

COMPANY ANNOUNCEMENT

American College of Chest Physicians (ACCP) Applies for WheezeRATE™ CPT Reimbursement Code

HIGHLIGHTS

- ACCP has applied to the American Medical Association (AMA) for Current Procedural Terminology Codes.
- KarmelSonix to expand support of reimbursement claims for customers.

17th November 2009: The Directors of KarmelSonix Ltd (KSX or the Company) are pleased to announce that the American College of Chest Physicians’ (ACCP) Clinical Practice Committee has, based on data provided by KarmelSonix on the use of WheezeRATE™ for the diagnosis and treatment of asthma, submitted an application to the American Medical Association (AMA) for a Category III CPT code. The Clinical Practice Committee is a combined American College of Chest Physicians and American Thoracic Society (ATS) Committee, designated to evaluate emerging technologies for reimbursement codes and make recommendations to the AMA.

“The submission of the application by the ACCP CPT Committee on behalf of KSX follows 12 months of review and evaluation of the clinical utility of KarmelSonix’ Wheeze and Cough monitoring capabilities. This is a critical first step to providing third-party payment for doctors in the US who use or will use, Wheezometry to diagnose and manage their patients”, commented Mr. Larry Murdock, General Manager, KarmelSonix USA.

“The availability of a CPT Code is mandatory in order for Medicare and US Health Insurance Companies to be able to pay physicians for services. The Committee was impressed by the growing body of scientific literature that demonstrates clearly the utility of the KSX WheezeRate monitoring in the diagnosis and treatment of asthma.

In addition, the Committee has been forthcoming in outlining the process whereby KSX’s novel technology will become recognized as a new standard of practice,” added Mr. Murdock. “The fact that the submission was actually sponsored by these internationally reputable professional organizations is an important recognition of the merits of Wheezometry in patient management. The next step, following acceptance by the AMA of the ACCP filing, is a review of the financial “value” of the services provided. This will be done once widespread use of the technology is demonstrated to the AMA. KarmelSonix is currently engaged in expanding placement of its products in US clinics and hospitals in order to meet the “widespread use” requirement in a timely fashion,” said Mr. Murdock.

“Wheeze Rate – A New Paradigm in Asthma Management”

Additionally, KarmelSonix is expanding its support of customers who will start using the new CPT coding for third-party reimbursement. Customers will be assisted with testing protocols and medical necessity information developed in conjunction with leading physicians and members of the KarmelSonix Scientific Advisory Board.

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About KarmelSonix : KarmelSonix Ltd focuses on supplying innovative non-invasive acoustic tools for disease management of asthma and related pulmonary disorders. Asthma affects 6-16% of the population in developed countries with a cost exceeding \$US15 billion in the US alone.

Acoustic Asthma Management is a breakthrough in monitoring of the asthmatic patient of all ages, including the very young, very old and others who cannot perform currently available tests. The technology that comes from extensive R&D and clinical validation in the US, Israel and Australia, facilitate continuous monitoring of patients at home, in the ICU and even during sleep. The company is now focussing its efforts on early commercialization of its products particularly in the AsiaPac, European and North American markets.

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