COMPLEX SPINE OVERVIEW

Nicholas Qandah, DO, FACOS

Director of Neurosurgery Mohawk Valley Health System

December 15, 2016



University of Washington



Combined Neurosurgical & Orthopedic Complex Spine Fellowship



GOALS

 UNDERSTAND WHAT COMPLEX SPINE SURGERY IS

 UNDERSTAND CHANGING HEALTHCARE CLIMATE AS IT RELATES TO COMPLEX SPINE

 UNDERSTAND HOW MEDICREA IS UNIQUELY POSITIONED IN THE MARKET WITH THEIR APPLIED TECHNOLOGY

"Life is a Progressive Kyphotic Event" Dave Polly



COMPLEX SPINE SURGERY



% Total Market by Modality, 2010 **Posterior Pedicle** BMPs, 9.1% Screw Fusion Systems, 21.5% DBM, 11.0% ACP Systems, Allografts, 9.8% ... 7.7% Balloon ATLumbar Plate, Kyphoplasty, 5.8% 4.8% Vertebroplasty, ALIF, 4,9% 7.1% LTLIF, 3.7% Lumbar Artificial PLIF, 4.6% Discs. 3.3% Cervical Artificial AxiaLIF, 0.2% **ISP Systems**, Discs, 4.5% 7.9% % Total Market by Modality, 2020 BMPs, 3.0% DBM, 10.1% ---Posterior Pedicle Screw Fusion Systems, 25.7% Allografts, 8.3% Balloon Kyphoplasty, __ 5.9% ACP Systems, Vertebroplasty, 5.4% 5.9% ATLumbar Plate, 4.7% Lumbar Artificial Discs, 4.6% ALIF, 4.9% TLIF, 4.2% **Cervical Artificial** Discs, 10.5%

ISP Systems,

5.9%

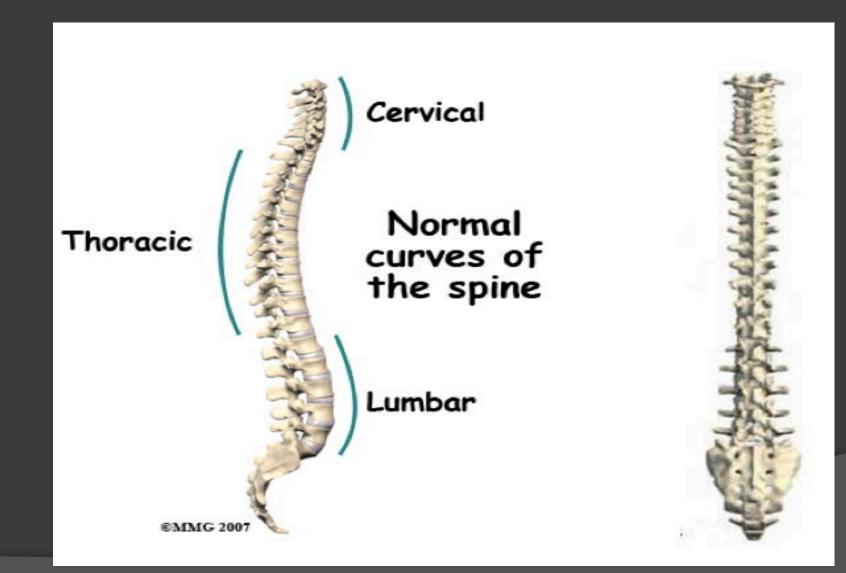
PLIF, 4.3%

AxiaLIF, 1.3%

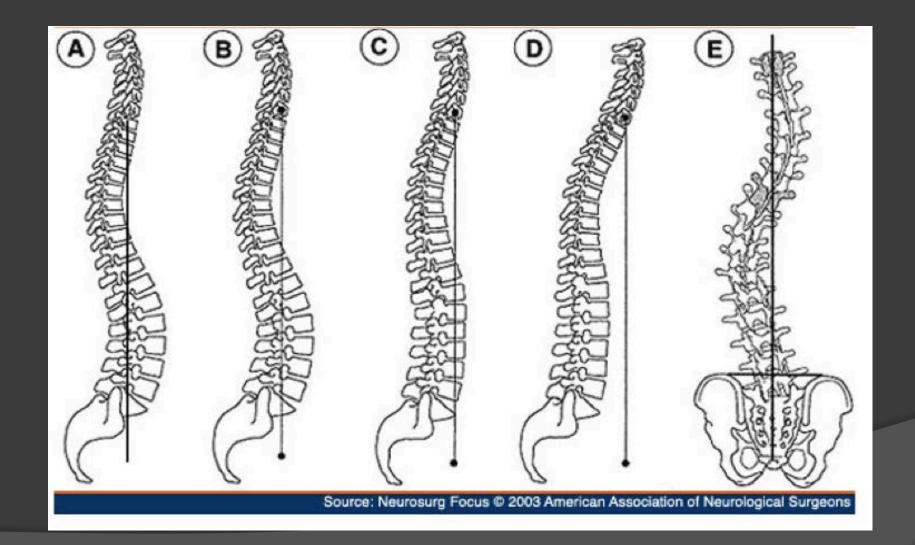




Normal Spinal Anatomy

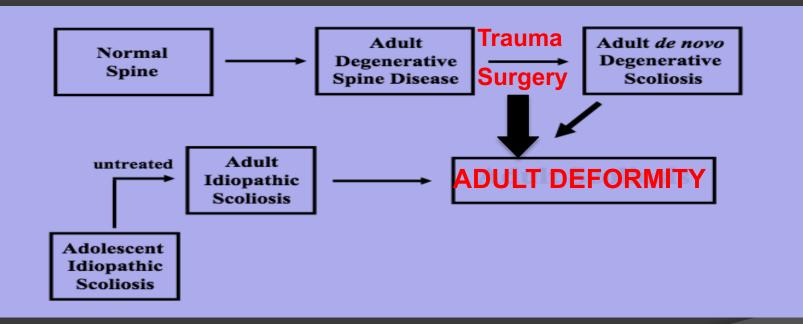


Adult Kypho-Scoliosis



One Common Diagnoses Multiple Presentations

- Degenerative
 - Occurs over a long period time
 - Previous Surgery resulting in flat back
 - Can occur from old treated or untreated trauma



- Idiopathic
 - Once an adolescent becomes skeletally mature, diagnosis changes to adult idiopathic

Presentation





Physical Exam

- Forward gaze while ambulating
- Standing posture with maximal hip and knee extension
- Is lumbar lordosis maintained?
- Quantify hip/knee
 - ROM
 - Flexion contractures
 - Thomas test



NON OPERATIVE TREATMENT

SPINE Volume 32, Number 195, pp S130–S134 @2007, Lippincott Williams & Wilkins, Inc.

A Systematic Literature Review of Nonsurgical Treatment in Adult Scoliosis

Clifford R. Everett, MD, MPH, and Rajeev K. Patel, MD

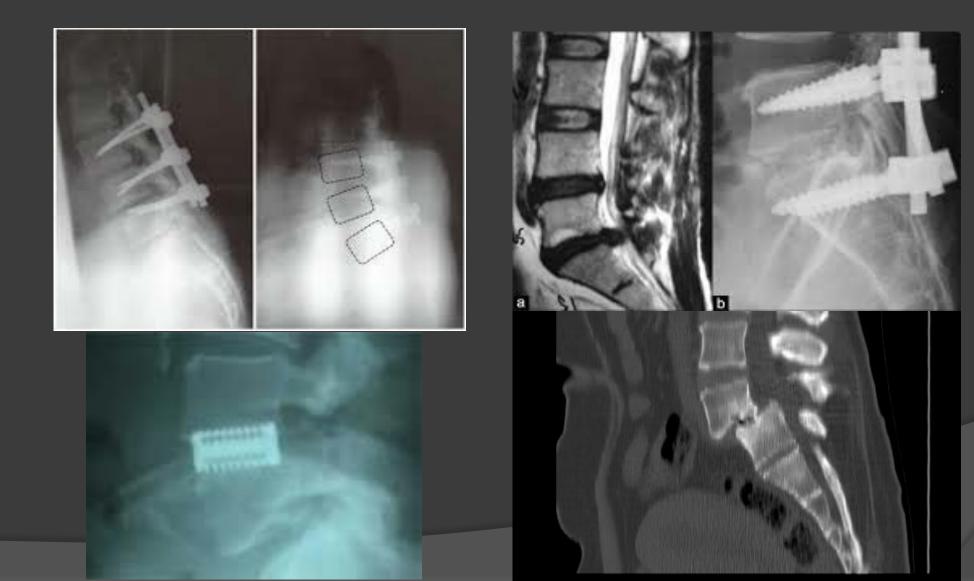
Study Design. A formal systematic review of the literature for conservative treatment of adult deformity was performed. Objective. To evaluate evidence for the efficacy and Adult deformity is a significant health issue within the aging population in both the United States and the world communities.¹ This special issue of *Spine* explores the problem and the current evidence for the treatment options. This

► No substantial evidence for any nonsurgical treatment in adult scoliosis.

