



MIMEDX's Advocacy to Rein in Runaway Medicare Spend for Skin Substitutes Has Yielded Significant Results with Planned Implementation of LCDs

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Over 200 Unproven Skin Substitutes Will No Longer Be Covered Under Revised LCDs

Company to Benefit from MACs' Commitment to Clinically Effective, Proven Products

MARIETTA, Ga., Nov. 14, 2024 (GLOBE NEWSWIRE) -- MiMedx Group, Inc. (Nasdaq: MDXG) ("MIMEDX" or the "Company") today provided the following update on the Local Coverage Determinations ("LCDs") regarding "Skin Substitute Grafts/Cellular and Tissue-Based Products for the Treatment of Diabetic Foot Ulcers and Venous Leg Ulcers."

These new LCDs were originally proposed in April 2024, with a comment period that concluded in June 2024. The LCDs are now set to become effective on February 12, 2025. As a result of industry feedback, the final LCDs have been modified in the following key areas:

- The number of separate treatment applications a patient can receive was raised from 4 to 8
- Treatment duration increased from 12 to 16 weeks
- Importantly, the MACs have maintained their insistence on well-powered, peer-reviewed clinical evidence as a prerequisite for reimbursement.

"I am delighted to see that our exhaustive efforts with the Centers for Medicare and Medicaid Services ("CMS"), the Medicare Administrative Contractors ("MACs"), and Congress to call attention to the massive reimbursement abuse has resulted in a first, significant step toward corrective action. The skyrocketing cost trends driven by unsavory business practices that have plagued segments of the wound care industry for the last several years are now being addressed. Presently, this spend has risen to the absurd level of over \$1 billion per month, a more than 20-fold increase over the past five years. We applaud all those who took action to bring about this much needed reform," commented Joseph H. Capper, MIMEDX Chief Executive Officer.

Mr. Capper continued, "Today's action by the MACs represents a major step in the right direction. Additionally, we encourage CMS to take the necessary steps to address their pricing methodology as soon as possible."

"We believe these steps will restore order and good fiscal governance to the Medicare outpatient reimbursement system, while ensuring continued patient access to clinically proven solutions. In addition to addressing and closing reimbursement loopholes, we expect these actions will benefit patient care, given the requirement that products must demonstrate efficacy with robust clinical evidence.

"As a reminder, two of our allografts – EPIFIX[®] and EPICORD[®] – are on the list of covered products. As such, we are poised to benefit given the strong clinical evidence that back our products and the finite number of suitable options eligible for coverage," concluded Mr. Capper.

About MIMEDX

MIMEDX is a pioneer and leader focused on helping humans heal. With more than a decade of helping clinicians manage chronic and other hard-to-heal wounds, MIMEDX is dedicated to providing a leading portfolio of products for applications in the wound care, burn, and surgical sectors of healthcare. The Company's vision is to be the leading global provider of healing solutions through relentless innovation to restore quality of life. For additional information, please visit www.mimedx.com.

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