



# New Direction for HydroCision

Walter Eisner • Mon, Sep 20th, 2010

HydroCision Inc., developer of the SpineJet system has new venture capital owners, a new leader and is moving in a new direction.

The company announced on September 15 that Howard Donnelly has replaced Doug Daniels as President and CEO. The company also announced that new investors including Volcano Capital, Bioventures and Omega Funds have acquired the majority of the company. No purchase price was noted.

## New CEO: Howard Donnelly

According to the company announcement, Donnelly has more than 20 years of senior-level experience in the medical device industry. He previously served as president of Level 1, a medical device subsidiary of Smiths Group.

HydroCision has been challenged with reimbursement issues and providers have needed additional proof of the cost effectiveness of the company's Fluidjet surgical technology which is used in discectomy and interbody fusion procedures.

## New Direction

Donnelly referred to a "new strategic direction" for the company and plans to invest in U.S.-based research projects to further validate the clinical and economic value of HydroCision products.

"We believe a stronger medico-economic justification for the use of our products will afford us the platform we need to scale adoption in the U.S. and OUS markets," added Donnelly.

Paul Kowalski, the company's VP for Sales and Marketing, added some detail in comments to OTW, including:

- Sales force expansion in the U.S. using independent reps that meet the company's target profile; selective continued OUS expansion in China, Middle East, Brazil, and Europe
- Clinical research guided by a reimbursement consultant recently hired by the company
- Comparative effectiveness research of the company's discectomy technology used in outpatient settings vs. inpatient and resulting clinical and economic advantages for patients and payers
- Comparative effectiveness of manual instrumentation for interbody fusion with endpoints (demonstrating) time savings and resulting OR efficiencies, disc prep effectiveness and resulting fusion success rates.

In a question about the departure of the previous CEO, Kowalski told us the new investors decided to bring in new leadership.

Since its introduction in 2005, the SpineJet system has been used in more than 45,000 spinal, arthroscopic and wound debridement procedures.

Source: *Eisner, Walter. "New Direction for HydroCision." Orthopedics This Week. Mon, Sep 20th, 2010.*  
[http://ryortho.com/companyNews.php?news=731\\_New-Direction-for-HydroCision](http://ryortho.com/companyNews.php?news=731_New-Direction-for-HydroCision)