Conservative Tx



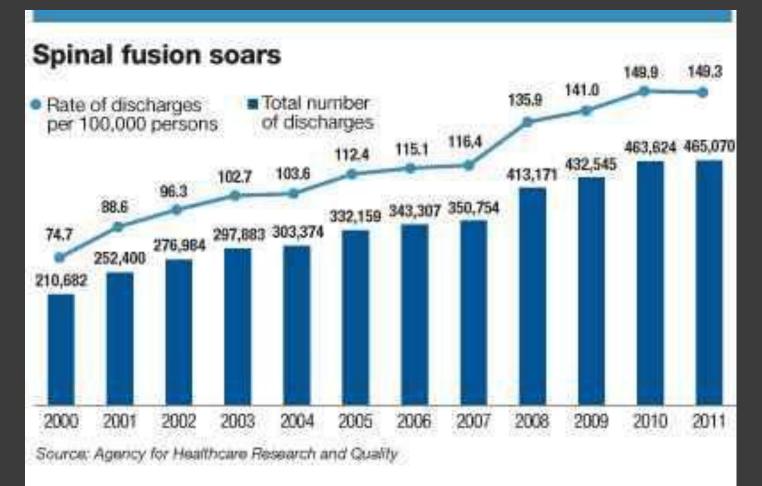
IATROGENIC CAUSE OF DEFORMITY



Hey Doc, can you do Laser surgery on me?

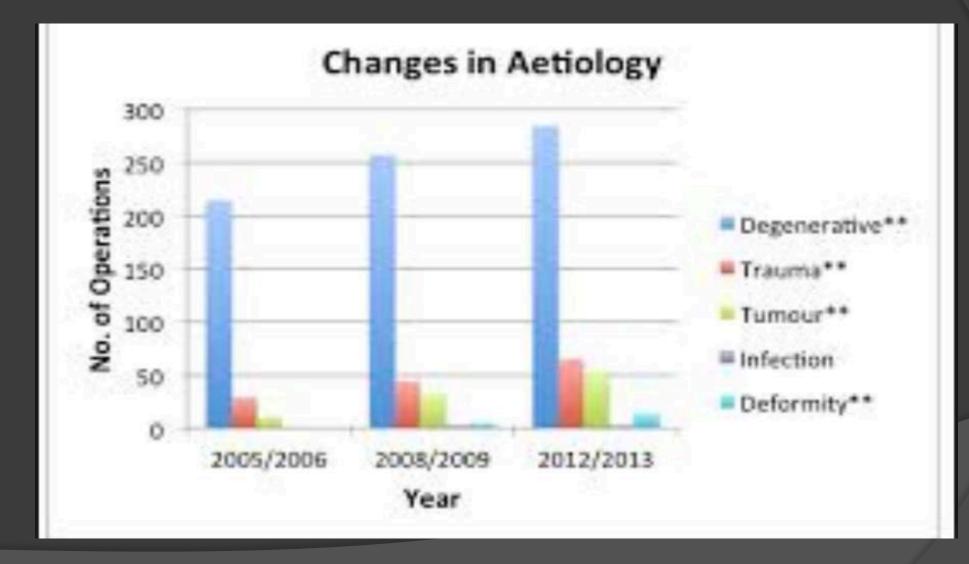


Spine Market



MORE INSURANCE DENIALS MULTI-DICIPLINARY - EVIDENCE BASED

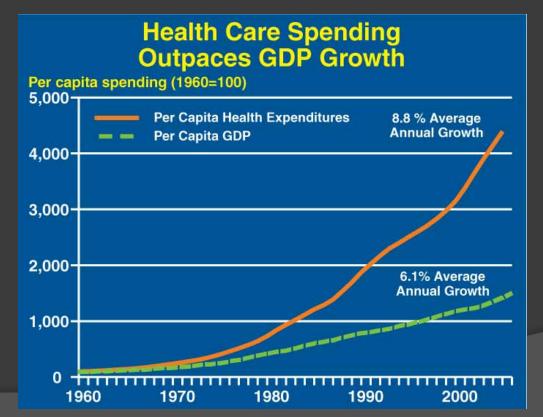
CROSSOVERS





Economic Value

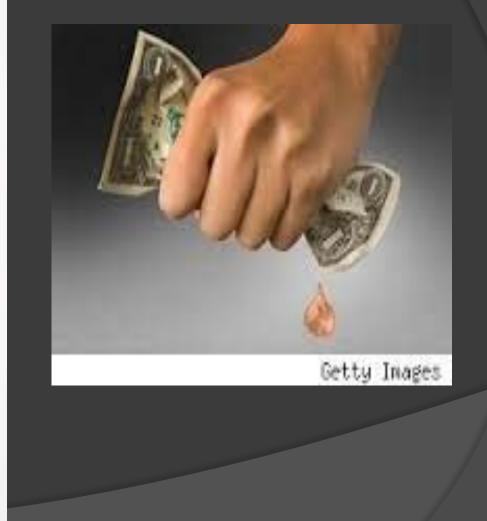
Economic value is an increasingly important component of healthcare policy decision making.



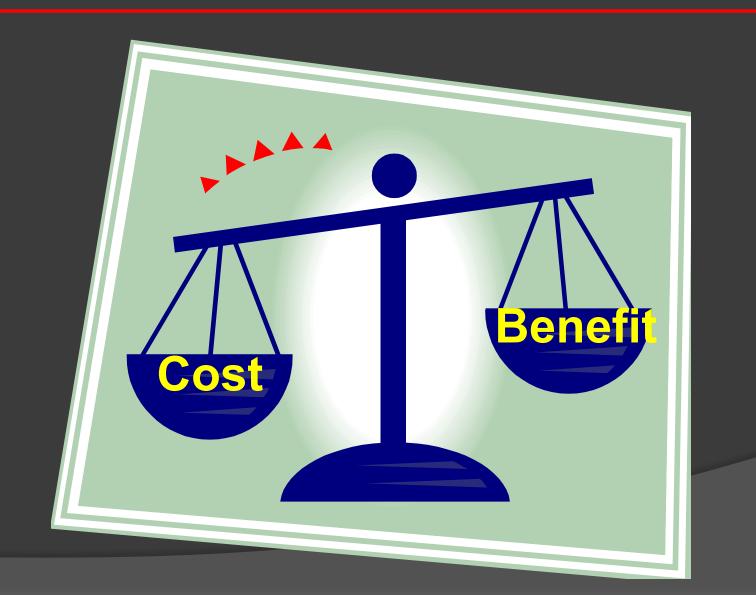
Healthcare Costs

The top drivers of rising healthcare costs

Specialty pharmacy	_	31%	26%	23%
High cost claimants		32%	25%	16%
Specific diseases or conditions (i.e., musculoskeletal claims)	17%	20%	24%	
Overall medical inflation	11% 9%			
Hospitalization (i.e., inpatient care)	- <u>2%</u> 7%			
Outpatient procedures	5%	•	U	est Driver
Traditional pharmacy	5%	,	Drive 3 = Third	Highest
ACA compliance	2% 2%		Drive	r
Geographic variation in cost/utilization	- <mark>2%</mark> 3%			
Outpatient care (i.e., physician visits)	- <u>1%</u> 1% 2%			
Other	2%			
		S	ource: Nationa	l Business Group on Health



VALUE



METRICS

QALY (Quality Adjusted Life Year)

DALY (Disability Adjusted Life Year)

DALY, in essence, measures health loss in the quality of life. On the other hand, QALY measures the same quality of life in health gain. QALY is usually used in measuring the quality and quantity of care and life when considering options for health treatments for a particular illness.

Measuring and Defining Value

What is an acceptableoutcome?SCB

TABLE VII Minimum Clinically Important Difference Values for Current Study Population and Values Previously Reported in the Literature as Compared with Substantial Clinical Benefit Values

	Substantial Clinical Benefit,	Minimum Clinically Important Difference (points)		
	Current Study (points)	Current Study	As Reported in Literature	
Oswestry Disability Index	18.8	12.8	10.0 (Hägg et al. ¹³); 11.0 (Lauridsen et al. ²⁴)	
SF-36 physical component summary	6.2	4.9	5.4 (Ware et al. ¹²)	
Back pain numeric rating scale	2.5	1.2	1.0 (Lauridsen et al. ²⁴)	
Leg pain numeric rating scale	2.5	1.6	2.0 (Lauridsen et al. ²⁴)	

Translating HRQOL to Value

Cost/QALY has become the primary currency for leal heare Economics?



cost/QALY \$50,000 - \$100,000 is generally considered cost effective.

