

Media Contact: Lauri Campbell, Novasys Medical, 510/226-4060

Renessa® Treatment for Female Incontinence Gets Expanded Medicare Coverage
More than half the female U.S. Medicare population now covered.

NEWARK, CALIF., September 23, 2009 – Novasys Medical, Inc., a developer of innovative therapies in women’s health, announced today that Palmetto GBA and TrailBlazer Health Enterprises, LLC---- two large regional Medicare carriers serving over 10.2 million beneficiaries in California, Nevada, Hawaii, Texas, Oklahoma, Colorado, New Mexico and Virginia-----have agreed to cover the Renessa® treatment for female SUI (stress urinary incontinence) in appropriately selected patients with documented medical necessity.

Palmetto’s website states, “Effective September 1, 2009, Palmetto GBA will cover the Renessa procedure... in women who have failed conservative treatment but do not wish or are not candidates for surgical procedures and do not have structural abnormalities that would contraindicate the procedure.” Palmetto limits coverage to once per lifetime and requires that physicians performing the Renessa procedure have proof of adequate training.

<http://www.palmettogba.com/palmetto/Providers.nsf/vMasterDID/7VHNVN3810?opendocument>

TrailBlazer states on its website that effective July 1, 2009, Renessa was removed from the section titled “Investigational, Unproven or Experimental.”

<http://www.trailblazerhealth.com/Tools/Notices.aspx?DomainID=1&ID=13235>

“We are very pleased with these new coverage decisions for Renessa,” said Debra Reisenhel, Novasys Medical President and Chief Executive Officer. “Progressive Medicare Medical Directors covering twenty-one states have made Renessa available to women with a documented history of SUI. Many women are not candidates for invasive surgery or want to avoid it. This gives them an option that is more effective than previously available conservative therapies.”

Palmetto and TrailBlazer join Medicare carriers Noridian, First Coast, Highmark and Pinnacle, and national private payer Aetna US Healthcare, in covering this safe and effective non-surgical treatment for women who suffer from the debilitating effects of SUI. In addition, Blue Cross Blue Shield of Florida recently announced coverage for Renessa for its Medicare Advantage Plan members. It is anticipated that many more Medicare Advantage plans will be extending coverage to their beneficiaries in the areas where Medicare carriers are covering this safe and effective non-surgical SUI treatment.

Female Stress Urinary Incontinence (SUI)

SUI is the involuntary leakage of urine associated with coughing, sneezing, laughing and recreational activities. It is caused by a variety of factors---most commonly childbirth---and often restricts the social, professional, and personal lives of an estimated 15 million women in the U.S. alone. With currently available surgical and non-surgical SUI therapies, many patients and physicians have concerns about safety, recovery, compliance and/or effectiveness. Experts estimate 80% of women with SUI thus do not seek treatment of any kind.

The FDA-cleared Renessa System includes a small probe which a physician passes through the natural opening of the urethra (transurethral). The probe gently heats the tissue in the bladder neck and upper urethra. The heat denatures the collagen in the tissue, and upon healing, the tissue becomes firmer and more resistant to leaks. The Renessa treatment can be performed in the convenience of a physician's office, or in an outpatient setting, using local anesthesia. There are no incisions, bandages or dressings required. Recovery is rapid and comfortable, with minimal post-procedure limitations. More than 350 urologists, urogynecologists and gynecologists have been trained and have performed the Renessa procedure in nearly 3,000 patients.

About Novasys Medical

Novasys Medical, Inc. is a privately held, venture-backed company which develops innovative therapies in women's health. The company's initial focus is the development and commercialization of the Renessa System, a proprietary, non-surgical approach to the treatment of female stress urinary incontinence (SUI).

For more information, please visit www.novasysmedical.com or call (510) 226-4060.

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