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ELECTROMED, INC. ANNOUNCES RESULTS OF COST-EFFECTIVE ANALYSIS OF USING HFCWO IN PATIENTS WITH NON-CYSTIC FIBROSIS BRONCHIECTASIS

New Prague, Minnesota – February 1, 2017 – Electromed, Inc. (NYSE MKT: ELMD) today announced that a new study published in [*Respiratory Therapy: The Journal of Pulmonary Technique*](#) shows that consistent use of the SmartVest[®] Airway Clearance System significantly reduces bronchiectasis-related healthcare utilization and cost. In total, the results revealed an annual savings of \$3,045 per bronchiectasis patient, per year of SmartVest use.

Bronchiectasis is an irreversible, chronic lung condition characterized by enlarged and permanently damaged bronchi. The disease is associated with recurrent lower respiratory infections, inflammation, reduction in pulmonary function, impaired respiratory secretion clearance, increased hospitalizations and medication use, and increased morbidity and mortality.¹⁻³ The goals of bronchiectasis treatment are to mobilize airway secretions to reduce respiratory infections, minimize the number of exacerbations, enhance ventilation, and improve a person's quality of life.^{4,5} The potential estimated domestic incidence of bronchiectasis was 400,000 people in 2016, and growing approximately 9% annually.³

A previously published clinical outcomes study of fifty-nine SmartVest patients with non-cystic fibrosis bronchiectasis served as the basis for the cost-effective analysis.⁶ This outcomes study demonstrated that use of the SmartVest system for one year resulted in 57% fewer antibiotic prescriptions, a 60% decrease in emergency department visits and a 58% decrease in the total number of hospitalizations per the study population. As a result, patients reported a 68% quality of life improvement.

Results of the cost-effective analysis demonstrate that consistent use of the SmartVest system was associated with statistically significant results. Specifically, when compared to the standard of care control, SmartVest use was associated with a 58% decrease in antibiotic cost, a 63% decrease in emergency department visit cost and a 60% decrease in hospitalization cost.

Table 1. Summary of cost analysis of SmartVest versus standard of care control

Bronchiectasis-Related Exacerbations⁶	Standard of Care Control	SmartVest Treatment	Percent Reduction
Antibiotic Rxs (per yr)	1.4	0.6	58%
ED Visits (per yr)	0.08	0.03	63%
Hospitalizations (per yr)	0.5	0.2	60%
Cost Comparison Analysis			
Antibiotic Rxs (per yr)	\$406	\$174	58%
ED Visits (per yr)	\$36	\$13	63%
Hospitalizations (per yr)	\$4,650	\$1,860	60%
Total Cost per Year	\$5,092	\$2,047	60%

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“Electromed is committed to ‘making life’s important moments possible – one breath at a time’, helping people around the world breathe better, stay healthier, and lead active and fulfilling lives,” commented Kathleen Skarvan, President and Chief Executive Officer of Electromed. “These results provide an opportunity to share evidence with the patients we serve and clinicians that consistently using the SmartVest system can reduce the number of hospitalizations and clinic visits, and save significant healthcare costs.”

The SmartVest Airway Clearance System uses high frequency chest wall oscillation (“HFCWO”), a proven therapy that helps clear the lungs of excess secretions, reducing the risk of respiratory infections and hospitalizations. HFCWO produces an alternating flow of air into a garment that rapidly compresses and releases the chest wall at a variety of selectable frequencies and pressures, resulting in an oscillation in airflow within the airways that act to loosen, thin, and propel mucus toward the major airways where it can be expectorated or suctioned away.

About Electromed, Inc.

Electromed manufactures, markets, and sells products that provide airway clearance therapy, including the SmartVest Airway Clearance System, to patients with compromised pulmonary function. It is headquartered in New Prague, Minnesota and founded in 1992. Further information about the Company can be found at www.smartvest.com.

References

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- [5] O’Donnell AE. *Chest*. 2008;134(4):815-823.
- [6] Sievert CE *et al.* *Respiratory Therapy Journal*. 2016;11(4): 34–38.

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