Revision Spine Surgery

- 7%->50% of spine surgeries eventually require revision
- The more complex the procedure, the more likely something is going to go wrong
- Results of revision spine surgery are usually less satisfactory than primary surgery



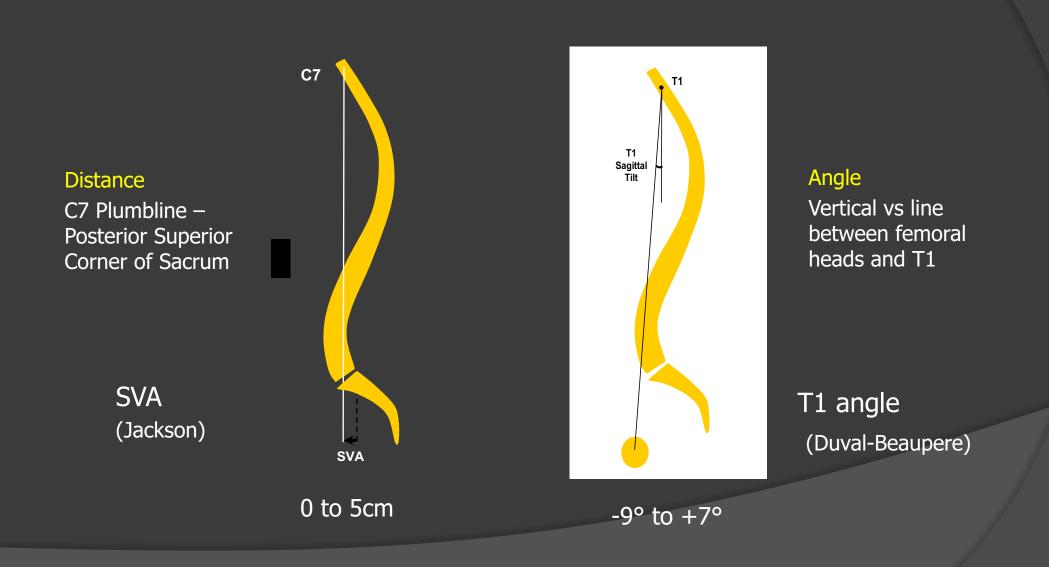
Failure to Adequately Correct Deformity SOLUTION

Assessment of Spinal Alignment

How do we measure spinal balance?



Global Sagittal Alignment



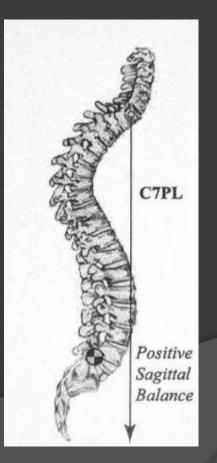
The Impact of Positive Sagittal Balance in Adult Spinal Deformity

Steven D. Glassman, MD,* Keith Bridwell, MD,‡ John R. Dimar, MD,* William Horton, MD,§ Sigurd Berven, MD,† and Frank Schwab, MD||

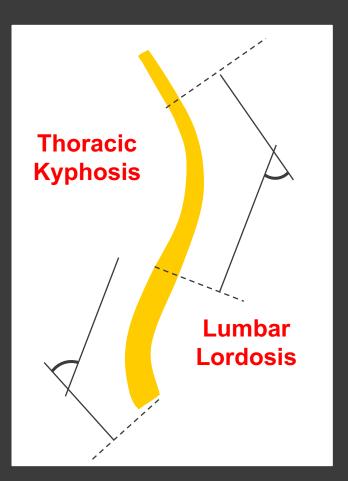
Plumbline Shift Anteriorly

=> Increasing disability SF-12, SRS-29, ODI (p<0.001)

=> Lumbar kyphosis marked disability SRS-29, ODI (p<0.05)



Regional Sagittal Alignment



Thoracic kyphosis20-40Lumbar Lordosis30-80

Curves 'Proportional' to One Another

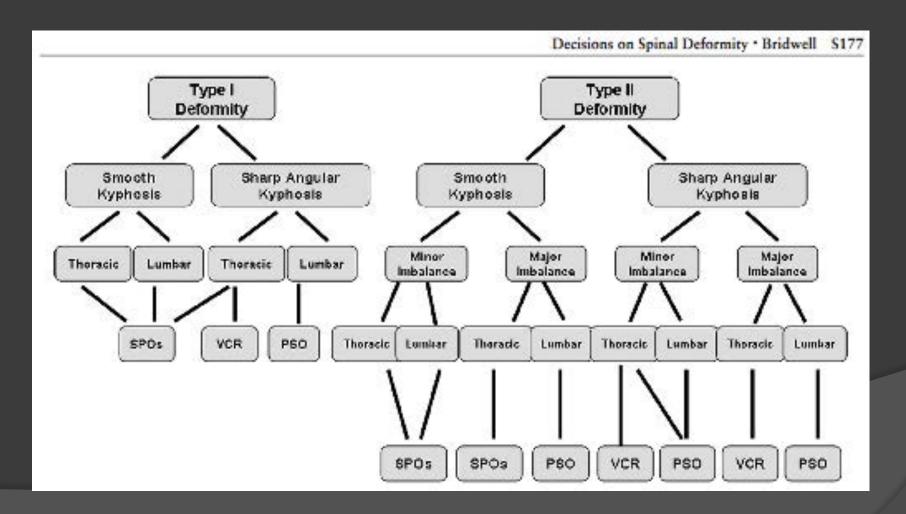
Sagittal Alignment and Symptoms

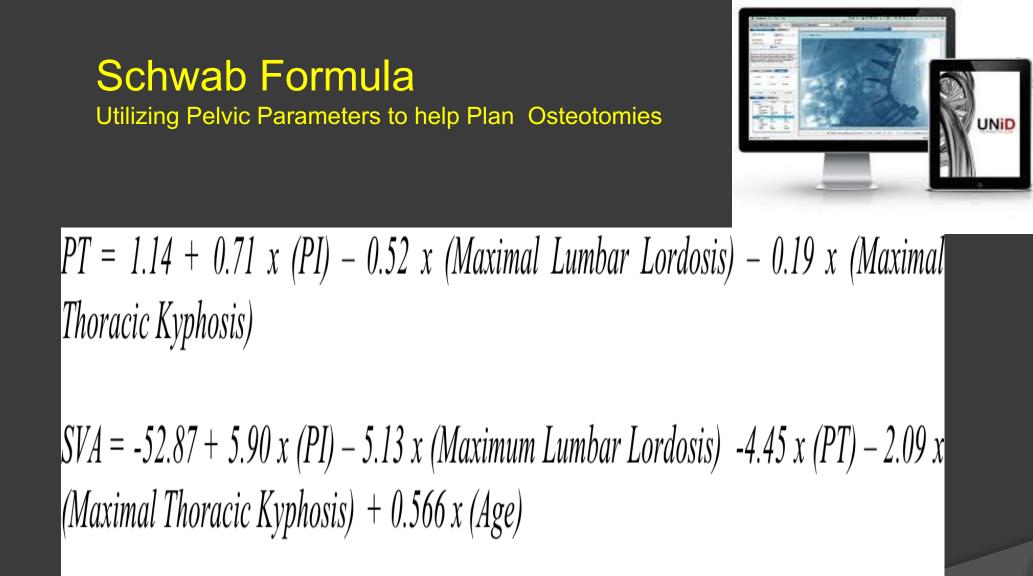
Conclusion



Sagittal Balance is the dominant predictor of HRQOL in Adult Spinal Deformity Decision Making Regarding Smith-Petersen vs. Pedicle Subtraction Osteotomy vs. Vertebral Column Resection for Spinal Deformity

