapidly, the Company has formed a strategic partnership with Moorhouse Consulting ("Moorhouse") as its implementation partner. Moorhouse are experienced practitioners of system implementation and service redesign within the NHS, they have a number of ICB customer connections and a large workforce who can support multiple deployments simultaneously.

Feedback has already undertaken a roadshow of NHS ICBs, in collaboration with Moorhouse and a number of ICBs have already expressed interest in the Bleepa DEAG approach via the ERF. Now that confirmation of ERF reimbursement has been received, the Company believes that it will soon be able to convert a number of these ICBs into customer contracts.

### **Improved customer access**

As noted above the Company believes that access to ERF represents a step change in the Company's commercial prospects. Although customer desire for Bleepa is well established, contracts have been difficult to unlock due to an inability for sites to source funding for the product. This is in large part because most technology funding is capital based rather than revenue based and is more difficult to ringfence, often being redirected for other priority spend such as to offset staff strikes or building repairs.

ERF is expected to enable the Company to align itself to service-based reimbursement, taking a share of service delivery payments. Service-based payments are typically revenue-based and ringfenced, they are also likely to recur because they underpin core areas of service delivery or to be replaced with a different mechanism that recognises the same elements of service delivery providing greater funding security.

**Dr Tom Oakley, CEO, Feedback plc said:** "ERF is the funding stream that the Company has been looking for in order to deliver our growth potential. It is a funding mechanism that scales as we do. The more we deliver the more

the health system benefits and our revenue increases. Unlocking this reimbursement would not have been possible without the substantive evidence that the Company has generated over the last three years in the CDC space. We have been able to demonstrate 3x the number of pathway diversions compared to standard advice and guidance through our DEAG approach and this led the national teams to include the DEAG approach in the ERF reimbursement mechanism. This process has taken many months but we are now ready to go and have a number of ICBs already warmed up.

"Moorhouse Consulting are ideal partners for this programme. We have to get to scale quickly in order to drive revenue and this requires getting expert feet on the ground. Working with a partner is faster than recruiting and training internally and Moorhouse bring with them a great wealth of experience in care transformation that would be hard to develop within the Company at the pace required. Their network of ICB stakeholders will also help drive our customer outreach and engagement.

"Together we look forward to tackling the NHS waitlists and bringing the benefits of the DEAG approach to the whole of the NHS."

**Hinesh Patel, Partner, Moorhouse Consulting said:** "We are delighted to have been selected by Feedback Medical to be their implementation partner. The recent Lord Darzi report clearly set out the challenges the NHS is facing, notably around growing waiting lists. It is digital solutions, such as Feedback's, that enable the NHS to improve productivity, see patients sooner and ultimately reduce waiting times for patients."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018.

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#### About Feedback

Feedback plc helps clinical teams to make better decisions faster for patients. We design products that enhance clinician access to patient data and to their colleagues. Our unique approach centres around individual patient episodes, into which we pull relevant clinical data from hospital systems and around which we build remote clinical teams for collaboration. As a result, we produce a digital infrastructure that makes patient data available to clinicians in multiple settings, in a format that enables them to meaningfully interact with it, providing flexibility to clinicians and free movement of patients between provider settings - clinicians can practice from anywhere and patients can attend any care provider for treatment, with greater connectivity across organisations.

Our products Bleepa® and CareLocker® work together to deliver unparalleled value to our customers. Bleepa® is our application layer and sits on top of CareLocker® as our data layer. Bleepa® is a clinician facing platform that displays clinical results from a patient's CareLocker® at a certified and regulated quality, that is suitable for clinical use and enables dialogue on a patient-by-patient basis with colleagues through a secure, auditable chat interface that links back to the patient medical record. The CareLocker® data storage model is built around the patient. Our vision is one where relevant clinical data is always available to the patient as well as to any care setting that they may attend - a federated data architecture with the patient as the tenant.

The Company has a number of growth opportunities domestically and internationally across a range of markets including the NHS, the veterinary market and private healthcare providers and its highly scalable Software as a Service ("SaaS")-based model is expected to provide increasing levels of revenue visibility as the Company grows its customer base.

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