

## **For Immediate Release**

### **Highmark Health, Allegheny Health Network and Torax Medical Partner to Explore Cost-Effectiveness of New Procedure to Treat Gastro-esophageal Reflux Disease (GERD)**

*VITAL Innovation Program Funds Highmark Health Innovators Testing New Ideas to Improve Quality, Affordability of Health Care*

**PITTSBURGH, Pa. – Sept. 9, 2015 --** Through Highmark Health’s new VITAL (Verification of Innovation by Testing, Analysis and Learning) Innovation Program, Highmark Inc. and Torax Medical have agreed to assess the cost effectiveness of treating patients with gastro-esophageal reflux disease (GERD) using the LINX® Reflux Management System.

The VITAL innovation program is a formal, rapid and competitive review and funding process open to innovators who wish to test new ideas to improve the quality and affordability of care.

“This collaboration aligns with our mission to be a value-based health provider,” said David Holmberg, President and CEO, Highmark Health. “We look forward to working with Torax Medical and other technology developers to harness our payer/provider business model in order to accelerate and deploy innovations that deliver to patients the right care at the right time and cost and in the right setting.”

“Torax Medical and physician thought leaders have collaborated for over a decade building a strong scientific foundation of evidence to support the safety and efficacy of the LINX procedure. Today, we are excited to announce this partnership with Highmark Health that will affirm the cost effectiveness of this procedure. GERD patients who do not respond to medical therapies can create a tremendous cost burden on a health care system and are often at higher risks for complications resulting from not fully treating their disease,” said Todd Berg, President and Chief Executive Officer of Torax Medical.

An estimated 1 in 5 U.S. adults suffer from GERD, a chronic, often progressive disease that can cause debilitating symptoms and in certain cases lead to esophageal cancer. GERD is caused by a weak esophageal sphincter muscle that fails to control reflux of harmful gastric fluids from the stomach into the esophagus. Until recently, the only available treatment is a more invasive procedure which requires a portion of the patient's stomach to be dissected and wrapped around the esophagus to restore the sphincter. The LINX System is a much less invasive procedure for the patient. It allows surgeons to leave the stomach intact by using a small device to augment the sphincter; typically patients go home the same day of the procedure.

LINX is a small implant comprised of interlinked titanium beads with magnetic cores. The magnetic attraction between the beads augments the existing esophageal sphincter's barrier function to prevent reflux. The device is implanted using a standard minimally invasive laparoscopic procedure and is an alternative to the more anatomically disruptive fundoplication, commonly used in surgical anti-reflux procedures. The LINX procedure does have potential risks, and contraindications.

According to Blair Jobe, MD Program Director and Director Esophageal & Lung Institute at Allegheny Health, "GERD is a chronic disease with a high burden of recurring medical costs and a negative impact on quality of life. The LINX procedure is safe, reproducible and effective which should translate into reducing the high economic costs of lifelong medical management and complications associated with traditional anti-reflux surgical options."

#### **About Allegheny Health Network**

Allegheny Health Network is an integrated health care delivery system serving the Western Pennsylvania region. The network is comprised of eight hospitals, including Allegheny General Hospital (its flagship academic medical center), Allegheny Valley Hospital, Canonsburg Hospital, Forbes Hospital, Jefferson Hospital, Saint Vincent Hospital, Westfield Memorial Hospital and West Penn Hospital; a research institute; Health + Wellness Pavilions; and a health care group purchasing organization. The network employs approximately 17,000 people, including more than 2,100 physicians on its medical staff. The network also serves as a clinical campus for both Temple University School of Medicine and Drexel University College of Medicine.

#### **About Highmark Health**

Highmark Health, a Pittsburgh, PA based enterprise that employs more than 35,000 people nationwide and serves 40 million Americans in all 50 states, is the third largest integrated

health care delivery and financing network in the nation. Highmark Health is the parent company of Highmark Inc., Allegheny Health Network, and HM Health Solutions. Highmark Inc. and its subsidiaries and affiliates provide health insurance to 5.3 million members in Pennsylvania, West Virginia and Delaware as well as dental insurance, vision care and related health products through a national network of diversified businesses that include United Concordia Companies, HM Insurance Group, Davis Vision and Visionworks. Allegheny Health Network is the parent company of an integrated delivery network that includes eight hospitals, a community-based network of physician organizations, and a group purchasing organization, ambulatory surgery centers, and health and wellness pavilions in western Pennsylvania. HM Health Solutions focuses on meeting the information technology platform and other business needs of the Highmark Health enterprise as well as unaffiliated health insurance plans by providing proven business processes, expert knowledge and integrated cloud-based platforms. To learn more, please visit [www.highmarkhealth.org](http://www.highmarkhealth.org).

### **About Torax Medical**

Torax Medical, Inc. is a privately-held medical device company headquartered in St. Paul, Minnesota that develops and markets products designed to treat sphincter disorders utilizing its technology platform, Magnetic Sphincter Augmentation (MSA). Torax Medical is currently marketing the LINX® Reflux Management System for the treatment of GERD in the U.S. and Europe and the FENIX® Continence Restoration System for the treatment of Fecal Incontinence (FI) in Europe. For more information, please visit [www.toraxmedical.com](http://www.toraxmedical.com).

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