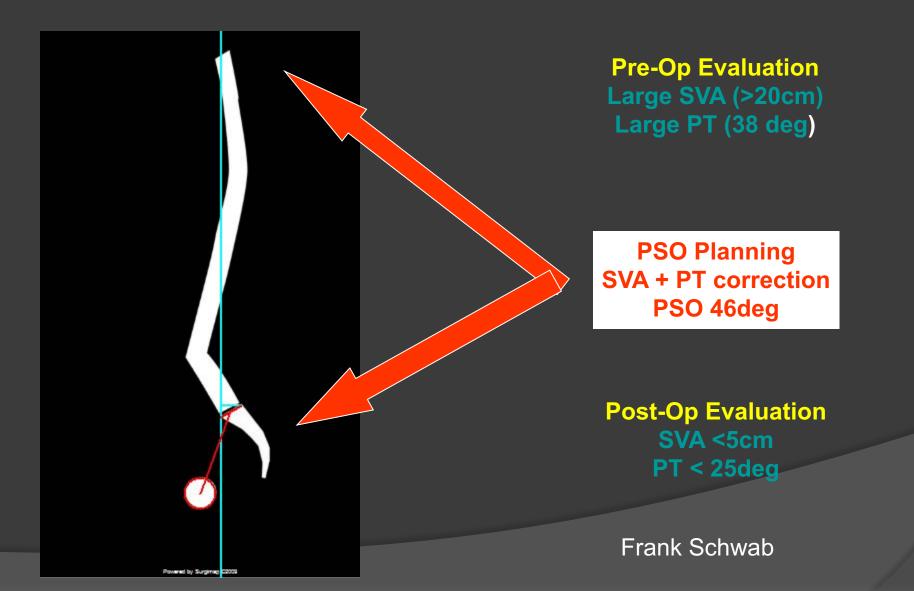
Keith H. Bridwell, MD





Prediction of PT=16.3 Prediction of SVA= -1.8cm

Ex: Reconstruction

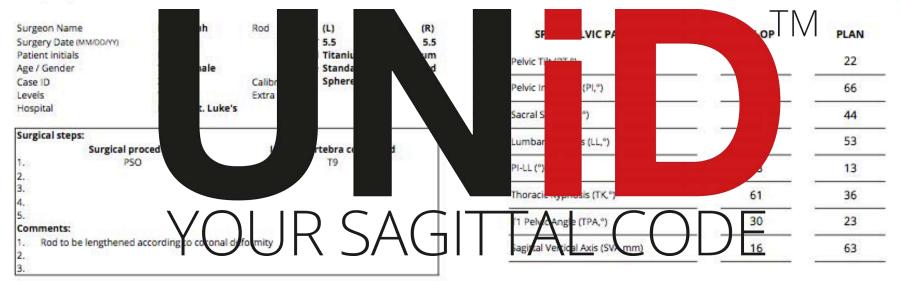


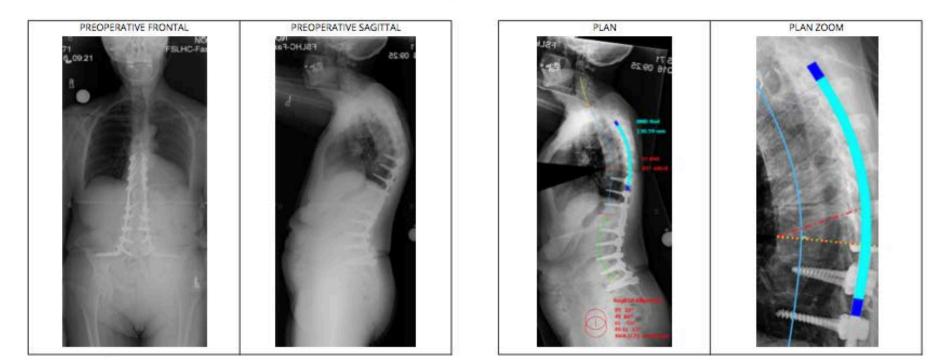


medicrea.com leading personalized spine











DEPLOYING COMPREHENSIVE PATIENT SPECIFIC TECHNOLOGIES TODAY

ADVANCES IN THE PERSONALIZED SPINE MARKET

DECEMBER 15 2016

medicrea.com **leading** personalized spine

No.

A NEW ERA IN SPINE SURGERY

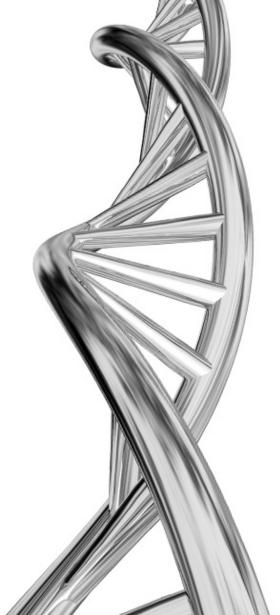
"Personalized Spine" is the ability to create patient-specific implants for complex spine procedures requiring sagittal rebalancing, tailored to achieve the optimal outcome: early and long term structural integrity with global sagittal alignment.

Medicrea offers a unique, service-based approach to complex spine utilizing its UNiD[™] IT platform and proprietary manufacturing algorithm.

Medicrea galvanizes surgeons with an iterative system that has both Predictive and Deep Learning capacity, delivering data and information that support surgical case decisions from pre-operative planning to post-operative analysis.

For the first time in this industry, Medicrea is building upon a unique and deep partnership between the surgeon and the UNiD Lab engineers. Medicrea is leading the way in personalized spinal surgery with market-disrupting, proprietary planning, manufacturing and analytical technologies.

THE FUTURE IS NOW









- HEADQUARTERED IN LYON, FRANCE AND NEW YORK CITY
- COMPREHENSIVE PATIENT-SPECIFIC TECHNOLOGIES FOR COMPLEX SPINE MARKET
- FIRST TO MARKET PATIENT-SPECIFIC IMPLANTS FOR THE SPINE WITH UNID™ RODS
- COMPREHENSIVE 3D-PRINTED PATIENT-SPECIFIC PLATFORM IN-HOUSE
- CENTRALIZED HEADQUARTERS AND MANUFACTURING FACILITIES



- 2015 €27.8M. 2016 SEPTEMBER YTD REVENUE OF €21.6M WITH 81% H1 GROSS MARGIN
- PUBLICLY TRADED ON ALTERNEXT: ALMED TICKER
- RAISED €20 MILLION WITH LEADING U.S. INVESTORS IN AUGUST LED BY ATHYRIUM CAPITAL
- RICK KIENZLE, FOUNDING MEMBER OF GLOBUS MEDICAL, APPOINTED CHIEF COMMERCIAL OFFICER

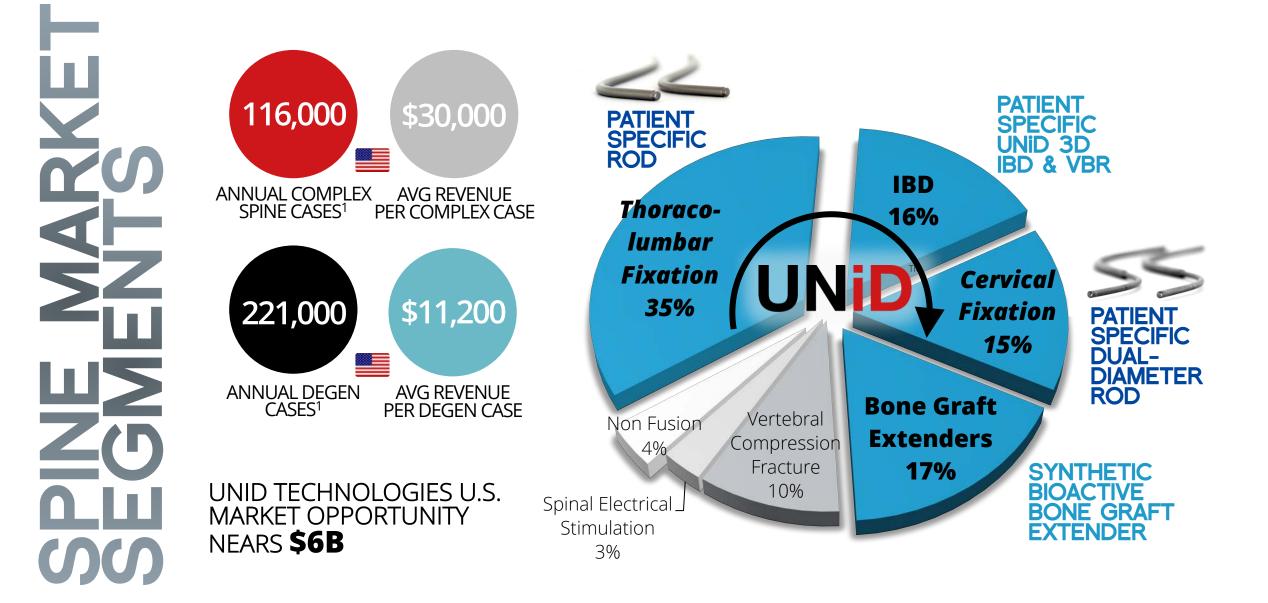


- INNOVATIVE SERVICE-ORIENTED APPROACH TO COMPLEX SPINE
- PATIENT SPECIFIC IMPLANTS DRIVE OPTIMAL PATIENT OUTCOMES
- DIFFERENTIATED UNID TECHNOLOGY BENEFITS ALL KEY STAKEHOLDERS
- SIGNIFICANT GLOBAL MARKET OPPORTUNITY WITH LIMITED COMPETITION
- EXPERIENCED MANAGEMENT TEAM FOCUSED ON COMMERCIAL EXECUTION
- ATTRACTIVE FINANCIAL PROFILE









1. 2015 Instrumented Thoracolumbar Procedures annually (409,100). 2013 Millennium Research Group, Inc., Table 87 "Thoracolumbar Fusions, by Indication."



