



New research estimates nearly half a billion dollars in annual savings for Medicare by treating chronic lower back pain with TENS, a conservative care treatment option

DJO Global's peer reviewed research, recently published in Orthopedics, showed that non-operative care achieved better clinical outcomes and was proven more cost-effective for patients

SAN DIEGO, CA, March 12, 2014 - DJO Global, Inc., a global provider of medical device solutions for musculoskeletal health, vascular health and pain management, today released an independent, estimated financial impact on Medicare patients who suffer from chronic low back pain (CLBP). The financial impact calculation estimates that using the current standard of care procedures to treat approximately 1.5 million Medicare beneficiaries who have chronic low back pain and seek medical intervention now costs approximately \$1.3 billion annually. If all of those patients are supplied with a transcutaneous electrical nerve stimulation system (TENS), in place of other treatment options, Medicare could save an estimated \$417 million. *(See table below)*

The research supports DJO Global's *Motion is Medicine* initiative, a first of its kind effort to help patients restore lost motion, maintain activity levels, and improve overall health. The initiative addresses four areas; pain, alignment, strength and stability. After the onset of a chronic pain condition such as osteoarthritis or chronic low back pain, a patient is often inactive, which can lead to weight gain, health decline and major medical problems down the road. Using conservative care options that promote a patient's ability to move can decrease hypertension, BMI, blood pressure and a host of other complications and readmissions. Furthermore, motion and conservative care promotes patient engagement in wellness and helps control costs for specific bundled payments for healthcare providers.

"Physicians and hospitals continue to focus on controlling costs, enhancing the patient experience and improving the overall health of the communities they serve. Many clinicians have initiated a conservative care treatment option instead of surgery for their patients. They have experienced the value of including TENS as part of their standardized protocols. Pain management is a critical part of the patient experience and surgeons are looking for alternatives to narcotics and anti-inflammatory medications," said Sharon Wolfington, President of Global Recovery Sciences, DJO Global. "Our *Motion is Medicine* initiative supports standardized conservative care treatments, such as TENS, that will help healthcare providers expand protocol management models to meet new

requirements. We acknowledge that there will always be patients who require surgery and physical therapy for an optimal outcome and more follow up research and data analysis is required to present ongoing expanded clinical evidence in support of conservative care options.”

The cost figures were calculated based on a recently published study in volume 36, issue 12 of *Orthopedics*, which looked at the clinical and economic impact of TENS in patients with chronic low back pain. The study evaluated patients who were given TENS compared with a statistically matched group without TENS for 1-year prior to intervention and for 1-year of follow-up. Patients who were treated with TENS had significantly fewer hospital and clinic visits, used less diagnostic imaging, had fewer physical therapy visits, and required less back surgery than patients receiving other treatment modalities. Furthermore, TENS is non-invasive and non-narcotic, so it does not have the risks associated with other treatment approaches.

The Affordable Care Act mandated new guidelines that reward and penalize healthcare providers for meeting certain benchmark levels of care. New legislation unveiled by Senate and House committees in early February 2014 introduced a new payment system that rewards physicians based on the quality of care provided rather than the quantity.¹ Furthermore, Centers for Medicare & Medicaid Services (CMS) continues to build upon efforts to curb unnecessary treatments by assessing the appropriateness of certain cardiac and orthopedic procedures. Florida, one of eleven states included in the *Recovery Audit Prepayment Review* initiative, includes back and neck procedures, spinal fusion and major joint replacement as services needing review to ensure medical necessity before providers are reimbursed.²

“Although most payors continue to pressure doctors to utilize more conservative care options, CMS decided in June 2012, to remove reimbursement for TENS as a treatment for chronic lower back pain,” said Michael Minshall, Senior Director of Health Economics & Reimbursement, DJO Global. “Medicare still has to treat and pay for those suffering from chronic low back pain and may be overspending to achieve what is arguably poorer clinical outcomes that do not always relieve pain and discomfort.”

DJO Global will be presenting this cost illustration and findings from the TENS clinical study at AAOS 2014. Session 466-480 is on Thursday, March 13 from 10:30am-12:30pm CST in room #345 at the Morial Convention Center in New Orleans. Additionally, company representatives will be available at [booth #1349 in the exhibition hall](#).

