

HCSC Establishes Positive Coverage Policy for Torax Medical's LINX Procedure to Treat Gastroesophageal Reflux Disease

ST. PAUL, Minn.--(PRNewsWIRE)--Torax Medical, Inc., a leader in devices to treat sphincter-related diseases, including gastroesophageal reflux disease (GERD), announced today that Health Care Service Corporation (HCSC), the 4th largest commercial health insurer in the U.S., has issued a medical coverage policy for the LINX[®] Reflux Management System effective April 1, 2016.

HCSC, through its affiliates of Blue Cross Blue Shield of Illinois, Blue Cross Blue Shield of Montana, Blue Cross Blue Shield of New Mexico, Blue Cross Blue Shield of Oklahoma and Blue Cross Blue Shield of Texas, will make the LINX procedure available to its approximately 15 million members in the treatment of GERD as an alternative to surgical fundoplication.

http://www.hcsc.com/medical_policies.html

HCSC's coverage policy was based on multiple peer-reviewed studies showing LINX to be a safe, effective and durable treatment option for GERD. Advocacy for this policy included recommendations from The Society of American Gastrointestinal and Endoscopic Surgeons, The American Society of General Surgery, and The Texas Society of Gastroenterology and Endoscopy. This positive coverage decision follows the American Medical Association's (AMA) decision to create a new Category 1 Current Procedural Terminology (CPT[®]) Code for the LINX procedure.

Dr. F. Paul Buckley III, Surgical Director of the Heartburn and Acid Reflux Center at Baylor Scott and White commented, "Many patients referred for anti-reflux surgery are concerned about losing the ability to vomit and belch or the fact that their gastric anatomy will need to be altered, which is required with fundoplication surgery. LINX offers a needed alternative for these patients by providing excellent relief from GERD and preserving their ability to belch and vomit. We continue to see great results with LINX in our center."

"We appreciate the leadership from HCSC to provide patient access to the LINX procedure. Reflux disease can be debilitating to a patient's quality of life; this new coverage policy is an important advancement for these patients." said Todd Berg, CEO of Torax Medical.

About GERD

Gastroesophageal Reflux Disease (GERD) is a chronic, often progressive disease resulting from a weak lower esophageal sphincter that allows harmful gastric fluid to reflux into the esophagus, resulting in both pain and injury to the esophageal lining. GERD is associated with a pre-cancerous condition known as Barrett's esophagus, which increases the risk of esophageal cancer. Symptoms of GERD include heartburn and regurgitation, often associated with chronic sleep disruption, and may also include persistent cough, excessive throat clearing, hoarseness and a feeling of a "lump" in the throat. Acid reflux medications affect gastric acid production, but do not repair the sphincter

defect, allowing continued reflux. Anti-reflux surgery called Nissen fundoplication reconstructs a new reflux barrier using a portion of the patient's stomach which is wrapped around the lower portion of the esophagus.

About the LINX® Reflux Management System

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® Reflux Management System is indicated for those patients diagnosed with GERD as defined by abnormal pH testing, and who continue to have chronic GERD symptoms despite maximum medical therapy for the treatment of reflux.

LINX does require a surgical procedure and is associated with potential risks, contraindications and life style modifications. For more information on LINX, including a statement of risks, please visit www.linxforslife.com.

About Torax Medical Inc.

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 markets 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 and in the U.S. under a Humanitarian Device Exemption (HDE). For more information, please visit www.toraxmedical.com.

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