



For Immediate Release

Arteriocyte Medical Systems, Inc., applauds CMS for adding Magellan® Bio-Bandage™ as an option for Medicare and Medicaid Patients with chronic wounds

Hopkinton, MA December 6, 2013 – Arteriocyte Medical Systems, Inc., a leading biotechnology company with offices in Cleveland, Ohio and Hopkinton, Massachusetts, announced today that the Centers for Medicare and Medicaid Services (CMS) has issued final Medicare payment regulations for the Hospital Outpatient Prospective Payment System (HOPPS) and the Medicare Physician Fee Schedule (MPFS). CMS's reimbursement decision will allow Medicare patients with chronic, non-healing wounds access to the Magellan® Bio-Bandage™ as part of CMS's Coverage with Evidence Development program beginning January 1, 2014. These cases will be reimbursed at the national average of \$411 per treatment.

Don Brown, CEO shared, "The Magellan technology uses a patient's own blood, acquired via phlebotomy, to rapidly create a wound covering containing epithelial progenitor cells that can accelerate new tissue growth, while eliminating the donor site morbidity associated with a skin graft. The Magellan® platform has consistently demonstrated clinical benefit in accelerating the closure and healing of both acute and chronic wounds since it first became available in 2003. Many physicians have determined that using the Magellan® in the setting of chronic wounds is clinically appropriate, but until now, lack of reimbursement had limited its use in the treatment of Medicare and Medicaid patients. We are thrilled that CMS has now chosen to utilize the evidence development protocol pathway to enable a larger patient population to have access to care using Magellan."

The Magnitude and Cost of Chronic Wound Care

In the United States, health care cost to treat and manage chronic wounds exceeds \$6 billion dollars annually. Current estimates indicate that in the United States alone, 3-6 million patients will experience a chronic wound during their lifetime, and 98% of these wounds are caused by underlying vascular or diabetic conditions. Standard treatments cost an average of \$5,391 per patient, however as many as 30% of patients will not heal using existing interventions, which unfortunately over time could potentially result in limb amputations and even death.

About Bio-Bandage™

The Bio-Bandage™, produced through the rapid bedside processing of an autologous blood sample, is a selected plasma fraction enriched with elevated platelets and bioactive growth factors. These platelet-derived growth factors have previously been used as an active treatment modality to stimulate wound healing in chronic, non-healing wounds. A number of wound healing studies suggest that the concentrated levels of these growth factors can accelerate wound healing and prevent chronicity of a skin ulcer. The CMS reimbursement decision for the Magellan® Bio-Bandage™ will allow Arteriocyte to continue to contribute to the accumulating evidence in the medical literature that platelets and their derived growth factors facilitate faster healing of chronic wounds.

About Arteriocyte Medical Systems

Arteriocyte, a leading clinical stage biotechnology company, is dedicated in developing novel cellular therapy products and medical devices to help patients heal faster by leveraging its expertise in stem cell and tissue engineering to develop a broad portfolio of cell based therapeutics. In October of 2007, Arteriocyte partnered with DW Healthcare Partners and Comerica to create Arteriocyte Medical Systems Inc., in order to commercialize and distribute novel medical devices and point of care surgical solutions to help patients heal faster. Arteriocyte

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Medical Systems manufactures and distributes the FDA approved Magellan® Autologous Platelet Separator System worldwide, a device used for the production of Platelet Rich Plasma (PRP). Arterioocyte Medical Systems is dedicated to broadening the documented effectiveness of the Magellan technology enabled cell-based therapies through its ongoing FDA approved clinical studies in burn repair, critical limb ischemia, compartment syndrome and chronic wounds.

Contact information

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