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## **Veracyte Announces Final Medicare Coverage Policies for Percepta® Bronchial Genomic Classifier**

### **Genomic Test is First to Gain Medicare Coverage for Improved Lung Cancer Screening and Diagnosis**

SOUTH SAN FRANCISCO, Calif., Feb. 6, 2017 /PRNewswire/ -- [Veracyte, Inc.](#) (NASDAQ: VCYT), a genomic diagnostics company focused on reducing unnecessary surgeries and healthcare costs by resolving diagnostic uncertainty, today announced that Palmetto GBA, a Medicare Administrative Contractor (MAC), has finalized its coverage policy for the Percepta Bronchial Genomic Classifier. This local coverage determination (LCD) makes Percepta the first genomic test to be covered by Medicare for improved lung cancer screening and diagnosis. Developed through the Medicare MoIDx program, the policy will become effective March 13, 2017 and provides a framework for other participating MACs to follow.

CGS Administrators, LLC also issued a final LCD for the Percepta genomic test and Noridian Healthcare Solutions is expected to similarly finalize its draft LCD. These finalizations will make Percepta a covered benefit for more than 35 million, or nearly two thirds, of the 57 million Medicare beneficiaries in the United States.

The Percepta classifier is a genomic test that is used to improve the accuracy and safety of lung cancer screening and diagnosis. The test is supported by multiple published studies demonstrating its ability to reduce unnecessary surgeries on suspicious lung nodules found on computed tomography (CT) scans - a traditional challenge in lung cancer screening.

"Palmetto continues to be a leader in acknowledging the tremendous advances in patient care and healthcare savings that are enabled by access to Veracyte's high-value genomic tests," said Bonnie Anderson, Veracyte's chairman of the board, president and chief executive officer. "The significant clinical evidence supporting Percepta met the MoIDx program's high standards for coverage and, we believe, will also be key to gaining private insurance coverage and driving the test's adoption as we begin to ramp up commercialization."

Lung cancer kills nearly 160,000 Americans each year - more than the next three leading cancers combined. In 2015, more than eight million Americans became eligible through Medicare and private insurers for annual lung cancer screening with low-dose CT in an effort to find cancers earlier, when they are more treatable.

Veracyte estimates the U.S. market opportunity for Percepta to be \$425 million to \$525 million today and expects the market to increase in size as lung cancer screening programs expand. Approximately 50 percent of the current market comprises patients covered by Medicare.

#### **About Percepta**

The Percepta Bronchial Genomic Classifier identifies patients with lung nodules who are at low risk of cancer following an inconclusive bronchoscopy result, making it possible to monitor these patients with CT scans in lieu of invasive diagnostic procedures. The 23-gene classifier uses proprietary genomic technology to detect molecular changes that occur in the epithelial cells lining the lung's respiratory tract in current or former smokers with lung cancer. These changes can be detected in cells obtained from standard brushings taken during bronchoscopy from the mainstem bronchus and indicate the presence of malignancy or disease processes from distant sites in the lung. Thus, the test is designed to determine a lung nodule's or lesion's likelihood of cancer, without the need to sample the nodule or lesion directly. The Percepta classifier is performed at Veracyte's CLIA-certified laboratory in South San Francisco, California.

For more information, view the Percepta [video](#).

#### **About Veracyte**

Veracyte (NASDAQ: VCYT) is a leading genomic diagnostics company that is fundamentally improving patient care by resolving diagnostic uncertainty with evidence that is trustworthy and actionable. The company's products uniquely combine genomic technology, clinical science and machine learning to provide answers that give physicians and patients a clear path forward without risky, costly surgery that is often unnecessary. Since its founding in 2008, Veracyte has commercialized three genomic tests, which are transforming the diagnosis of thyroid cancer, lung cancer and idiopathic pulmonary fibrosis and collectively target a \$2 billion market opportunity. Veracyte is based in South San Francisco, California. For more

information, please visit [www.veracyte.com](http://www.veracyte.com) and follow the company on Twitter (@veracyte).

### **Cautionary Note Regarding Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "expect," "believe," "should," "may," "will" and similar references to future periods. Examples of forward-looking statements include, among others, our ability to successfully scale the company and our belief that we are well positioned for profitable growth. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, anticipated events and trends, the economy and other future conditions. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially, and reported results should not be considered as an indication of future performance. These risks and uncertainties include, but are not limited to: the applicability of clinical results to actual outcomes; laws and regulations applicable to our business, including potential regulation by the Food and Drug Administration or other regulatory bodies; the size of the market opportunity for our products; our ability to successfully achieve adoption of and reimbursement for our products; the amount by which use of our products are able to reduce invasive procedures and misdiagnosis, and reduce healthcare costs; the occurrence and outcomes of clinical studies; the timing and publication of clinical study results; and other risks set forth in the company's filings with the Securities and Exchange Commission, including the risks set forth in the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016. These forward-looking statements speak only as of the date hereof and Veracyte specifically disclaims any obligation to update these forward-looking statements.

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To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/veracyte-announces-final-medicare-coverage-policies-for-percepta-bronchial-genomic-classifier-300402317.html>

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