

# Study Results: Cost Savings Associated with Robotic-Assisted Laparoscopic Prostatectomy

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### Robotic-assisted clinical outcomes again proven to provide economic benefits across healthcare system

SUNNYVALE, Calif., March 28, 2016 (GLOBE NEWSWIRE) -- Intuitive Surgical, Inc. (Nasdaq:ISRG) today announced the published results of a <u>new study</u> led by Ashutosh Tewari, MBBS, MCh, Professor and System Chair of Urology at Mount Sinai Health System in New York<sup>1</sup>, titled, "A Multidimensional Analysis of Prostate Surgery Costs in the United States: Robotic-Assisted versus Retropubic Radical Prostatectomy," which was recently published in *Value in Health*.<sup>2</sup>

In the United States, prostate cancer is the most commonly diagnosed cancer among men and accounts for 27 percent of all cancer diagnoses. With the estimated direct costs of cancer diagnoses totaling over \$125 billion, and more than 80 percent of prostate cancer surgeries done by robotic-assisted Laparoscopic Prostatectomy (RALP), the financial impact of prostatectomies on the healthcare economy is enormous.

In this study, researchers examined the financial impact of RALP versus Retropubic Radical Prostatectomy (RRP) for each radical prostatectomy by performing a systematic peer-reviewed literature search for clinical outcomes and by creating cost models for three different ways to assess the costs: hospital costs, payers' expenditure and society's expenses.

The results of the study revealed cost savings for hospitals, payers and society, when RALP surgeries are performed with *da Vinci*® Surgical Systems compared to RRP surgeries. Statistical analyses showed a clear cost savings with RALP for payers (99%) and society (83%) and for the individual hospital 38 to 79 percent of the time.<sup>3</sup> While previous research has been limited to a single cost model, often direct hospital and robotic system costs, this study included multiple ways to assess the costs, reporting cost savings of \$1,451 per patient for the payer and \$1,202 per patient in societal savings.

"It is clear that the adoption of robotic-assisted Laparoscopic Prostatectomy eases the financial burden of prostate cancer on our healthcare system," said Dr. Ashutosh Tewari, Professor and System Chair of Urology at Mount Sinai Health System. "As the healthcare providers strive to improve both patient outcomes and achieve greater value, this data shows that technologies like the *da Vinci* Surgical System can simultaneously deliver cost-effective treatment and care that can make surgery easier on patients."

The study also calculated the costs of the robotic system in two different ways – as hospital overhead including hospital costs, inpatient bed, and inpatient days (resulting in \$1,094 in hospital savings) and using the annual volume of robotic procedures (\$341 in extra costs). This demonstrates that potentially higher robotic surgical expenditures are counteracted by cost savings due to better clinical outcomes, including reduced complications, improved functional outcomes (e.g. continence and sexual function), and a faster recovery.

"This study further demonstrates that hospital administrators need to look beyond visible operating room costs when analyzing the robotic-assisted surgery value proposition," said Myriam Curet, M.D., Senior Vice President, Chief Medical Officer at Intuitive Surgical, Inc. "The ability of robotic-assisted surgery to reduce complications and shorten hospital stays, undoubtedly leads to greater value for patients and healthcare providers."

- <sup>1</sup> Dr. Ashutosh Tewari receives financial compensation as a lecturer from Intuitive Surgical, Inc., and is a named inventor on a patent relating to Urethral Catheterless Radical Prostatectomy.
- <sup>2</sup> Intuitive Surgical, Inc. provided funding for independent research and editorial support.
- <sup>3</sup> Bijlani, A, et al. A Multidimensional Analysis of Prostate Surgery Costs in the United States: Robotic-Assisted versus Retropubic Radical Prostatectomy. Value in Health, Vol. 0, Issue 0. 2016.

#### About Intuitive Surgical, Inc.

Intuitive Surgical, Inc. (Nasdaq:ISRG), headquartered in Sunnyvale, Calif., is the global leader in robotic-assisted, minimally invasive surgery. Intuitive Surgical develops, manufactures and markets the *da Vincl*<sup>®</sup> Surgical System.

#### About the da Vinci Surgical System

There are several models of the *da Vinci* Surgical System. The *da Vinci* Surgical Systems are designed to help surgeons perform minimally invasive surgery. *da Vinci* Systems are not programmed to perform surgery on their own. Instead, the procedure is performed entirely by a surgeon who controls the system. *da Vinci* Systems offer surgeons high-definition 3D vision, a magnified view, and robotic and computer assistance. They use specialized instrumentation, including a miniaturized surgical camera and wristed instruments (i.e., scissors, scalpels and forceps) that are designed to help with precise dissection and reconstruction deep inside the body.

#### **Important Safety Information**

Serious complications may occur in any surgery, including *da Vinci* Surgery, up to and including death. Risks include, but are not limited to, injury to tissues and organs and conversion to other surgical techniques. If your doctor needs to convert the surgery to another surgical technique, this could result in a longer operative time, additional time under anesthesia, additional or larger incisions and/or increased complications. Individual surgical results may vary. Patients who are not candidates for non-robotic minimally invasive surgery are also not candidates for *da Vinci* Surgery. Patients should talk to their doctors to decide if *da Vinci* Surgery is right for them. Patients and doctors should review all available information on non-surgical and surgical options in order to make an informed decision. Please also refer to <a href="https://www.daVinciSurgery.com/Safety">www.daVinciSurgery.com/Safety</a> for Important Safety Information.

## **Forward-Looking Statement**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are necessarily estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors, including those under the heading "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2015, as updated from time to time by our quarterly reports on Form 10-Q and our other filings with the Securities and Exchange Commission. Statements using words such as "estimates," "projects," "believes," "anticipates," "plans," "expects," "intends," "may," "will," "could," "should," "would," "targeted" and similar words and expressions are intended to identify forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. We undertake no obligation to publicly update or release any revisions to these forward-looking statements, except as required by law.

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