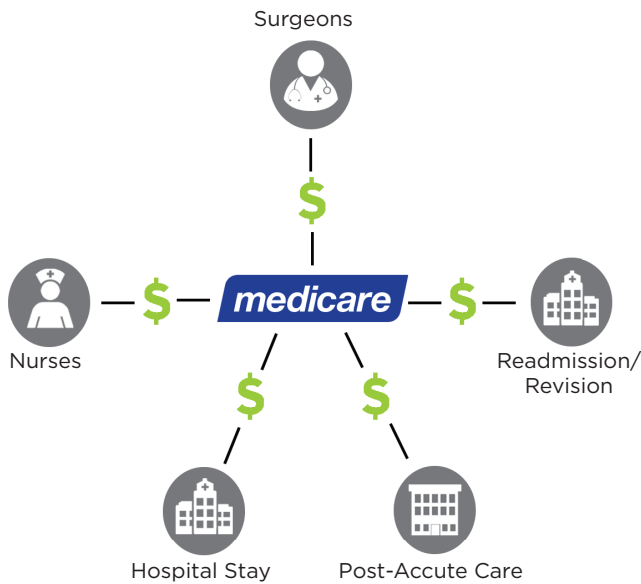


# Bundled Payments are Here

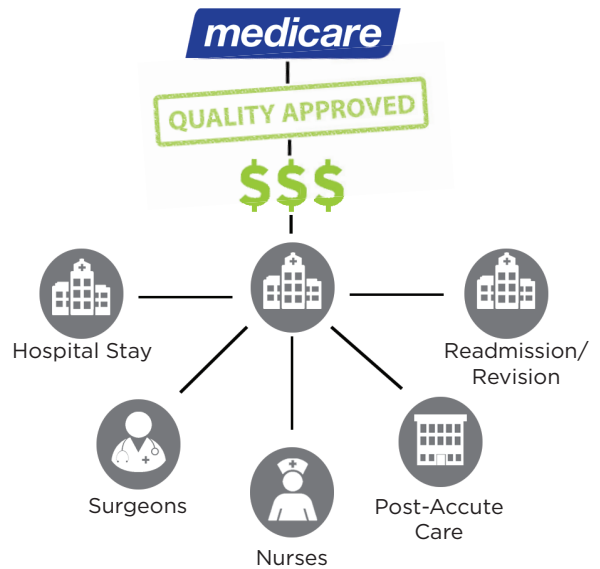
## Future of CMS Patients

The Comprehensive Care for Joint Replacement Program (CJR) is a program run by the Center for Medicare and Medicaid Services (CMS) designed to evaluate the validity of a bundled payment reimbursement system for total joint replacements. This program is in effect from April 1, 2016 to December 31, 2020.

### Fee-For-Service



### Bundled Payment



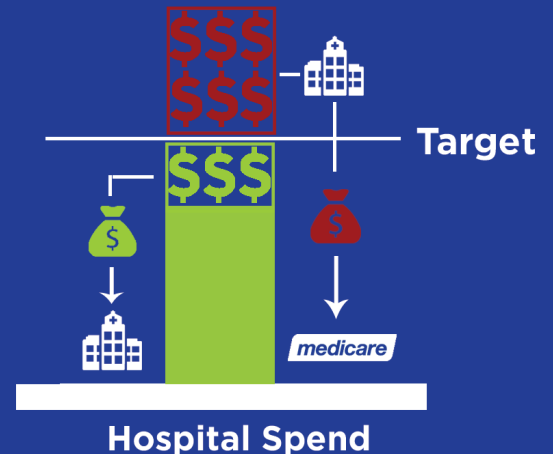
## HOSPITALS ARE NOW FINANCIALLY RESPONSIBLE FOR QUALITY

### What is CJR?



CJR is designed to simulate a bundled payment reimbursement model. Service Providers will continue to be reimbursed by CMS through the fee-for-service model. At the end of each year, a reconciliation will be completed to compare the **actual total reimbursement** to the **target reimbursement**.