NME

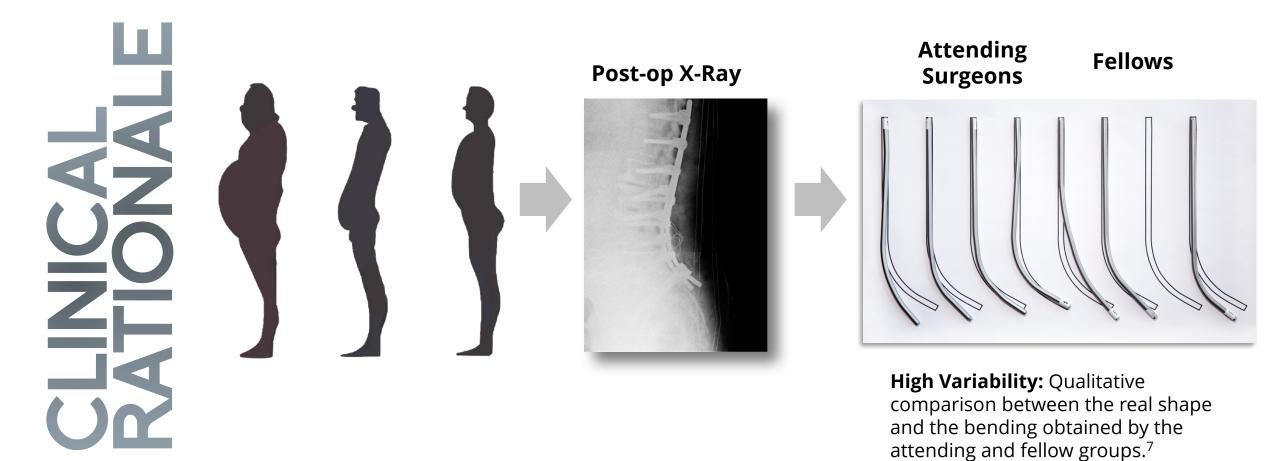
- Growing payer pressure on doctors to follow a measurable & systematic treatment plan with penalty charges applied for incurring revision surgery in the USA
- Increased legal liability concerns in achieving a successful outcome and documenting the treatment plan in patient file
- Implant choices rely more now on hospital value-based strategy vs surgeon preference
- Achieving sagittal alignment for a patient post operation delivers the best clinical results
- The UNiD Lab / Surgeon relationship delivers far greater company / surgeon control with a new commercial sales paradigm that is much more cost effective than traditional sales rep structures.
- Medicrea's Software system enables a huge reduction in intra op inventory creating a massive systemic efficiency and \$ reduction (ex. 400-500 screws per case / reduced to 75).







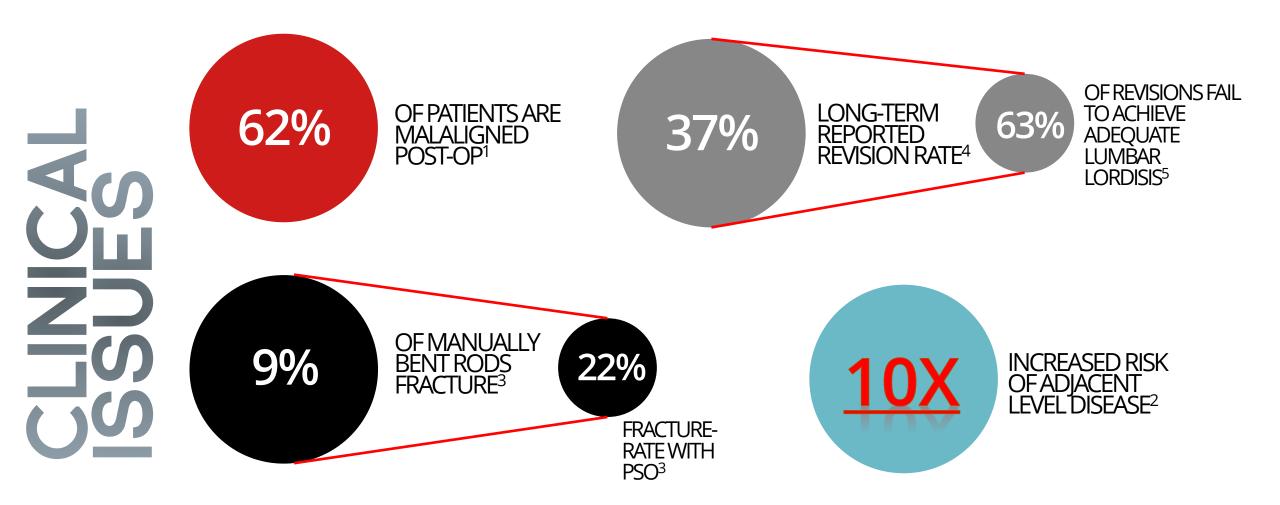
HIGH VARIABILITY IN BENDING



7. Rod bending lab organized in 2012 included 8 spine surgeons and fellows from major US teaching institution



CURRENT SHORTCOMINGS IN TREATMENT



- 1. Moal B, Schwab F, Ames CP, et al. Radiographic Outcomes of Adult Spinal Deformity Correction: A Critical Analysis of Variability and Failures Across Deformity Patterns. Spine Deform. 2014.
- 2. Rothenfluh DA, Mueller DA, et al. Pelvic incidence-lumbar lordosis mismatch predisposes to adjacent segment disease after lumbar spinal fusion. Eur Spine J (2015) 24:1251-1258 medicrea.com leading personalized spine

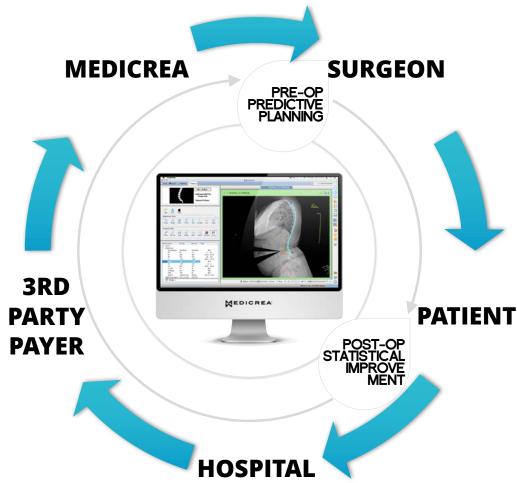
3. Smith JS, Shaffrey Cl, Klineberg E, et al. Prospective multicenter assessment of risk factors for rod fracture following surgery for adult spinal deformity. J Neurosurg Spine 21:994–1003, 2014.

4. Frymoyer JW, Matteri RE, Hanley EN, et al: Failed lumbar disc surgery requiring second operation. A long-term follow-up study. Spine 3:7-11, 1978 5. Jang J-S, Lee S-H, Min J-H, Kim SK, Han K-M, Maeng DH. Surgical treatment outcome of follow as a surgery on Irome due to sagittal imbalance. Spine (Phila. Pa. 1976). 2007

