



ASX release

2 November 2015

US Medicare Payment for New Category 1 Code announced

AtCor Medical Holdings Limited (ASX:ACG), the developer and marketer of the SphygmoCor[®] system which measures central aortic blood pressures and arterial stiffness non-invasively, today announced that the Centers for Medicare and Medicaid Services (CMS) has published the code description and valuation for CPT category 1 code 93050 which covers the SphygmoCor test.

The new procedure code supports medical tests for “*Arterial pressure waveform analysis for assessment of central arterial pressures, includes obtaining waveform(s), digitization and application of nonlinear mathematical transformations to determine central arterial pressures and augmentation index, with interpretation and report, upper extremity artery, non-invasive*”, and will take effect beginning 1 January 2016, replacing CPT category 3 code 0311T. The CPT1 code provides physicians and hospitals with a direct and simpler path to seek reimbursement for the SphygmoCor procedure.

Under the US reimbursement process, CMS has assigned a national average payment of \$17.91 for the test, in line with other reimbursed procedures requiring similar nursing and physician time and effort. As this is a national average most major metropolitan markets would reimburse at a higher level. The reimbursed amount is in addition to the reimbursement the doctor or hospital receives for a patient's visit. SphygmoCor requires no consumable expenditure and the reimbursed amount represents a net contribution to the practice or hospital.

Approximately 30 per cent of US adults or 70 million have hypertension and 30 million of these hypertensive adults are covered under Medicare, the US government health plan for the retiree population. The annual US total economic cost of treating hypertension and related disorders such as stroke, heart failure and kidney disease exceeds US \$700 billion. As these diseases are the largest contributor to US healthcare costs, both government and private payers are highly focused on incentivising providers to reduce this financial burden.

Duncan Ross, AtCor Medical CEO said: “We are very pleased with this outcome and the procedure code and valuation now provide certainty for doctors that the SphygmoCor test can be reimbursed. Confirmation of the valuation for the Category 1 code covering the SphygmoCor test is a major milestone for AtCor, and a crucial step that supports full commercialisation of the SphygmoCor technology. With healthcare costs accelerating well beyond inflation and payers funding incentive programs to improve cardiovascular outcomes for patients, SphygmoCor will have an important role to play in identifying patients that may benefit from early intervention, and optimise treatment for those already diagnosed.”

AtCor Medical CEO Duncan Ross and CFO Peter Manley will host a conference call for investors on Monday 2 November at 12:00 PM AEDT. Dial in information is noted below.

- Australia: 1800 554 798
- International:
 - o USA: 1866 839 8029
 - o New Zealand: 0800 450 585
 - o Other: +61 2 8113 1400

The confirmation code for this call is **1739288**.

About AtCor Medical

AtCor Medical develops and markets products for the early detection of cardiovascular risk and management of cardiovascular disease. Its technology allows researchers and clinicians to measure central aortic blood pressure non-invasively. The company's SphygmoCor[®] system visibly identifies the effects of reflected blood pressure in the central aortic pressure wave, effects which cannot be detected with standard blood pressure monitoring. More than 3,800 SphygmoCor[®] systems are currently in use worldwide at major medical institutions, research institutions and in various clinical trials with leading pharmaceutical companies. The company's technology has been featured in over 900 peer-reviewed studies published in leading medical journals and thousands of citations. AtCor has operations in Australia, the United States, and Europe. For further information, please visit our web site at www.atcormedical.com.

For further information, please contact

Duncan Ross – AtCor Medical CEO
+1 (630) 228 8873

Peter Manley – AtCor Medical CFO
+61 (2) 8815 8811

Media enquiries to:

Ashley Rambukwella – Financial &
Corporate Relations
Ph: +61 (2) 8264 1004/ m. 0407 231 282 or
a.rambukwella@fcr.com.au

Data source: Centres for Disease Control and Prevention (CDC)