



THE ECONOMICS OF
HEALING **MATTERS**

Economic Value with V.A.C.[®] Therapy

COMPARATIVE ANALYSIS OF NATIONAL INSURANCE CLAIMS

Total Cost of Care

- Total cost to treat (in addition to wound closure) is important for evaluating effectiveness of wound care products and services
- Failure to heal a wound effectively can lead to overall higher costs to treat
- In addition to randomized control trials and clinical papers, analysis of real world expenditure data can provide insights into effectiveness of wound care therapies

Analysis Methodology

- Claims data were analyzed by Optum LifeSciences for patients with at least one NPWT claim in the post-acute setting to identify total cost of care for KCI V.A.C.® Therapy vs. Competitor NPWT patients¹
- A data set of over 15,000 patients from 2011 to 2012 was included in the analysis
- Costs and other key metrics (ER visits, readmission rates) were classified as “wound-related” if a wound diagnosis appeared within the top three diagnoses on the claim
- Wounds were classified into major categories based on the ICD-9 on the claim; multiple codes/sub-types of wounds are included in each category
- Costs represent total cost to the insurer for their population; no claims were excluded from the analysis

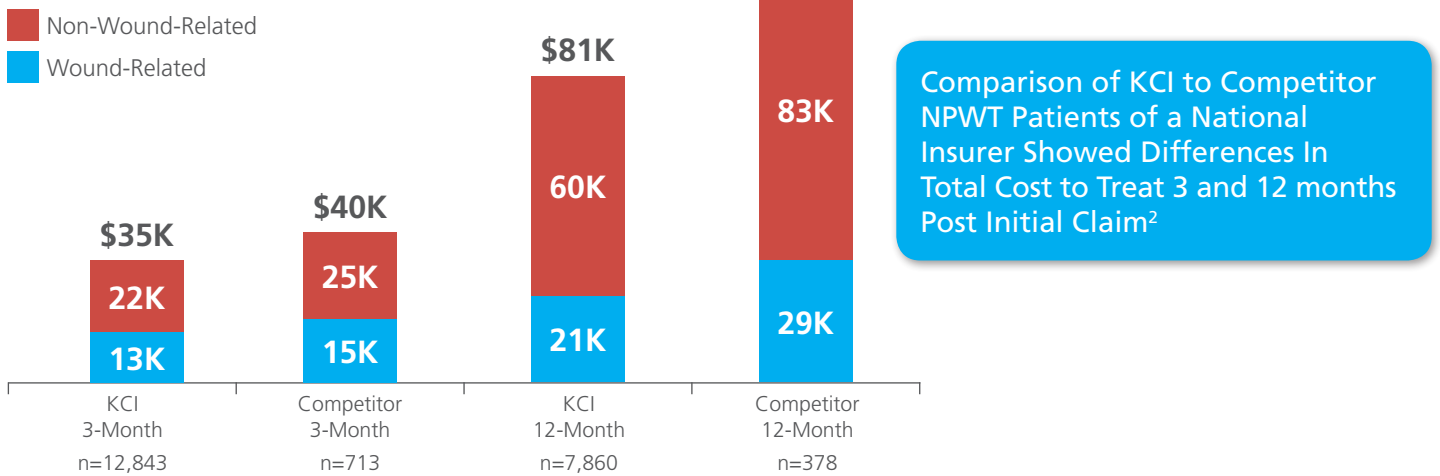
Selected study findings...

- For the three months following patients’ initial treatment of NPWT, KCI patients cost an average of \$4,500 less than the competitors’ overall (\$35,500 vs. \$40,000)
- When looking at total wound-related costs only, KCI patients on average cost 13% less (\$13,000 versus \$15,000 for competitors)
- Competitor patients in the study were 19 times more likely to switch to KCI treatment during the three months post initial NPWT treatment than KCI patients (odds ratio =.05 for KCI vs. Competitor)
- KCI patients studied received an average of fewer wound-related incidents (Inpatient stays and ER visits) for the 6-months post initial treatment:
 - For non-healing wound patients:
 - Average Inpatient stays: 0.5 KCI vs. 0.8 Competitor ($p < .0001$)
 - Average ER visits: 0.1 KCI vs. 0.7 Competitor ($p = .06$)
 - For open wound patients:
 - Average Inpatient stays: 0.6 KCI vs. 1.5 Competitor ($p < .0001$)
 - Average ER visits: 0.1 KCI vs. 1.6 Competitor ($p < .0001$)
 - For pressure ulcer wound patients:
 - Average Inpatient stays: 1.7 KCI vs. 3.3 Competitor ($p < .0001$)
 - Average ER visits: 0.6 KCI vs. 1.1 Competitor ($p = .03$)

