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ClearCount Introduces Industry-First Never Event Warranty™ (N.E.W.)

Even one left-behind sponge incident can jeopardize hospital reputation and cause catastrophic patient events

PITTSBURGH, Pa., March 16, 2009 – ClearCount Medical Solutions, an innovator of patient safety solutions for the operating room, announced today that it has introduced its industry-first Never Event Warranty™ (N.E.W.) that will cover unreimbursed surgery costs associated with a retained sponge.

Retained sponge incidents jeopardize hospital reputation and cause catastrophes for staff and patients. Published studies indicate that today one in every 1,000 to 1,500 intra-abdominal surgeries results in a sponge left behind in the patient.

As of October 2008, the Centers for Medicare and Medicaid Services (CMS) and a number of private insurers no longer reimburse hospitals for procedures associated with “never events” including left-behind surgical sponges (most frequent retained foreign body). “Never Events” are preventable injuries and infections that occur during hospital stays. Retained foreign objects are the most frequent and most costly surgical “never events.” They are also a leading Sentinel Event according the Joint Commission, the organization responsible for hospital accreditation in the U.S.

“We created the industry-first Never Event Warranty because we are confident that the SmartSponge System will make retained sponges in hospitals a thing of the past,” said David Palmer, ClearCount’s President and CEO. “The SmartSponge System, as the only system to both count and detect, provides a level of assurance that allows us to offer N.E.W., and we’re excited to provide this additional value to our customers.”

(more)

The SmartSponge System is the first and only system to incorporate the efficiency of counting with the safety of detection. The SmartSponge System is the only system to provide continuous vs. episodic counting. Providing an average of 80,000 counts per procedure, this continuous counting benefit makes the difference in complex surgeries where shift changes and delays often occur, as well as providing valuable assurance in every surgical case. The SmartSponge System operating procedures became the first educational material awarded the Association of periOperative Registered Nurses' (AORN) "Seal of Recognition," recognized by the OR community as a premier resource for training, information, and support.

According to the Federal Register, the average Medicare payment for admissions in which an object is left behind during surgery is more than \$63,000 per incident. ClearCount's Never Event Warranty provides hospitals with up to \$100,000 for unreimbursed surgical costs should a retained sponge case occur in conjunction with the SmartSponge System (see ClearCount for details).

About ClearCount Medical Solutions

ClearCount Medical Solutions is a medical device company focused on patient safety solutions. ClearCount has assembled an extendable RFID-based platform that provides a comprehensive solution to drive efficiency while preventing medical errors. ClearCount's SmartSponge System, exclusively available through Cardinal Health, is the only FDA-cleared RFID enabled system for counting and detecting surgical sponges. The SmartSponge System is a reconciliation and detection solution that improves patient and O.R. safety, enhances operational efficiency, and reduces cost. To learn more, visit www.clearcount.com.