





Frontiers in Medical Device Reprocessing Innovative Health June 2022 Newsletter



HRS2022

Heart Rhythm Society 2022 was in San Francisco, April 29 to May 1. We believe there is a widening gap between the manufacturers' interests and the hospitals' interests: Manufacturers are laser-focused on speeding up innovation and shortening product life cycles, so that the growth in volume combined with increased prices can maximize revenue in this lucrative space. To the manufacturer, value is a direct reflection of the speed of innovation and the technological sophistication of medical technologies. Meanwhile, hospitals simply cannot absorb higher device costs without evidence of substantial outcome improvement. In fact, they are looking for solutions that reduce their device costs. To hospitals, technology value means technology that allows them to provide better care to more patients at a lower cost. See our conference review here.

Research and Innovation Center

In April, Innovative Health opened our <u>Research and Innovation Center</u> adjacent to our main building in Scottsdale, Arizona. Engineers employed at the center focus on expanding the power of reprocessing into new therapeutic areas and device technologies. Such expansion requires new thinking in reprocessing and the strategic development of reprocessing technologies that can address increased device complexity in cardiac procedures and beyond. The Research and Innovation Center is equipped with top-of-the-line lab equipment and testing facilities. Innovative Health continues to expand its patent portfolio with several patent filings planned for the next few months.

Reprocessing and the Pandemic

The Pandemic shined a light on supply chain challenges, the need to address the single-use mindset and healthcare costs. Although some short-term problems—like a lack of ICU beds to treat Covid-19 patients—have abated, deeper issues have emerged that represent long-term challenges for U.S. health systems: Procurement, operations, labor, consumption and patient population confidence. Our article in MedCity News goes through each area in detail. US healthcare will have to deal with these challenges and find a way to create circular economy solutions to systemically address challenges that otherwise could lead to hospital closures and other long-term damaging effects.

Cath Lab Reprocessing

Innovative Health has received clearance to reprocess most major brands of medical devices (except for ablation catheters) in the Electrophysiology lab, leading to substantial savings of 100s of thousands of dollars per year. Very similar devices and technologies are used in Interventional Cardiology procedures - a procedure area that by volume is at least five times bigger than Electrophysiology. As a result, our economists, regulatory staff and engineers are now focused on developing re-use solutions in Interventional Cardiology. We received our

first Interventional Cardiology FDA clearance in May to reprocess Philips' Eagle Eye IVUS catheter. Using reprocessed Eagle Eye can reduce procedure costs by around \$300. Several other Interventional Cardiology devices are going through our process to submit to FDA. Read our press release and a follow-up article from the Medical Device Network.

Resilience in Healthcare

Single-use device reprocessing is about more than cost savings. Single-use device reprocessing helps improve the resilience of healthcare supply chains more efficiently than other short-term solutions: a) Supply shortages in healthcare means manufacturers increasingly have to let products go on backorder – reprocessed devices can substitute for new ones; b) product recalls leave hospitals with the option of changing devices or cancelling procedures – again, reprocessed devices can substitute for new ones; and c) Device manufacturing usually relies on production overseas, which is fraught with problems – reprocessing is a local activity, not vulnerable when global supply chains fail. To support the effort to increase healthcare supply chain resilience and promote circular economy solutions as a means to accomplish this, Innovative Health has recently joined the Supplier Advisory Council at the Healthcare Industry Resilience Collaborative (HIRC).

Vendor fatigue in Electrophysiology?

A <u>June Op-Ed in DOTMed Healthcare Business News</u> by MarkAnthony Manganello, a former registered cardiovascular invasive specialist at Bon Secours Health System addressed the realities of an Electrophysiology lab and the critical importance of leveraging single-use device reprocessing to reduce costs. Moreover, the author gives a very realistic and painful account of how some manufacturers block these necessary savings and essentially threaten the economic viability of Electrophysiology labs across the country. Do we see increasing vendor fatigue in Electrophysiology? How will Electrophysiology labs react to manufacturers upping the ante in their pursuit of profits?

June Ensite X cable release

When manufacturers launch upgrades to their mapping system, it usually comes with new system components. Recently, Abbott launched their $EnSite^{TM}$ X EP System, and along with this a new (and expensive) EP cable. Although the cable has only been available in the market for a few months, Innovative Health will be able to offer the reprocessed $EnSite^{TM}$ X cable already in June. No other reprocessor is offering $EnSite^{TM}$ X cables, and Innovative Health is committed to shortening the time from product launch to the availability of reprocessed products – so hospitals can reduce costs.

*The third-party trademarks used herein are for device identification and are trademarks of their respective owners.

ART0231 Rev. 1

