



MIMEDX Comments on Recent Data Brief Published by Office of Inspector General

March 16, 2023

Company applauds the Office of Inspector General's ("OIG") recommendation for the Centers for Medicare and Medicaid Services ("CMS") to quickly address issues associated with Average Sales Price ("ASP") reporting requirements for skin substitute products

MARIETTA, Ga., March 16, 2023 (GLOBE NEWSWIRE) -- MiMedx Group, Inc. (Nasdaq: MDXG) ("MIMEDX" or the "Company"), a pioneer and leader in placental biologics, today applauded the recent report published by OIG entitled, "Some Skin Substitute Manufacturers Did Not Comply with New ASP Reporting Requirements." The report, which can be accessed on the U.S. Department of Health and Human Services' [website](#), details extensive problematic expenditure issues associated with the current Medicare reimbursement landscape in the private physician office setting for some skin substitute products. In alignment with many industry stakeholders, including MIMEDX, the report recommends all skin substitute products transition to ASP-based payments as soon as possible in an effort to substantially reduce Medicare expenditures for these products.

"At MIMEDX, we are focused on ensuring our industry-leading portfolio of placental biologic products are readily available to patients suffering from hard-to-heal wounds," stated Joseph H. Capper, MIMEDX Chief Executive Officer. "In the private physician office setting, our EPIFIX[®] and EPICORD[®] products have been and continue to be sold and reimbursed using transparent ASP-based payment rates, which we provide to CMS each quarter. When manufacturers withhold pricing information from CMS in an effort to capitalize on higher reimbursement rates, and at the same time provide financial incentives to physicians, this creates a large and unnecessary expense burden on the Medicare Trust Fund. We are encouraged that OIG and CMS are evaluating changes that could bring transparent pricing for all skin substitute products to the private office setting. We wholeheartedly support a level playing field for Advanced Wound Care products, where products are selected for patients based upon the strongest clinical evidence available."

In its report, OIG acknowledges the ongoing work CMS is doing to consider options around different payment approaches for skin substitutes and encourages CMS to address the disproportionate share of non-ASP payments as quickly as possible, including a potential interim solution to enforce manufacturer compliance until final rulemaking is determined. MIMEDX commends the OIG analysis and remains supportive of measures that solidify ASP-based payment methodologies, viewing this as the best way to preserve Medicare Trust Fund expenditures for these advanced products.

About MIMEDX

MIMEDX is a pioneer and leader in placental biologics, developing and distributing placental tissue allografts to help address unmet clinical needs in multiple sectors of healthcare, including the Advanced Wound Care market as well as in surgical recovery settings. MIMEDX is also focused on advancing a promising late-stage pipeline opportunity targeted at decreasing pain and improving function for patients with knee osteoarthritis. Our products are derived from human placental tissues and processed using our proprietary methods, including the Company's own PURION[®] process. We employ Current Good Tissue Practices, Current Good Manufacturing Practices, and terminal sterilization to produce our allografts. MIMEDX has supplied over two million allografts, through both direct and consignment shipments. For additional information, please visit www.mimedx.com.

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