

## Cost Savings Analysis for Kleiner Device Labs KG 1

Single-Level Lumbar Spinal Fusion - KG 1 Use vs. Stainless End-Dispensing Tool		
COSTS/(COST SAVINGS) FROM:	KG 1 USE – AVG. PER CASE	KG 1 USE - 100 CASES/YEAR
Eliminate use of BMP <sup>1</sup>	(\$1,750)	(\$175,000)
Reduce number of fusion revision surgeries <sup>2</sup>	(\$5,333)	(\$533,300)
Save up to 20 min per fusion level <sup>3</sup>	(\$1,000)	(\$100,000)
Reduce Surgical Site Infection <sup>4</sup>	tba	tba
Per use device costs <sup>5</sup>	\$250	\$25,000
<b>TOTAL COST SAVINGS FROM KG 1</b>	<b>(\$7,833)</b>	<b>(\$783,300)</b>

1

In clinical testing, use of the KG 1, without BMP, increased fusion success rate from 75% to 92%. In the U.S., BMP is used in about 50% of cases. At a per-level cost of \$3,500, average savings per procedure cost is (\$1,750).

2

By increasing fusion success rates, from 75% to 92%, of every 100 cases, 17 less revision procedures will be needed. At Medicare's 2017 spinal fusion reimbursement rate of \$32,000, that is savings of \$533,000 per year, or averaging \$5,333 per case.

3

In clinical testing, compared to several traditional graft insertion methods, the KG 1 was found to save up to 20 minutes per spine level being fused. At an average hospital cost rate of \$50 per minute, \$1,000 can be saved on a single level fusion case.

4

A clinical study is planned to determine specific SSI savings. However, the ECRI Institute found that cannulated instruments comprised the largest portion, 35%, of dirty instrument events, suggesting bone graft devices should be a priority for moving to disposable.

5

This compares the cost of the KG 1 to only the \$30 average reprocessing cost of a reusable graft tool. Reliable data for average hospital costs such as repair, depreciation and amortization, storage, etc. is not available, but would make the comparison more fair.