

Proposed USA Medicare Changes

Highlights

- **Local coverage determination (LCD) changes proposed for Medicare reimbursement of MIGS procedures in Kansas, Nebraska, Missouri, Iowa, Indiana and Michigan, is not expected to have an impact on sales.**
- **The impact of the LCD on the Company's revenues is dependent upon the surgical technique deployed by surgeons when using the Company's iTrack™ portfolio.**
- **Should the LCD be implemented, the Company's iTrack™ portfolio may have no reimbursement coverage for the ab interno canaloplasty surgical technique in those states from December 24, 2023. The use of iTrack™ for the ab externo surgical technique is expected to maintain coverage beyond December 24, 2023.**
- **The Company's Molteno3® portfolio will maintain coverage.**
- **The Company's technology platform and intellectual property portfolio, provides an opportunity to adapt to the proposed changes, take advantage of market consolidation and, ultimately, maintain sales and sales growth.**

Nova Eye Medical Limited (ASX: EYE) (Nova Eye Medical or the Company), a medical technology company committed to advancing ophthalmic treatment technologies, today comments on the final draft of the local coverage determination (LCD) proposed changes announced on October 26, 2023, by Wisconsin Physician Service Insurance Corporation (WPS) concerning its coverage policies for minimally invasive glaucoma surgery (MIGS) procedures.

WPS is a Medicare Administrative Contractor (MAC), which administers the insurance reimbursement claims of healthcare facilities in Kansas, Nebraska, Missouri, Iowa, Indiana, and Michigan. The actual impact of the proposed changes on the revenue is dependent upon the surgical technique with which surgeons are using the Company's iTrack™ portfolio in those states.

In the final draft LCD from WPS, limited or denied coverage has been proposed for several MIGS procedures, including ab interno canaloplasty surgical procedure, effective December 24, 2023.

The proposed changes by WPS are expected to be heavily contested by various industry stakeholders, including the American Glaucoma Society.

The iTrack™ portfolio has several indications for use by doctors with or without cataract surgery. Surgeons enjoy flexibility to use the iTrack™ products in a variety of surgical techniques and to seek reimbursement accordingly. Unlike other devices that have been referenced by WPS as losing coverage after 24 December 2023, iTrack™ products have not been specifically denied coverage.

According to Tom Spurling, Nova Eye Medical's Managing Director, the Company is positioned well to adapt to the final draft LCD.

“The iTrack™ portfolio is used by surgeons via different surgical techniques, depending on the glaucoma disease state to be treated (mild, moderate or severe), and is covered by multiple reimbursement codes. Canaloplasty performed via an ab interno surgical technique, commonly referred to as ab interno canaloplasty, has been foreshadowed as excluded from coverage; however, the use of iTrack™ to perform canaloplasty via the ab externo surgical technique has been proposed as retaining coverage.”

“Should the LCD be implemented our suite of products, regulatory clearances, and IP portfolio, provide us with the opportunity to adapt to the proposed changes, take advantage of market consolidation and, ultimately, maintain sales and sales growth,” added Mr. Spurling.

Surgery with the Company’s Molteno3® product portfolio, which is typically used in cases of late-stage glaucoma, remains covered.

Commenting on the pathway forward, Mr. Spurling said

“Should the final draft LCD be implemented, the Company will be able to pivot with the dynamic reimbursement landscape. The biggest challenge we see from the potential changes is the confusion it may cause with customers. Our priority is to educate our stakeholders on the implications of the proposed changes.”

This release dated 31 October 2023 has been authorised for lodgement to ASX by the Board of Directors of Nova Eye Medical Limited and lodged by Simon Gray, Company Secretary.

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Company

Tom Spurling
Managing Director
+61 417 818 658
tspurling@nova-eye.com

Company

Kate Hunt
Chief Commercial Officer
+61 404 080 679
khunt@nova-eye.com

Investors

Mark Flynn
Investor Relations
+61 416 068 733
mflynn@nova-eye.com

ABOUT NOVA EYE MEDICAL

Nova Eye Medical Limited is a medical technology company that develops, manufactures and sells a portfolio of proprietary ophthalmic treatment technologies and devices. Used by eye surgeons in more than 100 countries globally, these technologies include iTrack™ minimally invasive glaucoma surgery (MIGS), a consumable surgical device that restores the eye's natural outflow pathway to lower pressure inside the eye and to eliminate patient reliance on anti-glaucoma medications for mild-moderate glaucoma. The Molteno3® glaucoma drainage device platform is designed to enhance surgical utility and optimize clinical outcomes for long-term IOP control in cases of severe glaucoma. It also offers the benefit of a simplified and faster surgical procedure. With its sales headquarters based in Fremont, California, Nova Eye Medical is supported by a global network of more than 50 distribution partners. Manufacturing facilities are located in Fremont, California and Dunedin, New Zealand.

For additional information about Nova Eye Medical and its technologies, please visit: www.nova-eye.com