¹ Hill Plan Would Reward Medicare Doctors For Quality: Kaiser Health News. (2014, February 7). Retrieved February 10, 2014, from <http://www.kaiserhealthnews.org>.

² Medicare Audits 101: AAOS.org. Retrieved February 25, 2014, from http://www.aaos.org/govern/federal/Medicare/Medicare_Audits_101.asp

TENS vs. No-TENS in Chronic Low Back Pain (CLBP)

Illustration for Estimated Costs and Projected Savings to Medicare Patients in the USA

Total Number of Medicare Beneficiaries (2012) ¹		Point Prevalence of CLBP ^{2,3}	Estimated % of CLBP Patients Treated ^{4,5}	Estimated Number of Patients w/CLBP Treated in Medicare
49,435,610		10.2%	30%	1,512,730
Event	Incremental Event Rate Difference over 1 Year of Follow-Up in All Patients ⁶	Events Avoided from CLBP Patient Population	Average Cost per Event ⁶	Potential Cost offsets over CLBP Patients
Back Surgery	0.018	27,229	\$ 32,555	\$ 886,444,457
Imaging	0.146	220,859	\$ 832	\$ 183,754,298
Physical Therapy	1.267	1,916,628	\$ 92	\$ 176,329,821
ER Visits	0.033	49,920	\$ 760	\$ 37,939,260
Opioid Therapy	0.203	307,084	\$ 46	\$ 14,125,870
TOTAL POTENTIAL COST OFFSETS				\$ 1,298,593,705
TENS Cost	\$ 295.00			
Supply Cost (1 Month)	\$ 47.90			
6 Month Supply Cost	\$ 287.40			\$ 881,013,757
Total Cost Per Pt	\$ 582.40			
Potential Cost Reductions for payer				\$ 417,579,948

¹<http://kff.org/medicare/state-indicator/total-medicare-beneficiaries/>

²Freburger JK, Holmes GM, Agans RP, et al. The rising prevalence of chronic low back pain. *Arch Intern Med.* 2009; 169(3):251-258.

³Weiner DK, Sakamoto S, Perera S, Breuer P. Chronic low back pain in older adults: prevalence, reliability, and validity of physical examination findings. *J Am Geriatr Soc.* 2006; 54(1):11-20.

⁴Malanga G, Nadler S, Agesen T. Epidemiology. In: Cole AJ, Herring SA, eds. *The Low Back Pain Handbook: A guide for the Practicing Clinician.* 2nd ed. Philadelphia, Pa: Hanley and Belfus, 2003:1-7.

⁵Wolsko PM, Eisenberg DM, Davis RB, Kessler R, Phillips RS. Patterns and perceptions of care for treatment of back and neck pain: results of a national survey. *Spine.* 2003;28:292-7.

⁶Pivec R, Stokes M, Chitnis AS, Paulino CB, Harwin SF, Mont MA. Clinical and Economic Impact of TENS in Patients With Chronic Low Back Pain: Analysis of a Nationwide Database. *Orthopedics.* 2013;36(12):922-928.

About DJO Global, Inc.

DJO Global is a leading global developer, manufacturer and distributor of high-quality medical devices that provide solutions for musculoskeletal health, vascular health and pain management. The Company's products address the continuum of patient care from injury prevention to rehabilitation after surgery, injury or from degenerative disease, enabling people to regain or maintain their natural motion. Its products are used by orthopedic specialists, spine surgeons, primary care physicians, pain management specialists, physical therapists, podiatrists, chiropractors, athletic trainers and other healthcare professionals. In addition, many of the Company's medical devices and related accessories are used by athletes and patients for injury prevention and at-home physical therapy treatment. The Company's product lines include rigid and soft orthopedic bracing, hot and cold therapy, bone growth stimulators, vascular therapy systems and compression garments, therapeutic shoes and inserts, electrical stimulators used for pain management and physical therapy products. The Company's surgical division offers a comprehensive suite of reconstructive joint products for the hip, knee and shoulder. DJO Global's products are marketed under a portfolio of brands including Aircast®, Chattanooga, CMF™, Compex®, DonJoy®, Empi®, DJO® Surgical and Dr. Comfort®. For additional information on the Company, please visit www.DJOglobal.com.

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