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ImpediMed gets positive reimbursement report

In a key step towards the achievement of its prospectus milestones, ImpediMed Ltd is pleased to announce the major findings of quantitative reimbursement research into the US market showing both positive reactions by US healthcare payers to ImpediMed's bioimpedance technology and the need for a technology specific category one Current Procedural Terminology (CPT) code for the future.

ImpediMed CEO Greg Brown said he was very encouraged by the reimbursement report prepared by Boston Healthcare which was based off continuing research and recommendations dating back as far as 2005.

"Effective reimbursement is the key for driving revenues. Reimbursement provides a powerful economic incentive to Health Care Providers and consumers to purchase and use a medical device. In combination with the support of the soon to be published National Institutes of Heath trial, we are confident of building effective reimbursement for our bioimpedance technology."

In a crucial finding, the research also identified that the US Federal Women's Health and Cancer Rights Act 1998 ensured coverage for lymphoedema care by requiring coverage for reconstructive surgery following mastectomies.

Key elements of the legislation require that:

- payers must provide mastectomy patients with coverage for 'prostheses and physical complications of mastectomy, including lymphoedemas'; and
- payers may not deny patient eligibility or limit reimbursement for an attending provider.

The research also identified 20 US state laws requiring this extent of coverage for breast cancer patients.

Mr Brown said the research clearly established that ImpediMed's highest likelihood for achieving effective US reimbursement for its technology would initially be in targeting lymphoedema prevention for US breast cancer patients.

"It is clear that our technology will likely gain acceptance and adoption first in the US market for the prevention of lymphoedema in breast cancer patients. To this end, our educational, reimbursement and marketing efforts will be very much focused into this clinical need. This also offers management the fastest route to build shareholder value as quickly as possible."

Mr Brown pointed out that this was also the area where ImpediMed has FDA clearance and is building clinical data demonstrating the health and economic advantages of early detection and intervention in preventing the progression of lymphoedema in cancer patients as part of its strategy to achieve a category one CPT code.

"At this stage, our strategy will be to apply for a technology specific category one CPT code with the American Medical Association in November 2008. In the interim, ImpediMed will use established miscellaneous codes for medical providers thereby ensuring specific payment for conducting readings with ImpediMed devices until a category one CPT code is available.

Mr Brown said ImpediMed would support payments for claims around miscellaneous codes by producing a payer compendium and would establish a reimbursement hotline supporting coverage from US payers for surgeons, oncologists and therapists.

An overview of ImpediMed's reimbursement strategy can be found in section 5.5 of the prospectus, which is available at www.impedimed.com .

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- **About ImpediMed Limited:**

ImpediMed Limited was incorporated in 1999 by The University of Queensland's main technology commercialisation company, UniQuest Pty Ltd. The Brisbane-based company began operations in 2000 to commercialise technology developed by researchers from the University of Queensland and the Queensland University of Technology.

ImpediMed Limited develops and globally markets medical device systems for use in non-invasive screening and monitoring of human disorders and diseases.

ImpediMed's primary product range consists of a number of medical devices that enable the early detection and monitoring of secondary lymphoedema in cancer survivors before the onset of symptoms that are detectable using the most commonly used clinical technique.

ImpediMed has the only medical device with an FDA clearance in the United States for the clinical assessment by Health Care Providers of secondary lymphoedema in the arm. This device is targeted to be launched internationally before the end of the year.

www.impedimed.com