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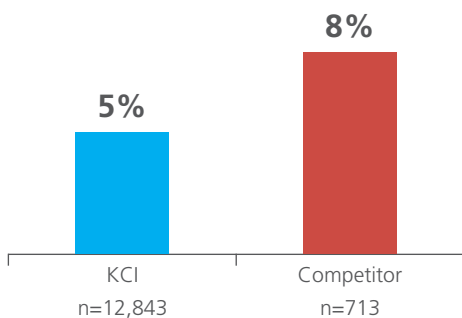
Total Cost to Treat

Three and Twelve Month Total Cost Comparison for all NPWT Patients



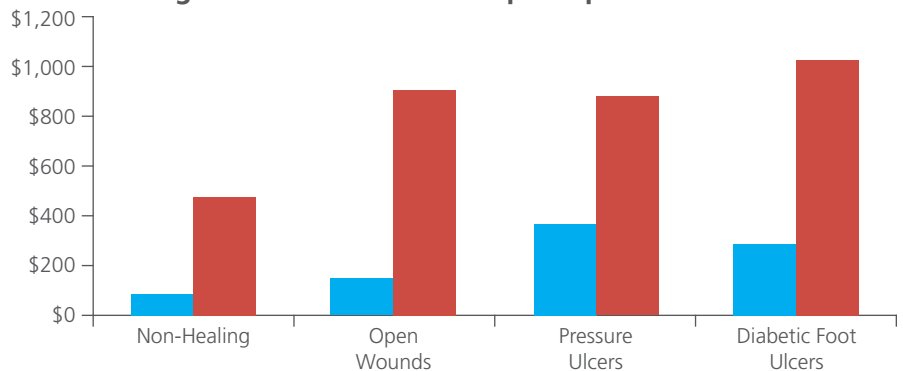
Average Wound-Related Re-Admission Rate and ER Spend Per Patient²

Wound-Related Re-Admission Rate at 3 Months³



Statistically Different ($p=.01$)

Average Wound-Related ER Spend per Patient⁴



Number of Patients

	Non-Healing	Open Wounds	Pressure Ulcers	Diabetic Foot Ulcers
KCI	7,202	2,103	1,514	782
Comp.	279	101	187	48

- Average Wound-Related Re-Admission Rate Was Higher for Competitor NPWT Patients
- Average Per Patient Wound-Related ER Spend Was Higher for Competitor NPWT Patients Across All Wound Types

KCI Portfolio of Negative Pressure Wound Therapy with Patented SensaT.R.A.C.™ Technology



KCI V.A.C.® Therapy is Designed to Help Accurately Deliver the Prescribed Negative Pressure for Optimal Healing

- Individual sensing lumens **measure, monitor, manage, and maintain negative pressure** at the wound site
- Software-controlled technology helps maintains negative pressure and helps **reduce tubing blockages** and false alarms
- Nationwide product-related clinical and technical support for patients, clinicians and caregivers available 24/7/365



For additional information, please call **800.826.0270**

References:

1. Each patient received at least 1 diagnosis claim with an NPWT HCPCS code (E2402). Competitor patients includes all Non-KCI NPWT patients
2. Analysis conducted on a longitudinal closed system patient level data base by Optum LifeSciences in 2012 and 2013. Research funded by KCI. Data on file.
3. Wound related re-admission rate represents re-admissions after initial Post Acute NPWT claim, with wound diagnosis in top three re-admission diagnoses.
4. Wound related ER spend represents insurer's spend on ER visit with wound diagnosis in top three diagnoses. DFU not statistically significant due to small sample size.



KCI understands the importance of demonstrating our therapies' value in improving outcomes, patient satisfaction, and lowering the total cost of care.

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