



Semler Scientific

Semler Scientific Comments on CMS Risk Adjustment Changes in the 2024 Medicare Advantage and Part D Final Rate Announcement

April 3, 2023

SANTA CLARA, Calif., April 3, 2023 /PRNewswire/ -- Semler Scientific, Inc. (Nasdaq: SMLR), a company that provides technology solutions to improve the clinical effectiveness and efficiency of healthcare providers, commented on the recent Centers for Medicare and Medicaid Services (CMS) 2024 Medicare Advantage and Part D Final Rate Announcement.



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"Semler Scientific remains confident that screening for peripheral artery disease (PAD) using our QuantaFlo® product is in the best interest of at-risk Medicare beneficiaries, despite CMS' decision to finalize removal of PAD without complications from its Medicare Advantage risk adjustment model," said Wayne T. Pan, Ph.D., M.D., chief executive officer of Semler Scientific. "Furthermore, a three-year phase-in of the changes to the risk adjustment model will support continued screening of at-risk asymptomatic patients for PAD during the transition period, which will contribute to the collection of even more clinical outcome data underscoring the importance of asymptomatic screening going forward." The removal of PAD without complications from the Medicare Advantage risk adjustment model was originally proposed by CMS in its 2024 Medicare Advantage and Part D Advance Notice, which CMS released in February 2023.

Using the American Heart Association/American College of Cardiology guidelines for PAD testing, Semler Scientific's QuantaFlo® has proven to be a fast, portable, cost-effective, and accurate tool that provides value to patients and payors. QuantaFlo aids in the diagnosis of previously undetected early-stage PAD and heart dysfunction (HD), enabling primary care physicians to treat risk factors that contribute to the progression of these serious vascular and cardiac diseases.

Semler Scientific believes it is essential that current testing protocols remain in place. With the potential to modify disease progression, Semler Scientific is optimistic that earlier diagnosis and treatment can lead to improved long-term clinical outcomes for patients. This was supported in the February 2022 publication of the *Journal of Vascular Surgery*, which found that a positive PAD screening test in Medicare Advantage patients was independently associated with an increase of ~60% to 70% for 1-year all-cause mortality and/or major adverse cardiac events (MACE) and a 40% to 50% increase for 3-year all-cause mortality and MACE. The authors concluded that these findings highlight an "enormous potential to realize cost-savings by reducing cardiovascular event rates and deploying population-based PAD risk mitigation strategies." Semler Scientific believes that the paradigm of earlier diagnosis and intervention will become the standard of care in managing patients with PAD and/or HD.

About Semler Scientific, Inc.:

Semler Scientific, Inc. is a company that provides technology solutions to improve the clinical effectiveness and efficiency of healthcare providers. Semler Scientific's mission is to develop, manufacture and market innovative products and services that assist its customers in evaluating and treating chronic diseases. Semler Scientific's patented and U.S. Food and Drug Administration (FDA), cleared product, QuantaFlo, is a rapid point-of-care test that measures arterial blood flow in the extremities to aid in the diagnosis of cardiovascular diseases, such as peripheral arterial disease (PAD) and heart dysfunction (HD). QuantaFlo is used by Semler Scientific's customers to evaluate their patients more comprehensively for risk of mortality and major adverse cardiovascular events (MACE), which are associated with a positive QuantaFlo test. Semler Scientific has an agreement with Mellitus Health, Inc. (Mellitus) to exclusively market and distribute *Insulin Insights*™, an FDA-cleared software product that recommends optimal insulin dosing for diabetic patients in the United States, including Puerto Rico, except for selected accounts. Semler Scientific has made investments in Mellitus, NeuroDiagnostics Inc., a privately held company doing business as SYNAPS Dx, whose product, *Discern*™, is a test for early-stage Alzheimer's disease, as well as Monarch Medical Technologies LLC, a privately held company whose product EndoTool™ offers a technology-enabled approach to inpatient glycemic management. Semler Scientific continues to develop complementary innovative products in-house and seek out other arrangements for additional products and services that it believes will bring value to its customers and to the company. Semler Scientific believes its current products and services, and any future products or services that it may offer, positions it to provide valuable information to its customer base, which in turn permits them to better guide patient care. Additional information about Semler Scientific can be found at www.semlerscientific.com.

Forward-Looking Statements

This press release contains "forward-looking" statements. Such statements can be identified by, among other things, the use of forward-looking language such as the words "goal," "may," "will," "intend," "expect," "anticipate," "estimate," "project," "would," "could" or words with similar meaning or the negatives of these terms or by the discussion of strategy or intentions. The forward-looking statements in this release include express or implied statements regarding the elimination of HCC 108, continued screening of at-risk asymptomatic patients and benefits therefrom, adjusting to the new risk adjustment model and standard of care in managing patients with PAD or HD, among others. Such forward-looking statements are subject to a number of risks and uncertainties that could cause forward looking statements to differ materially from those discussed herein, such as whether or not QuantaFlo can provide value to customers and whether or not customers will continue to prioritize screening asymptomatic patients, along with those risk factors detailed in Semler Scientific's filings with the Securities and Exchange Commission. These forward-looking statements involve assumptions, estimates, and uncertainties that reflect current internal projections, expectations, or beliefs. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. All forward-looking statements contained in this press release are qualified in their entirety by these cautionary statements and the risk factors described above. Furthermore, all such statements are made as of the date of this release and Semler Scientific assumes no obligation to update or revise these

statements unless otherwise required by law.

INVESTOR CONTACT:

Susan A. Noonan
S.A. Noonan Communications
susan@sanoonan.com
917 513 5303

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