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US Medicare DME Policy released – Oral Appliance Treatment now reimbursable for Medicare patients

8th February 2011, Sydney: SomnoMed Limited (ASX: SOM) announced today that the Durable Medicare Administrative Contractors (DME MAC's) released a new coverage determination for the Oral Appliance Therapy (OAT) for Obstructive Sleep Apnoea (OSA). The policy states that a custom fabricated oral appliance (E0486) used to treat obstructive sleep apnea is covered if certain criteria are met.

Key details of the policy are:

- OAT therapy for the treatment of Obstructive Sleep Apnea up to an AHI/RDI of 30 events/hour (mild and moderate condition) are covered, without the precondition that the patient is deemed unsuitable for CPAP treatment.
- Only custom fabricated mandibular advancement splints (MAS's), which includes the SomnoDent® MAS, are covered. Non custom ("boil and bite") appliances and tongue retaining devices are not covered and deemed medically unnecessary.

SomnoMed's CEO Ralf Barschow commented, "The announcement is a significant and positive step forward for patients as well as SomnoMed. The US Medicare DME policy adds to the worldwide trend of Government Health Insurance programs recognizing an oral appliance treatment as a valid medical treatment option for a condition vastly under diagnosed and effecting 20 million Americans in the USA, according to the National Sleep Foundation. We also very much welcome that the policy released now clearly defines specific oral appliance standards and treatment processes, clarifying the medical requirements for the doctor and patient."

"Patients now have a choice and can have a SomnoDent® MAS as a first line treatment, without the requirement to "fail" a CPAP treatment," said Mr. Barschow.

The US Medicare is a program covering 15% or around 50 million Americans. It is expected that the new policy will increase the number of oral appliance treatments quite significantly over time. It is also to be expected that many private health insurers, which cover about 200 million Americans, will see the CMS ruling as a precedent to accept the treatment for patients currently not covered or allow oral appliance treatment as a first option for patients with mild and moderate conditions, before the use of CPAP.

SomnoMed, the world's leading oral appliance medical company is ideally positioned, with over 1,700 qualified SomnoMed dentists in North America and the #1 sleep apnea appliance SomnoDent® MAS, to benefit from this important new regulation.

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About SomnoMed Limited

SomnoMed Limited is a medical device company and designs, manufactures and markets a range of oral sleep appliances for the treatment of sleep apnea, snoring and bruxism. SomnoMed Limited was founded in August 2004, operates in 20 countries and received worldwide registration approvals FDA, TGA, CE, ISO for its patented oral sleep apnea appliance SomnoDent® MAS. Today, the SomnoMed product range includes SomnoDent Flex, SomnoDent Classic, SomnoDent Edent and SomnoBrux.

To learn more about SomnoMed or to find a SomnoMed trained and qualified doctor in your area, please visit www.somnomed.com.au .