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## **EANS-Adhoc: CMS to acknowledge LifeWatch's Ambulatory Cardiac Telemetry (ACT) service for its value and proven contribution to the U.S. healthcare system (with document)**

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Company Information/LifeWatch AG

08.11.2010

Neuhausen am Rheinfall / Switzerland and Chicago, Illinois / USA - LifeWatch AG (SIX Swiss Exchange: LIFE), the leading provider of wireless telemedicine, is today providing further information on last week's decision by the Centers for Medicare & Medicaid Services (CMS) to establish a national pricing guideline for CPT code 93229, the payment code for the LifeWatch Ambulatory Cardiac Telemetry (ACT) service. Based on the information currently available, LifeWatch expects an estimated reimbursement rate of USD 805 which will take effect from January 1, 2011.

You will find the link for a PDF version of this press release at the end of this message.

On November 2, 2010, the Centers for Medicare & Medicaid Services (CMS) announced the establishment of national pricing guidelines for payment code 93229, which is the CPT payment code used by Medicare for payment for our ACT service. The national pricing of this code is effective January 1, 2011.

This reimbursement milestone decision should stabilize the payment for outpatient telemetry across all Medicare contractors on a national basis and bring growth and recognition throughout the insurance industry that Ambulatory Cardiac Telemetry is a recognized, valuable and effective diagnostic modality deserving coverage from all commercial insurance carriers as well.

Prior to CMS's decision last week, local Medicare contractors were allowed to price the service independently. As of January 1, 2011, all Medicare contractors will price 93229 based on the announced national pricing guidelines, adjusted for local geographic factors. The national pricing is expected to be approximately USD 805 per test in the Philadelphia area where our receiving center is located, according to calculations made by the RCSPG. The pricing formula is very complicated and includes variables such as the "sustainable growth rate (SGR) and Medical Economic Index (MEI)" which could have an impact on pricing going forward. The regional adjustments can vary the price from state-to-state.

Medicare Advantage insurance carriers will play a key role with regard to this issue. Medicare Advantage is the managed care version of Medicare administered by commercial insurance carriers. Patients that are insured through Medicare Advantage are covered for telemetry even by carriers that are denying reimbursements for the ACT service. In total, there are 45 million Medicare patients, 11 million of which

are under Medicare Advantage so this represents a substantial opportunity for LifeWatch. Many commercial carriers were unaware of their obligations in this regard, so LifeWatch has contacted all relevant commercial carriers of this requirement to educate them and confirm coverage for the ACT service.

This decision is amongst others a result of the ongoing and close cooperation between RCSPG (Remote Cardiac Services Provider Group) and CMS in recent years. LifeWatch is a founding member in the RCSPG whose contribution to the process received particular mention by CMS when it announced the new pricing code.

RCSPG has been working very closely with CMS as an industry group for over six years addressing a host of reimbursement and coverage issues. The group appreciated the fact that CMS recognized its active contribution to the pricing decision and will continue to work with CMS on issues related to the Medicare methodology for pricing remote cardiac services in the next years.

Yacov Geva, Chairman and Chief Executive Officer of LifeWatch stated, "While it is still too early to fully appreciate the impact of this announcement, it is believed that this development will have a positive effect on our discussions with commercial insurance carriers going forward and strengthen our negotiating position on any reimbursement denial issues."

About LifeWatch AG:

LifeWatch AG, headquartered in Neuhausen am Rheinfall and listed on SIX Swiss Exchange (LIFE), Switzerland, is the leading healthcare technology and solution company, specializing in advanced telemedicine systems and wireless remote patient monitoring services. LifeWatch services cater to individuals, ranging from high-risk and chronically ill patients, to consumers of health and wellness products. LifeWatch has subsidiaries in the United States, the Netherlands, Japan, the United Kingdom, Switzerland and Israel. LifeWatch AG is the parent company of LifeWatch Services Inc., a leading US-based cardiac monitoring service provider. LifeWatch has also introduced a new program for Home Sleep Testing of Obstructive Sleep Apnea (OSA) patients under the brand name NiteWatch. For additional information, please visit [www.lifewatch.com](http://www.lifewatch.com).

Sign-up for customized E-mail alerts and documentation requests is available at <http://production.investis.com/lifewatch/alert-service/>

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Attachments with Announcement:

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