



iRhythm® Technologies Comments on the Final Medicare Physician Fee Schedule Released by the Centers for Medicare and Medicaid Services for Calendar Year 2023

November 2, 2022

SAN FRANCISCO, Nov. 02, 2022 (GLOBE NEWSWIRE) -- [iRhythm Technologies, Inc.](https://www.irhythm.com) (NASDAQ:IRTC), a leading digital health care company focused on creating trusted solutions that detect, prevent, and predict disease, today provided commentary on the recently released Centers for Medicare and Medicaid Services ("CMS") Medicare Physician Fee Schedule ("MPFS") Final Rule for Calendar Year 2023 and accompanying addenda (the "Final Rule"). The Final Rule was released on November 2, 2022 and updated payment policies, payment rates and other provisions for services furnished on or after January 1, 2023, which include those rates related to long term electrocardiogram ("ECG") monitoring and recording that iRhythm uses to seek reimbursement for its Zio® XT service.

In the Final Rule, CMS established relative value units for Current Procedural Terminology ("CPT") codes 93247 (for wear-time of greater than 7 days and up to 15 days) and 93243 (for wear-time of greater than 48 hours and up to 7 days) as well as a calendar year 2023 Conversion Factor that, collectively with the Medicare payment reduction (sequestration) and the sequestration under the statutory Pay-As-You-Go, we believe reflect national reimbursement rates of \$224 and \$213 for CPT codes 93247 and 93243, respectively. Based on the calendar year 2023 Geographic Practice Cost Index modifiers in the Final Rule that are applicable to the locations of the Company's Medicare-enrolled Independent Diagnostic Testing Facilities ("IDTFs") in San Francisco, CA, Deerfield, IL and Houston, TX, iRhythm estimates the applicable reimbursement rates could range from \$227 to \$307 for CPT code 93247 and \$216 to \$292 for CPT code 93243. Using the Final Rule's implied rates and based on the Company's current expectations for volume mix in calendar year 2023 across its IDTF locations, iRhythm estimates that, if the calendar year 2023 reimbursement rates had been implemented in 2022, the impact to the Company's revenue would have been immaterial to its current fiscal year 2022 revenue guidance.

"Securing national pricing for long-term ECG monitoring is a significant milestone for iRhythm and for the industry and brings stability to our core U.S. business as well as improved access for the patients we serve. We are appreciative of CMS' continued efforts to get to this important milestone," said Quentin Blackford, iRhythm's President and CEO. "We believe CMS' Final Rule reflects support for the use of innovative diagnostic technology for Medicare beneficiaries across the United States, though we continue to believe that these rates may not fully value the clinical benefits of AI used to deliver the Zio XT service. iRhythm intends to continue partnering with CMS and other industry stakeholders to advocate for national rates that reflect the full value of extended Holter monitoring to drive appropriate access and the availability of quality healthcare services for the benefit of our patients."

About iRhythm Technologies, Inc.

iRhythm is a leading digital health care company that creates trusted solutions that detect, predict, and prevent disease. Combining wearable biosensors and cloud-based data analytics with powerful proprietary algorithms, iRhythm distills data from millions of heartbeats into clinically actionable information. Through a relentless focus on patient care, iRhythm's vision is to deliver better data, better insights, and better health for all.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These statements include those relating to the Medicare reimbursement rates for the CPT codes primarily relied upon for the Company's Zio XT services and current expectations on the volume mix that may be performed at its IDTF locations in calendar year 2023. Such statements are based on management's current assumptions that involve risks and uncertainties, and actual outcomes and results could differ materially from those anticipated. The risks and uncertainties that may cause actual results to differ materially from current expectations, many of which are beyond our control, include risks more fully described in iRhythm's Quarterly Report on Form 10-Q for the period ended June 30, 2022, as filed with the Securities and Exchange Commission on August 5, 2022. These forward-looking statements speak only as of the date hereof and should not be unduly relied upon. Except as required by law, iRhythm assumes no obligation to update any such forward-looking statement after the date of this release.

Investor Relations Contact

Stephanie Zhadkevich
(919) 452-5430
stephanie.zhadkevich@irhythmtech.com

iRhythm Media Contact

Morgan Mathis
(310) 528-6306
irhythm@highwirepr.com