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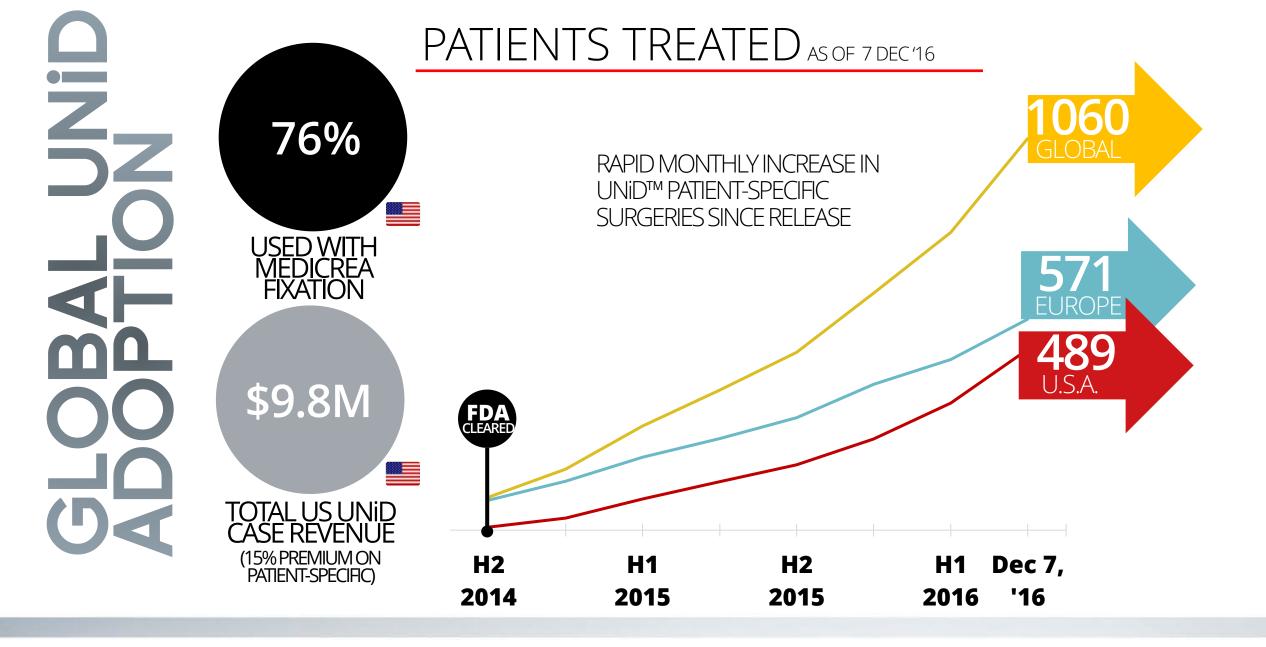
ITERATIVE DEEP-LEARNING VIRTUOUS CYCLE BENEFITS ALL STAKEHOLDERS





- DATA-DRIVEN
 METHODOLOGY
- IMPROVED CLINICAL RESULTS
- REDUCED INCIDENCE
 OF REVISION
- COST SAVING TO
 HEALTH SYSTEM
- REDUCED INVENTORY REQUIREMENTS



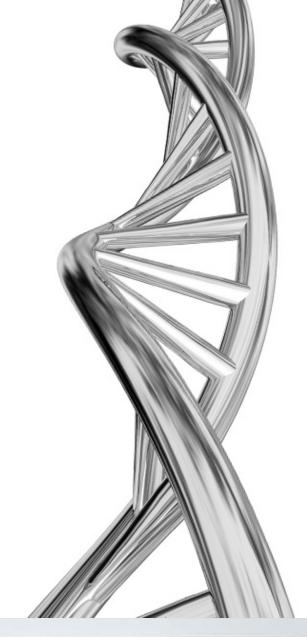


AT A GLANCE

N N N Ž¥ ZQ

• 2016 projected revenue of \$30M

- High gross margin in the 80 % range
- Significant capex spendings in 2016 & 2015 to increase insource of production and manufacturing efficiency
- EBITDA positive since 2010
- 150+ Headcount
- Transformative € 20M fundraising in August 2016, including € 15M from Athyrium Capital Management in US and € 5M from multiple US investors & Executive team





SALES AND MARKETING

- RICK KIENZLE APPOINTED TO LEAD COMMERCIALIZATION EFFORTS
- DRIVE REVENUE WITH INTEGRATED PRODUCT SOLUTIONS THROUGH UNID TECHNOLOGY ADOPTION
- BUILD BODY OF EVIDENCE FOR PATIENT-SPECIFIC UNID ROD
- INCREASE PRESENCE WITH KOLS IN STRATEGIC HOSPITALS AND CENTERS
- INCREASE AWARENESS WITH UNID WARRANTY PROGRAM
- EXPAND ONLINE MARKETING CAMPAIGN AIMED AT US PATIENTS

MANUFACTURING

- IN-HOUSE TITANIUM 3D PRINTING PATIENT-SPECIFIC IBD & VBR
- U.S. UNID ROD MANUFACTURING FOR DEGENERATIVE DEFORMITY MARKET
- BRING STERILIZATION CAPABILITIES IN-HOUSE
- SIGNIFICANT COST REDUCTION AND INCREASED EFFICIENCY IN INVENTORY
 MANAGEMENT VIA UNID PLATFORM PREDICTIVE TECHNOLOGIES



spinal implants are a rep





NEW TECHNOLOGY DEVELOPMENT

- PREDICTIVE, DEEP LEARNING THRU BIG DATA COMPILATION AND MINING
- COMPLETE UNID MIS DEVELOPMENT
- FDA FILE SUBMISSION FOR PATIENT-SPECIFIC 3D-PRINTED

- UNID LAB ONLINE INTERFACE
- UNID 3D BIPLANAR ROD DEVELOPMENT, MARKET RELEASE











Q3

'17

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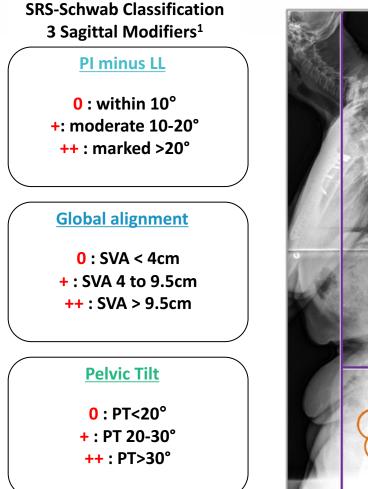
CLINICAL EXPERIENCE WITH UNID TECHNOLOGY

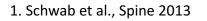
Themistocles S. Protopsaltis, MD

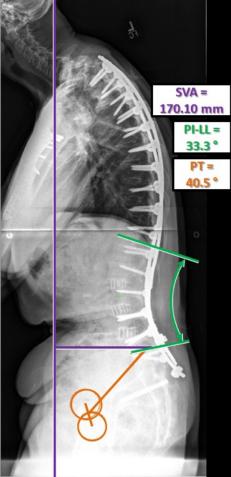
Director, Adult Spinal Deformity Surgery Assistant Professor of Orthopaedic Surgery NYU Langone Medical Center, New York



- Pre-operative planning using sagittal parameters is becoming more prevalent
- Pelvic Incidence ranges 35-85 degrees
- SRS-Schwab Classification includes sagittal modifiers based on disability measures
- Published alignment targets based on broad age ranges
- Elderly patients have higher rates of PJK and complications
 - Age should be a factor in pre-operative planning

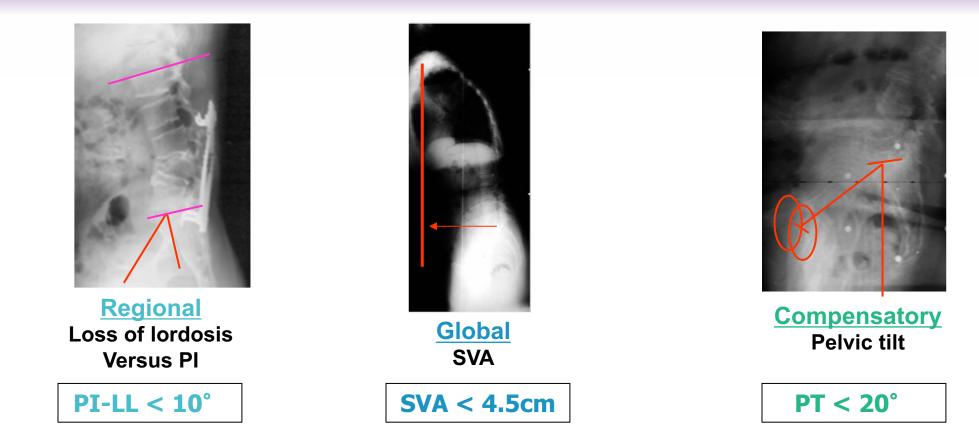








PROPOSED ALIGNMENT TARGETS



Adult deformity databases have been used to propose targets for deformity correction (Schwab et al Spine 2013)

Alignment targets are based on baseline analysis of HRQOL and alignment



PERSONALIZATION OF TREATMENT

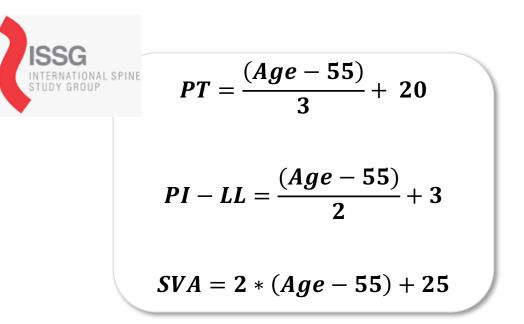


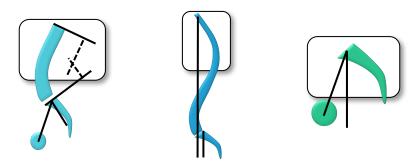
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METHODOLOGY & RESOURCES

