

## **Intersect ENT Announces Data Further Demonstrating Health Economic Value of PROPEL Steroid Releasing Implants**

*Savings Associated with Reduced Post-Operative Interventions Support Use of PROPEL*

MENLO PARK, Calif., November 10, 2015 – Intersect ENT, Inc. (Nasdaq:XENT) today announced the presentation of a budget impact analysis demonstrating the value of PROPEL<sup>®</sup> steroid releasing implants when used for the treatment of patients with chronic sinusitis. The new data was presented at the International Society for Pharmacoeconomics and Outcomes Research (ISPOR) 18<sup>th</sup> Annual Congress in Milan, Italy.

The study demonstrated that the use of PROPEL in patients undergoing endoscopic sinus surgery has a negligible impact of  $-\$0.03$  to  $\$0.02$  PMPM (per member, per month) on the health care budget of either a self-insured employer or U.S. commercial payor. The upfront cost of the device was offset by savings associated with reduced probability of post-operative inflammation and scarring and their subsequent treatment. The study analyzed data based on a systematic literature review of clinical outcomes following the use of PROPEL.

The budget impact analysis methodology, which assesses affordability of a medical technology such as a drug or a medical device, is of significant importance to employers since more than 60 percent of covered workers in the U.S. are in a plan that is completely or partially funded by their employer.<sup>1</sup> Further, refractory chronic sinusitis results in a productivity cost to employers of over \$10,000 per patient annually, due to lost work days related to both absenteeism and presenteeism (24.6 and 38.8 days per year respectively),<sup>2</sup> and the average age of patients undergoing sinus surgery in the U.S. is 40.<sup>3</sup>

The authors of this analysis include Luke Rudmik, MD, MSc, clinical associate professor, Division of Otolaryngology–Head and Neck Surgery, Department of Surgery, at the University of Calgary, a health economist in the otolaryngology community, and John A. Rizzo, Ph.D., professor of the Departments of Preventive Medicine and Economics, Stony Brook University, in Stony Brook, NY, one of the most widely published health economists in the world.

“A previous study demonstrated the use of PROPEL in sinus surgery for medically refractory chronic sinusitis may be a cost-effective intervention for preventing medical and surgical intervention following sinus surgery. This complementary analysis demonstrates the ‘affordability’ for a payor or self-funded employer which will continue to assist in the making appropriate coverage decisions,” said Dr. Rudmik.

“Chronic sinusitis is one of the top 10 most costly conditions to U.S. employers – associated with a heavy societal productivity cost of more than \$12 billion annually in the U.S.,” said Lisa Earnhardt, president and CEO of Intersect ENT. “In today’s health care environment, we need solutions that optimize long-term cost effectiveness by reducing unnecessary complications, while ensuring that they are affordable today for payors and providers. PROPEL’s clinically proven ability to improve surgical outcomes while reducing the need for additional medications and procedures make it attractive from both



a clinical and economic perspective. PROPEL is well positioned to positively impact health care today and in the future."

### **About Intersect ENT**

Intersect ENT, Inc. is dedicated to improving the quality of life for patients with ear, nose and throat conditions. The company markets two steroid releasing implants, PROPEL<sup>®</sup> and PROPEL<sup>®</sup> mini, clinically proven to improve surgical outcomes for patients with chronic sinusitis undergoing ethmoid sinus surgery. In addition, Intersect ENT is developing new steroid releasing implants designed to provide ENT physicians with even more customized options to treat patients with chronic sinusitis less invasively and more cost effectively. Chronic sinusitis is an inflammatory condition leading to debilitating symptoms and chronic infections, and is one of the most costly conditions to U.S. employers.

For additional information on the company or the products including risks and benefits please visit [www.intersectENT.com](http://www.intersectENT.com).

### **Forward-Looking Statements**

The statements in this press release regarding the potential long term cost effectiveness of PROPEL and PROPEL mini and the ability for Intersect ENT to broaden access to its products by patients with chronic sinusitis are "forward-looking" statements. These forward-looking statements are based on Intersect ENT's current expectations and inherently involve significant risks and uncertainties. These statements include those related to the review of data by and timing for approval by the FDA as well as the rate of patient adoption for Intersect ENT's products, if approved. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of risks and uncertainties, which include, without limitation, the performance of PROPEL and PROPEL mini, the development of competitive products, the uncertain timing of completion of and the success of clinical trials and market competition. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in Intersect ENT's filings on Form 10-K, Form 10-Q and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site ([www.sec.gov](http://www.sec.gov)). Intersect ENT does not undertake any obligation to update forward-looking statements and expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein.

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<sup>1</sup> Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2014

<sup>2</sup> Rudmik, L., Smith, T. L., Schlosser, R. J., Hwang, P. H., Mace, J. C. and Soler, Z. M. (August 2014), Productivity costs in patients with refractory chronic rhinosinusitis. *The Laryngoscope*. 151: 359-366, doi:10.1177/0194599814533779

<sup>3</sup> Bhattacharyya, Lee 2012 *Laryngoscope* Regional and specialty variations in CRS