





Frontiers in Medical Device Reprocessing Innovative Health April 2023 Newsletter



## Growing our impact in 2022

The single-use device industry is growing. For Innovative Health, the combination of increased interest in medical device re-use and our industry-leading reprocessing program has created significant growth. In 2022, Innovative Health grew the number of hospitals that benefit from its reprocessing services by nearly 30 percent, increased savings for our customers by 20 percent. The number of clients saving more than \$500,000 grew by 18 percent, with many realizing savings in excess of \$1 million. Across the board, Innovative Health increased its CO2 emission reductions for clients by 15 percent year over year, representing a more than 280,000-pound carbon footprint reduction. Results from the first months of 2023 indicate that this growth will continue.

## Resilience remaining top of mind in US healthcare

The Healthcare Industry Resilience Collaborative (HIRC) has started the new year with a plan to push the standards for how providers and suppliers in the healthcare industry together build a more resilient healthcare supply chain. The organization is taking on two challenges at the same time – how do we get more providers and suppliers to sign up and actively promote HIRC's standards – and how do we make sure those standards are high enough to make participation meaningful. In 2023, HIRC continues to push for engagement with HIRC standards and has introduced a transparency badge, while working to develop a resilience badge. Innovative Health became the first US healthcare supplier to be fully engaged with HIRC's standards and continues to assume a leadership position in this movement. Rick Ferreira, CEO, said" "At Innovative Health, we believe it is our obligation to give providers as much transparency into our supply capabilities as possible, in order to ensure that they never run out of supplies to treat their patients. We believe that supplier transparency and resilience will become absolutely critical in providers' vendor selection in the coming months, and as a technology leader, we need to promote and support this."

# "Mission Improcessable"

US healthcare's overreliance on single-use devices is becoming very problematic: "During the pandemic, this overreliance came up close when nurses had to wear yesterday's mask or gloves in order to serve their patient population. In cardiology labs, single-use devices that cost \$2,000-4,000 are routinely thrown away after a single use. This creates massive financial problems for the service line and the hospital, limits their ability to provide for patients, and threatens service line financial viability at the hospital. Single-use is not financially viable for the hospital, and at critical times, the over-reliance on single-use devices limits the ability of the provider to provide proper care." Read "Mission Reprocessable", where we explain the need for the single-use paradigm to be replaced with solutions that involve re-usable or reprocessable devices.

## Historic Opportunities for the Association of Medical Device Reprocessors

The healthcare sector accounts for <u>nearly 5% of global emissions</u> and about <u>8.5% in the United States</u>. Of those emissions, the supply chain - including medical devices - accounts for more than 80%. In the Association of Medical Device Reprocessors (<u>AMDR</u>), we experience heightened

awareness of this, along with enhanced knowledge about how single-use device reprocessing can reduce costs and increase supply chain resilience. There has never been a time in the history of the industry when political and administrative tailwinds have so strongly placed reprocessing in a position of healthcare leadership. See Dan Vukelich's <u>article</u> in Medical Device Outsourcing Magazine.

# How Do You Clean And Inspect A Device With A Diameter Like A Guitar String

More and more cardiology devices have lumens with a diameter like a guitar string. Innovative Health holds a patent to clean and inspect these devices so they can be safely re-used. Are you interested in how this is possible with FDA cleared methodologies? Last month, Innovative Health was able to release an <u>animated video</u> that demonstrates the science behind this patented technology. Innovative Health uses other unique reprocessing technologies to enable and promote the safe re-use of single-use medical devices. Please contact us at <u>info@innovative-health.com</u> and ask us see how we ensure the sensor-location functionality of devices is retained after reprocessing and how we clean and inspect macro-lumened devices. <u>Engineering for re-use is critical for a health system dominated by single-use devices</u>. Some of the brightest engineers in the country are working on reprocessing technologies that will make a difference - for the environment and for the economics of healthcare.

# Sustainability Awards

Every year, Innovative Health hands out <u>awards</u> to partner hospitals that have achieved high levels of cost savings and environmental impact by using reprocessed devices in the electrophysiology and Cath lab. Recipients of the 2022 annual sustainability awards reduced their carbon emissions by an average of 7,219 pounds in 2022, while simultaneously saving an average of \$544,662 on device costs. The recipients of the awards, which honor hospitals that have demonstrated their commitment to more-sustainable practices by leveraging reprocessed single-use devices in their EP and cath labs, represent leading hospitals that are rejecting common greenwashing tactics and are instead doubling down on the need to foster a circular economy in healthcare.

# Heart Rhythm Society 2023

Heart Rhythm Society 2023 is May 19-21 in New Orleans. The <u>conference</u> gathers thousands of electrophysiologists, technologists, educators, lab managers, and suppliers in the field of electrophysiology. Innovative Health will be there demonstrating our patented reprocessing technologies and our product portfolio. This year, Innovative Health will also present on "Device Reuse And Atrial Fibrilation Ablation Procedure Costs As A Percentage of Reimbursement" - session title PO-454305, poster session III; session date: May 20, 2023 from 1:30 PM to 3:30 PM. Please visit us at our booth #533 or join our poster session. You can also contact us directly at HRS@innovative-health.com to set up a meeting.

## Whose Generator is it Anyway?

Unfortunately, we have recently seen an uptick in device vendors using questionable tactics to stop electrophysiology labs from realizing critical reprocessing savings. Some vendors manipulate equipment owned by the hospital – without the hospital staff's knowledge – to block savings from reprocessing. What our partner hospitals have experienced is that the vendor reps installed the software upgrade without notifying the staff that the upgrade was performed or that it would stop savings from reprocessing. Read our blog about the issue and about how hospitals reacted with more resolve – and anger – than we have seen in the past, sending the signal that, "enough is enough".

#### The VHA

The Veterans Health Administration (VHA) is currently going through a comprehensive review of the department's policy against single-use device reprocessing. The Association of Medical Device Reprocessors was successful in getting language in the Chairman's report from the last appropriations bill: "The Department is encouraged to explore FDA-regulated, commercial reprocessing of single-use medical devices to use reprocessing to reduce emissions, costs and improve supply chain resilience, as appropriate. Within 180 days of the enactment of this act, the Department is directed to submit a report to the Committees on Appropriations of both Houses of Congress that provides an assessment of VA's medical device reprocessing efforts, including benefits, potential cost savings to VA medical facilities, estimates of reduced waste, and impacts on health outcomes." It is time the VHA updates its antiquated policy and unlocks savings of \$30M plus from reprocessing in the EP lab alone.

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