

R_xFunctionTM

“Mobility for Living”

Dan Leach, MBA - CEO

Lars Oddsson, PhD - President



How walkasins improve Balance

At-risk faller walking with Eyes Closed



OFF
24 Steps
12 s

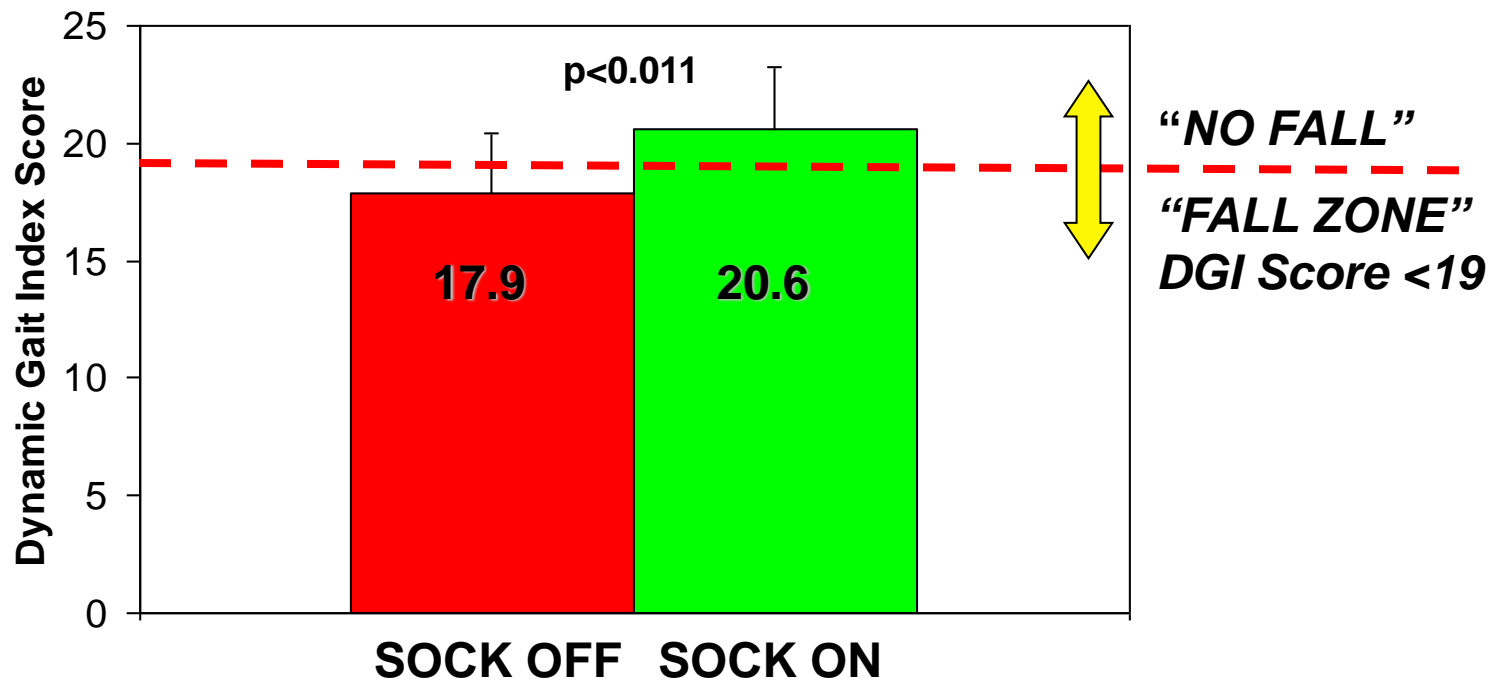
ON
16 Steps
9 s

OFF
22 Steps
12 s

Dynamic Gait Index* - 9 Elderly Fallers

3rd Party Lab

*Clinical assessment of Gait Balance through eight tasks^{27,28,33}



- Subjects “become” non-fallers
- Such a change requires weeks of PT!

Problem: Falls in the Hospital (US alone)

- 2.3-7 falls/1000 Patient Days ^{6,12,18,24}
- Approx 235 Million Patient Days ^{3,26}
- Approx 1 Million falls/year (from above)
- 30% result in injury, even death ^{2,19}
- Increased hospital cost/injurious fall - \$11,042 ²³
- Approx hospital costs of falls/year \$3.3 Billion
- **+ Unknown costs related to liability**



Problem: Mandates & Payments

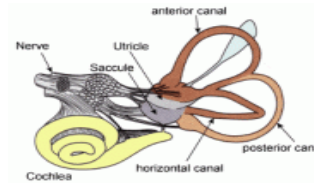
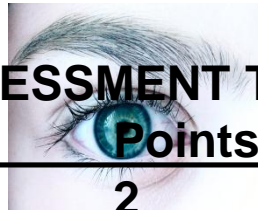
- The Joint Commission:
 - accredits 95% of hospital beds ^{10,11,25}
 - establish the National Patient Safety Goals ^{4,11,25}
- MUST for Medicare & Medicaid reimbursement
- In 2008 Medicare stopped reimbursement for “never events”, including falls!
- Accountable Care Organizations – 30 day readmission



Balance Inputs & Motor Output

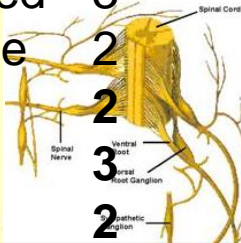
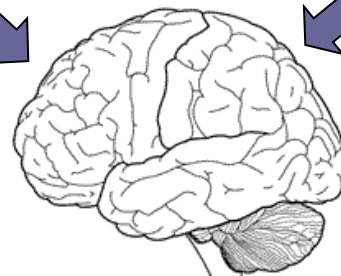
Typical FALL RISK ASSESSMENT TOOL

Factor	Points
1. Age	2
2. Mental Status	4
3. Elimination	5
4. History of Falling	5
5. Visual Impairment	1
6. Auditory Impairment	1
7. Confined to Chair or Bed	3
8. Blood Pressure Change	2
9. Balance	2
10. Mobility	3
11. Medication	2



Vision

Vestibular



Somatosensory

Motor Output

Score ≥ 10 indicates Risk of falling

Substitution OR Augmentation

Solution: walkasins

A Wearable Balance Prosthetic Device
using vibrotactile feedback to improve balance



The Market –

Annual Total Market Size Estimate

(Total 5,756 registered hospitals & 946,947 staffed beds in the US³)

Hospital market size estimate, all US	Low Case	High Case
Number of Admissions/Year US	37,006,027	37,006,027
Patients screened at risk of Falls	5%	20%
Number of Patients/Year screened to wear a sock ³	1,850,301	7,401,205
Market size @ \$199/sock pair	\$ 368,209,969	\$ 1,472,839,875



Business Model

- Sell Walkasins™
- 85% GM – Price \$199
- 60-120 day Consumable Sole Insert <\$50
- Hospital: Allina – Best practices/service
- Direct – Hospital Sales – Regional – Scale w Demand
- Resellers → Two-Tiered Distribution



Conclusion

- Hospitals – Joint Commission mandate to control falls
- Medicare non-reimbursement for “never events”
- New focus on wellness, prevention and cost containment in healthcare system
- Aging population – 40 million (today), 80 million (2030)
- Wearable sensors and battery technology enables Walkasins™



Thank You
Come and see us in Booth 829



walkasins

balance sensing socks

Balance • Confidence • Mobility