

Manufacturer Charged Up About Device to Ease Arthritic Pain

San Diego Business Journal

VQ OrthoCare

CEO: James Knape.

Original investment in BioniCare technology: \$50 million.

No. of local employees: 32.

Investors: Knape and his wife, Dorian (undisclosed amount).

Company description: Maker of knee braces, electrotherapy devices, bone growth stimulators and rehabilitation products.

Besides losing weight, receiving cortisone shots, taking pain pills, or getting a total knee replacement, few options exist for patients living with moderate to severe osteoarthritis.



[1]

Photo courtesy of VQ OrthoCare

Manufacturer Charged Up About Device to Ease Arthritic Pain

Published on Medical Design Technology (<http://www.mdtmag.com>)

The BioniCare device stimulates the wearers knee electrically.

Dr. Thomas Zizic, a part-time rheumatologist and former Johns Hopkins University Medical School associate professor, began looking into alternatives. In 2002, he co-founded BioniCare Medical Technologies Inc., a Baltimore-based company focused on treating arthritis of the knees by combining knee braces with electrical stimuli.

Three years after its launch, the company had managed to raise \$43 million in funding, according to the Baltimore Business Journal. But the firm struggled for years to secure a Medicare reimbursement rate for its lead product, a U.S. Food and Drug Administration-cleared knee brace called the BIO-1000. It eventually did, but the reimbursement covered only a fourth of the manufacturers suggested price of \$4,400. Adding to its troubles, the company saw a major investment deal fall through in late 2006, the publication reported.

By 2007, the company had filed for Chapter 7 liquidation. But it soon gained new life through Murray Electronics Associates LP, a company that licensed BioniCare its original technology. Murray purchased BioniCare assets for \$3.3 million, and turned the business into a company called Arthrowave Medical Technologies.

Zizic's technology resurfaced at VQ OrthoCare, an Irvine-based company with manufacturing operations in Vista, when it purchased Arthrowave in May 2009 for an undisclosed price.

Game-Changing Technology

I knew we had core technology in our bracing line that would be adjunctive and make the overall combination of the two products better, said VQ OrthoCare Chief Executive Officer James Knappe. I really did feel immediately that this could be game-changing technology and, fortunately, I think that's been recognized.

VQ started in Knappe's garage about 20 years ago with electrotherapy devices aimed at surgeons.

At that time, they had just begun to take big tabletop models of electromedical products and miniaturize them, Knappe said. And that was brought into the physician role at that time, really creating a new market.

In July 2006, VQ OrthoCare added knee braces to its product lineup through the acquisition of Omni Life Sciences Inc. of Vista for an undisclosed amount.

Today, it markets the BioniCare device, designed to give lasting arthritic pain relief by sending low-level electrical pulses to the knee, to patients and their physicians worldwide, through a network of distributors in 26 states and nine countries. In all, the company and its subsidiaries offer 4,000 rehabilitation and regeneration products aimed at the nonoperative orthopedic market.

Manufacturer Charged Up About Device to Ease Arthritic Pain

Published on Medical Design Technology (<http://www.mdtmag.com>)

Made in Vista

Inside its two Vista warehouses, which total 35,000 square feet, 32 full-time employees strategize on product design, work the assembly line and ensure quality processes.

Its a 24-hour operation that typically keeps four weeks worth of product on hand, ready to be shipped at any time. Within 48 hours of receiving the necessary clearances from its headquarters, the company can deliver custom-made knee braces to the patient, according to Chief Operating Officer Kevin Lunau.

Knappe says he believes strongly in the technology, which he has estimated could save \$3.1 billion in U.S. health care costs if the braces defer total knee replacements.

[SOURCE](#) [2]

Source URL (retrieved on 09/23/2014 - 10:29am):

<http://www.mdtmag.com/news/2010/06/manufacture-charged-about-device-ease-arthritic-pain>

Links:

[1] <http://www.sdbj.com/photos/2010/jun/21/1466/>

[2] <http://www.sdbj.com/news/2010/jun/21/manufacture-charged-about-device-ease-arthritic-p/>