Hospitals claiming more than the **target reimbursement** will be financially penalized, while Hospitals that claim less than the target reimbursement, while maintaining an acceptable quality level, will be financially rewarded.



# How are Surgeons affected?

## CJR shifts burden of controlling outcomes to the Hospital



As Hospitals focus on reducing readmissions and revisions, outcomes of total joint replacement procedures are pushed further under the microscope. Hospitals are closely tracking surgical outcomes and are being financially penalized for longer hospital stays, additional post-acute care, readmissions or revisions. As Hospitals' profitability is negatively impacted, they look to surgeons who deliver the most consistent and high-quality surgical outcomes.



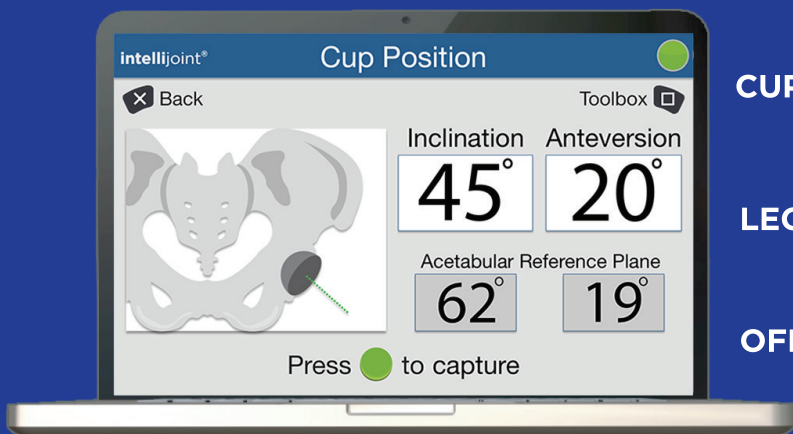
# intellijoint HIP® CAN HELP MINIMIZE RISK & IMPROVE OUTCOMES

intellijoint HIP® is a 3D mini-optical navigation system that provides real-time intraoperative measurements for cup position, leg length and offset, and hip center of rotation during Total Hip Arthroplasty (THA). These quantifiable measurements assist orthopaedic surgeons in selecting and placing the implant components precisely how was planned pre-operatively.

intellijoint HIP brings accuracy to THA that helps reduce outliers including leg length inequality, implant loosening, premature implant wear, hip instability, dislocation, readmission and ultimately revision surgery.

### RECENT STUDY

Patients who received a primary THA with intellijoint HIP had no readmissions or revisions within 90 days of surgery.<sup>3</sup>



### CUP POSITION

Within 0.67 and 0.62 degrees for inclination and anteversion, respectively, when compared to CT scans<sup>4</sup>

### LEG LENGTH

Accurate to within 0.3- 0.9 mm when compared to radiographic measurements<sup>5</sup>

### OFFSET

Within 0.5 mm of preoperative targets<sup>6</sup>

intellijoint HIP is licensed in Canada and FDA cleared for distribution in the United States. Copyright © 2017 Intellijoint Surgical Inc. All rights reserved. ® Registered trademarks are owned by Intellijoint Surgical Inc. **References:** 1. Bosco, JA 3rd., Karkenny, AJ., Hutzler, LH., et al. Cost burden of 30-day readmissions following Medicare total hip and knee arthroplasty. The Journal of Arthroplasty. 2014; 29(5): 903-5. 2. Bozic, KJ., Kurtz, SM., Lau, E., et al. The Epidemiology of Revision Total Hip Arthroplasty in the United States. The Journal of Bone and Joint Surgery [AM]. 2009; 91: 128-133. 3. IJS data on file. 4. IJS data on file. 5. Grosso P, Snider M and Muir JM A Smart Tool for Intraoperative Leg Length Targeting in Total Hip Arthroplasty: A Retrospective Cohort Study The Open Orthopaedics Journal. 2016; 10: 490-499. 6. IJS data on file.