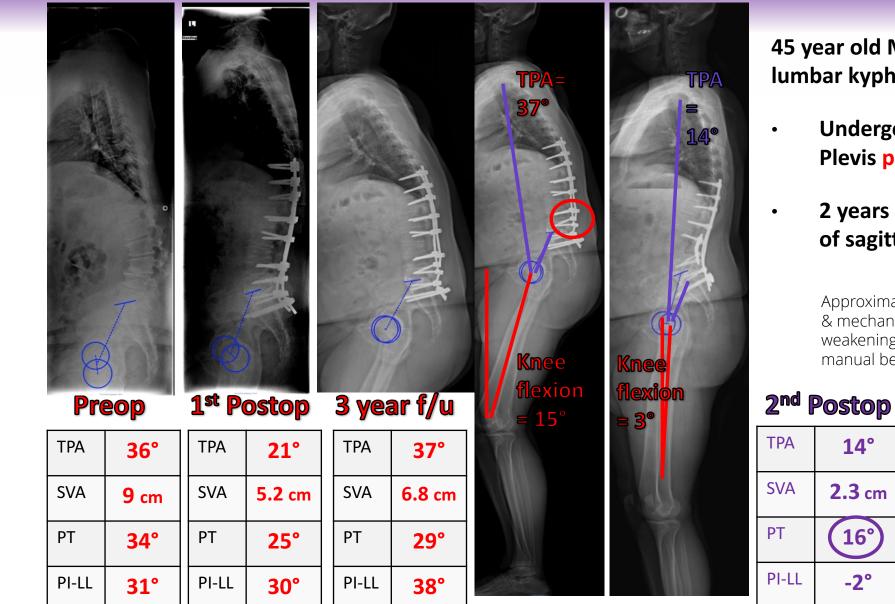
- Age-adjusted alignments were calculated using simplified formula
- Patients were classified as either:
 - Under corrected (UNDER)
 - Matched (MATCHED)
 - Over corrected (OVER)
- Threshold for over and under corrected were calculated base on patient age +/- 10 years
- Patient reported outcomes were compared between these 3 groups
 - ANOVA with Tukey's Post-hoc analysis
 - Kruskall-Wallis







SURGICAL LIMITATIONS & REVISION



45 year old M with post-traumatic lumbar kyphosis

- Undergoes PSO L3 and T10-Plevis prior to UNID
- 2 years F/U: broken rods and loss of sagittal alignment

Approximation & mechanical weakening in manual bending

14°

2.3 cm

16°

-2°

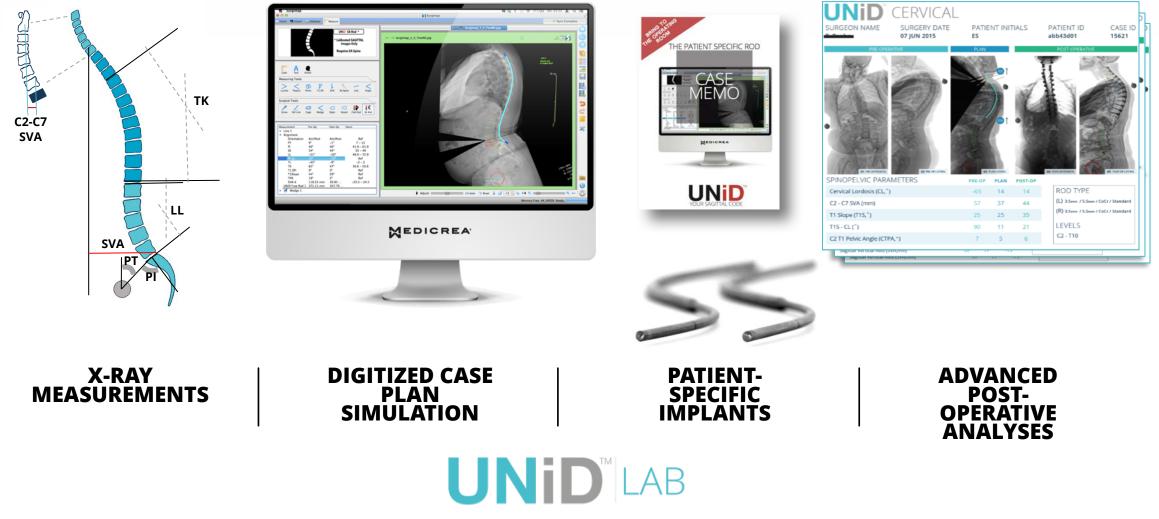


UNID

- OVER 40 UNID ROD CASES PERFORMED SINCE DEC 2014
- ADAPTATION AND IMPROVEMENT OF SURGICAL STRATEGY BASED ON ANALYSIS OF EXPERIENCE
- PRIOR EXPERIENCE PLANNING
 CASES PERSONALLY
- LIMITED LEARNING CURVE
 ADOPTING INTO PRACTICE

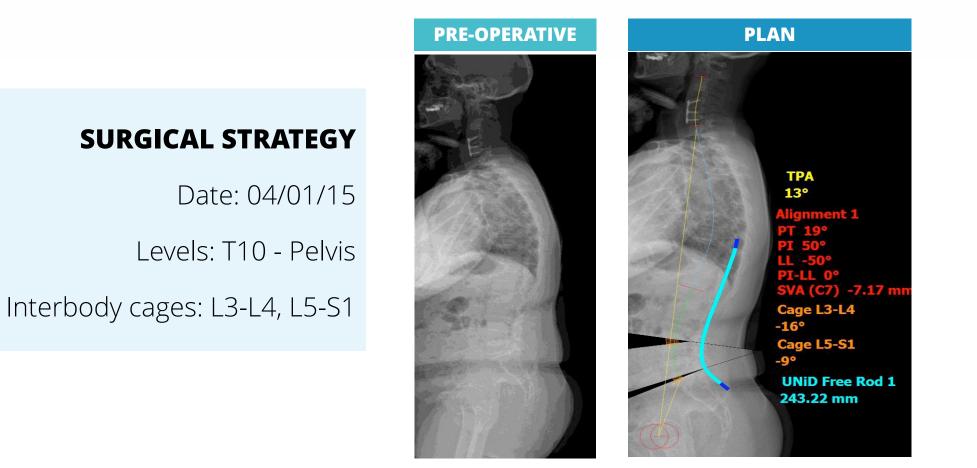


FORMING AN ITERATIVE TECHNIQUE





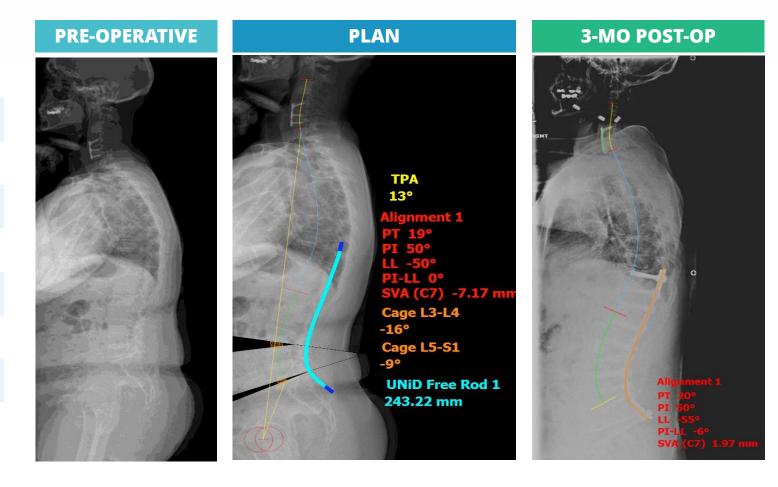
CASE STUDY: EARLY EXPERIENCE





CASE STUDY: EARLY EXPERIENCE

SPINOPELVIC PARAMETERS	PRE-OP	PLAN	3-MO POST OP
Pelvic Tilt (PT,°)	29	19	20
Pelvic Incidence (PI,°)	50	50	50
Sacral Slope (SS,°)	21	31	30
Lumbar Lordosis (LL,°)	29	50	55
PI-LL (°)	20	0	-6
Thoracic Kyphosis (TK,°)	32	32	44
T1 Pelvic Angle (TPA,°)	27	13	-
Sagittal Vertical Alignment (SVA,mm)	51.9	-7.2	1.95





CASE STUDY: PELVIC COMPENSATION

PRE-OPERATIVE

SURGICAL STRATEGY

Date: 08/22/16 Levels: T10 - Pelvis Interbody cages: L5/L6, L6/S1 Osteotomy: L5 PSO Comments: 6 lumbar vertebrae

SPINOPELVIC PARAMETERS	PRE-OP	
Pelvic Tilt (PT,°)	34	
PI-LL (°)	28	
T1 Pelvic Angle (TPA,°)	31	
Sagittal Vertical Alignment (SVA,mm)	49.6	

TPA

31°

70 year old M with lumbar flatback and severe spinal stenosis



EVOLUTION OF PLANNING BE (T

Sagittal Vertical A

Planned T2-Pelvis for intraop flexibility

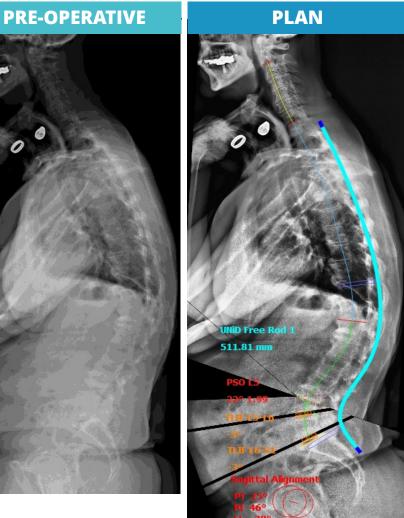
z. 3.

