

# ECONOMICS OF IMPLEMENTING THE **IRRISEPT**<sup>®</sup> SYSTEM

CONTRIBUTING TO BETTER PATIENT OUTCOMES AND DECREASING COSTS

## INFECTIONS AND THE UNINSURED

- There are 120+ million ED visits annually in the U.S., of which 2.6%, or 3.2 million, are diagnosed as Skin and Soft Tissue Infections (SSTIs). (NEDS 2007)
- Approximately one-fourth of patients were uninsured (27.4% of the 3.2 million), according to the 2007 National Inpatient Sample.
- 16.8% of ED patients with SSTI were subsequently admitted to the hospital for the same condition. (NEDS 2007)
- The average hospitalization cost is \$6,200 for SSTI admissions. (MEDPAR 2008; Elliott 2009)
- 22.8% of patients hospitalized for complicated SSTIs (cSSTI) fail initial antibiotic therapy, resulting in:
  - a three-fold increase in mortality,
  - 5.7 additional days of IV therapy,
  - 5.4 additional days of hospitalization, and
  - \$5,285 in additional inpatient charges. (Edelsberg et al. 2008)
  - Total cost of treatment per admitted = \$6,200 + 22.8% of \$5,285 = \$7,400

## SSTI TREATMENT FAILURES COST HOSPITALS MONEY

Consider the financial implications of the above data at an “average” hospital:

- ED visits: 30,000
- SSTIs diagnosed: 30,000 @ 2.6% = 780
- Uninsured: 780 @ 27.4% = 214
- Uninsured admitted to hospital: 214 @ 16.8% = 36
- Cost of treatment: 36 @ \$6,200 = \$223,200

Based on the calculation outlined above, **the cost of ED SSTI treatment failures is \$223,200** at an average hospital.

## HOW **IRRISEPT**<sup>®</sup> CAN HELP

IrriSept is the only FDA-cleared device that delivers a pressurized solution containing CHG directly to the wound for debridement and cleansing. IrriSept was developed with the goal of becoming the Standard of Care for ED SSTI patients, with the goal of improving patient outcomes and reducing subsequent hospitalizations and associated treatment costs.

Based upon our “average” hospital, the cost of treating all of the SSTI diagnosed patients with IrriSept would be \$24,960 (780 patients @ \$32 each).

Potential savings if hospital admissions were reduced:

% REDUCTION	COST OF IRRISEPT	HOSPITALIZATION SAVINGS	NET BENEFIT	COMMENT
10%	\$24,960	\$26,570	\$1,610	ROI = 106%
20%	\$24,960	\$53,140	\$28,180	ROI = 113%
40%	\$24,960	\$106,280	\$81,320	ROI = 326%
60%	\$24,960	\$159,420	\$134,460	ROI = 539%

## OTHER COST FACTORS

In addition to the factors included above, hospitals incur other costs associated with SSTI treatment failures:

- Multiple ED visits for same-site SSTI
- Additional systemic antibiotic costs
- Increased Length of Stay for admitted patients
- Potential nosocomial spread of infection to healthcare workers and to other patients

**SEE THE POTENTIAL SAVINGS FOR YOUR FACILITY ON THE REVERSE SIDE...**

# IRRISEPT POTENTIAL SAVINGS CALCULATOR

FACILITY \_\_\_\_\_

PREPARED BY \_\_\_\_\_

NAME \_\_\_\_\_

POSITION \_\_\_\_\_

DATE \_\_\_\_\_ IRRIMAX REPRESENTATIVE \_\_\_\_\_

Note: Use default value if local data is not available

A	B	C	D	E
1	<b>ANNUAL ED VISITS</b>		_____	<b>30,000</b>
2	<b>SSTIs DIAGNOSED</b>	<b>2.6% of D1</b>	_____	<b>780</b>
3	<b>UNINSURED SSTIs</b>	<b>27.4% of D2</b>	_____	<b>214</b>
4	<b>UNINSURED ADMITTED TO HOSPITAL</b>	<b>16.8% of D3</b>	_____	<b>36</b>
5	<b>COST OF TREATMENT PER ADMITTED</b>	<b>\$7,400</b>	_____	<b>\$7,400</b>
6	<b>TOTAL COST TO FACILITY</b>	<b>D4 X D5</b>	_____	<b>\$265,700</b>
7	<b>COST OF IRRISEPT</b>	<b>\$32 X D2</b>	_____	<b>\$24,960</b>
8	<b>POTENTIAL SAVINGS:</b> % REDUCTION REQUIRED TO COVER COST OF IRRISEPT	<b>= D7 / D6</b>	_____	<b>9%</b>
9	<b>SAVINGS AT 20% REDUCTION</b>	<b>= D6 X .25</b>	_____	<b>\$53,140</b>
10	<b>40%</b>	<b>= D6 X .50</b>	_____	<b>\$106,280</b>
11	<b>60%</b>	<b>= D6 X .75</b>	_____	<b>\$159,420</b>
12	<b>NET BENEFIT AFTER IRRISEPT COST:</b> <b>20% REDUCTION</b>	<b>= D9 - D7</b>	_____	<b>\$28,180</b>
13	<b>40% REDUCTION</b>	<b>= D10 - D7</b>	_____	<b>\$81,320</b>
14	<b>60% REDUCTION</b>	<b>= D11 - D7</b>	_____	<b>\$134,460</b>
15	<b>ROI CALCULATIONS:</b> <b>20% REDUCTION</b>	<b>= D12 / D7</b>	_____	<b>113%</b>
16	<b>40% REDUCTION</b>	<b>= D13 / D7</b>	_____	<b>326%</b>
17	<b>60% REDUCTION</b>	<b>= D14 / D7</b>	_____	<b>539%</b>
18	<b>OTHER POTENTIAL SAVINGS:</b> <b>REPEAT ED VISITS NOT REIMBURSED</b>	_____	_____	_____
19	<b>REDUCED LENGTH OF STAY</b>	_____	_____	_____
20	<b>REDUCED ANTIBIOTIC COSTS</b>	_____	_____	_____
	<b>TOTAL OTHER SAVINGS</b>	_____	_____	_____

**IRRI MAX**<sup>®</sup>  
CORPORATION

Irrimax Corporation develops wound solutions that incorporate an innovative delivery method to obtain unmatched efficacy and safety. Irrimax's goal is to treat and prevent infection, improve patient outcomes and increase the safety of medical staff. Continual innovation and ongoing clinical research guide the development of Irrimax products.

U.S. Patent No. 5,830,197; 6,468,253; 7,662,125; D588,692; and D556,595. Additional U.S. and Foreign Patents Pending.

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