



Cardinal Health, ClearCount Medical Solutions Sign Primary Distribution Agreement for RFID-Enabled Sponge Counting, Detection System

SmartSponge(TM) System Alerts Surgical Staff If Sponges Remain In Patients

DUBLIN, Ohio, April 1, 2008 -- Cardinal Health, a global provider of products and services that improve the safety and productivity of health care, today announced an agreement with ClearCount Medical Solutions to distribute the first system cleared by the Food and Drug Administration that integrates both counting and detection for sponge management during surgeries.

Under the terms of the agreement, Cardinal Health will be the primary distributor for ClearCount's patented SmartSponge(TM) system to hospitals, surgery centers and other health care distributors in the U.S. Cardinal Health will offer the SmartSponge(TM) system as part of its Presource(R) surgical kits and as a stand alone offering.

The sponges are permanently affixed with a passive radio frequency identification (RFID) tag smaller than a dime. The SmartBucket(TM) display highlights any count discrepancies. If a discrepancy occurs, a SmartWand(TM) scan is used to identify any sponges remaining in the patient. A SmartMat(TM) under the patient provides the user with notification that a scan is proceeding properly. As the only system to integrate counting and detection for the purpose of sponge management, the SmartSponge(TM) system saves time, prevents unnecessary X-rays, reduces the possibility of user error, minimizes delays in procedures and reduces the hassles associated with count discrepancies.

"Patient safety has always been a top priority for hospitals, and they are becoming even more focused on preventing foreign objects from being left behind following surgery," said Steve Inacker, president and general manager of Cardinal Health's Presource kitting business. "This agreement demonstrates our continuing commitment to offer our customers leading technologies to help improve safety and productivity in their operating rooms."

The Centers for Medicare and Medicaid Services (CMS) and an increasing number of private insurers have indicated that in the near future they will no longer reimburse for procedures associated with "never" events such as left- behind surgical sponges. Published studies today indicate that one in every 1,000 to 1,500 intra-abdominal surgeries results in a sponge left behind in a patient. A retained sponge incident can lead to serious complications, including sepsis, unnecessary X-rays, need for repeat surgeries and even death.

"Cardinal Health is a leader in patient safety, and our partnership is yet another example of their commitment to remain at the forefront of the industry," said David Palmer, chief executive officer of ClearCount. "Technologically advanced hospitals have been seeking a comprehensive solution to the sponge management challenge, and we have every confidence that our system meets their needs."