PREOPERATIVE FRONTAL

Rod planned from T2 to Pelvis for intra-op flexibility.

SPINOPELVIC PARAMETERS	PRE-OP	PLAN
Pelvic Tilt (PT,°)	34	15
Pelvic Incidence (PI,°)	46	46
Sacral Slope (SS,°)	12	31
Lumbar Lordosis (LL,°)	17	39
PI-LL (°)	29	7
Thoracic Kyphosis (TK,°)	28	28
T1 Pelvic Angle (TPA,°)	31	15
Sagittal Vertical Alignment (SVA,mm)	52	48

70 year old M with	lumbar
flatback and severe	spinal
stenosis	



(C7) 48.22 mm

PLEASE SEND YOUR POSTOPERATIVE X-RAYS TO THE UNID LAB FOR ANALYSI

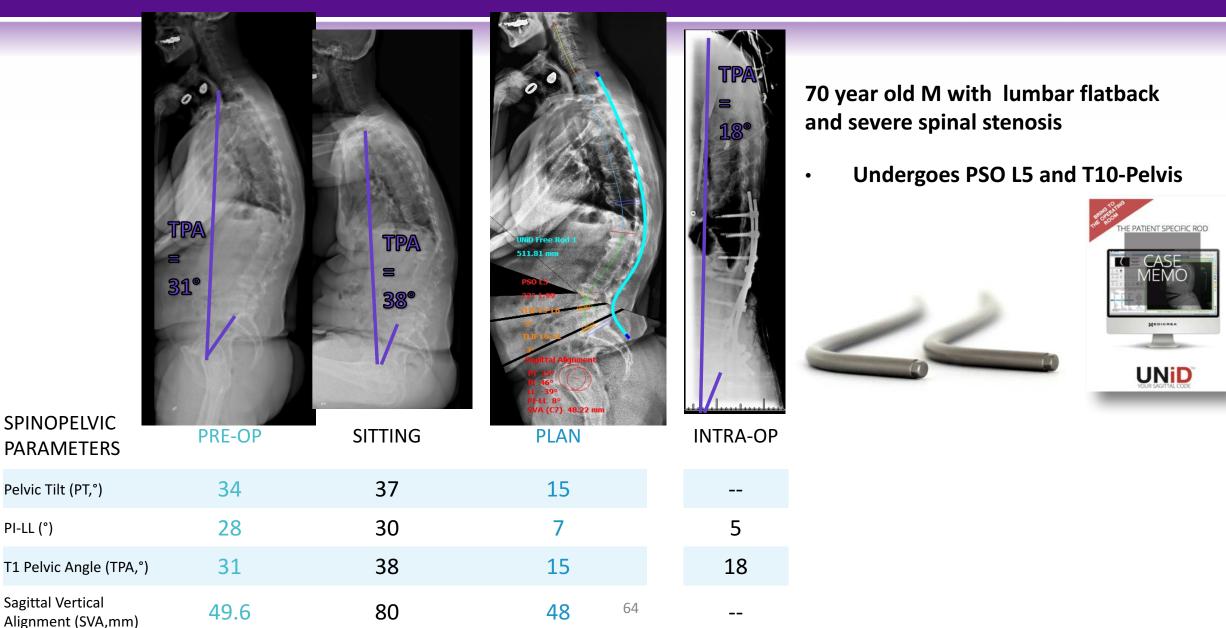
Marks on rod co

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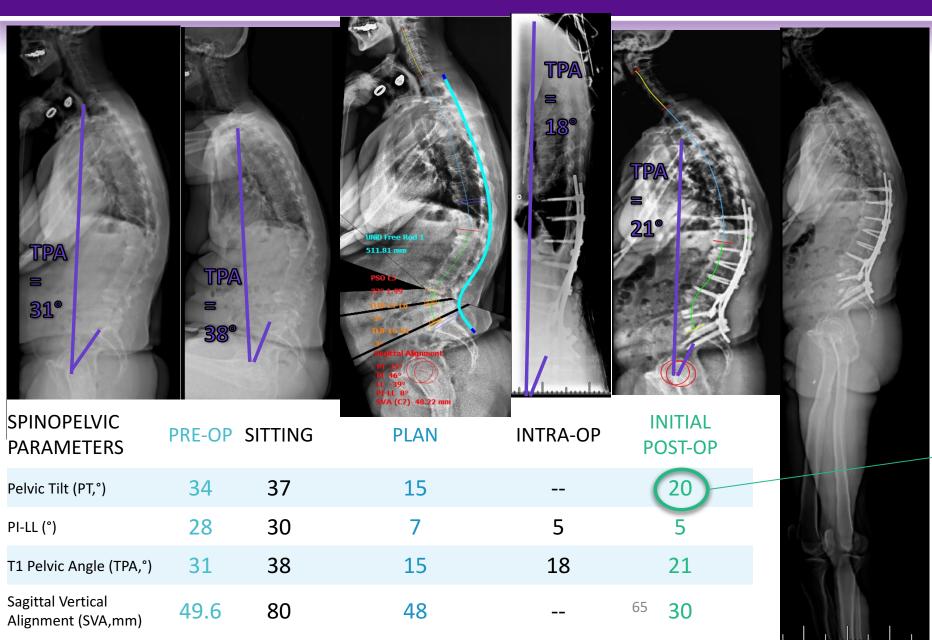
PI-LL (°)

PREDICTABILITY OF CORRECTION





CONTINUOUS IMPROVEMENT



70 year old M with lumbar flatback and severe spinal stenosis

Pelvic compensation resolved

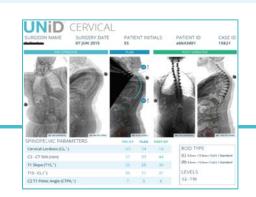


EVOLUTION OF PRACTICE

UNID

- Reduction in revision cases
- No rod breakage experienced
- Respects need for comprehensive patient file documentation
- Clear markers for quality of care assessment
- Established working relationship with UNiD Lab
- More consistent start to finish

















UNID

- 1) PREDICTS PATIENT-SPECIFIC **OPTIMAL** SAGITTAL ALIGNMENT
- 2) PROVIDES ITERATIVE CLINICAL TREATMENT SOLUTION
- 3) SAFEGUARDS AGAINST REVISION
- 4) REMOVES INTRA-OPERATIVE FIDDLE & MATERIAL DAMAGE
- 5) FEEDS BACK STATISTICAL ANALYSIS TO PLANNING SEQUENCE

UNID TECHNOLOGY MAY BECOME STANDARD OF CARE FOR ALL CERVICAL AND THORACO-LUMBAR COMPLEX SPINE PROCEDURES.



"Understanding and restoring sagittal alignment is key towards providing better patient outcomes and preventing the need for reoperations, a major factor in rising health care costs. By providing rod customization, UNiD[™] allows surgeons to precisely execute their preoperative plan and frees them from the antiquated technique of freehand bending, ensuring individual patients receive the most accurate and effective treatment. Having a more precise, personalized rod ready before even stepping foot in the operating room is a game-changer for spine surgery."

- Dr. Frank Schwab, HSS, New York

"The [UNiD™] patient-specific rod is very much ahead of its time. When we finish the operation, we've left them with the best possible appearance for the rest of their lives. The curve is not going to worsen and there is less likelihood of them having pain."

- Dr. Andrew King, Children's Hospital New Orleans

"We now realize how important it is to provide a specific alignment of the spine that is unique to each patient. If we do not achieve the optimal alignment during surgery, then we are too-often revising that patient later. UNiD™ is using precision technology and analysis to solve this clinical issue for patients as well as providing an invaluable support service and feedback loop for surgeons."

- Dr. Evalina Burger, University of Colorado Hospital

"The days of walking into the OR and 'figuring it out' are over."

- Dr. John Steck, LSU, New Orleans