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EnteroMedics Announces First Veterans Choice Program vBloc® Implant at MedStar Health in Maryland

ST. PAUL, Minn., Aug. 21, 2017 /PRNewswire/ -- EnteroMedics Inc. (NASDAQ:ETRM), the developer of minimally invasive medical devices to treat obesity, metabolic diseases and other gastrointestinal disorders, today announced that MedStar Health successfully completed its first implant of the Company's vBloc® Neurometabolic Therapy for a veteran through the Veterans Choice Program. The surgery was performed on Friday August 18, 2017 by John S. Brebbia, MD, MBA, FACS, FASMBS.



"We are so pleased to be a part of a program that allows access to a safe, durable, non-anatomy-altering solution for patients who are battling the potentially life-threatening disease of obesity and its associated comorbidities," said Dr. Brebbia. "While we have successfully implanted vBloc in the general population at MedStar, we are honored to now be offering this solution to the many veterans who qualify for vBloc through the Veterans Choice Program."

The Federal Veterans Choice Program allows veterans to have the vBloc procedure within a facility in their local community instead of at a Department of Veteran's Affairs (VA) hospital, significantly increasing the accessibility to vBloc for veterans. According to the VA, in the first quarter of FY2017, they observed a more than 30 percent increase in authorizations through the program as compared to the same period in FY2016. EnteroMedics' previously-announced agreement with Academy Medical covers the cost of vBloc for qualified veterans in accordance with their VA health benefits.

About MedStar Health

MedStar Health is a not-for-profit health system dedicated to caring for people in Maryland and the Washington, D.C., region, while advancing the practice of medicine through education, innovation and research. MedStar's 30,000 associates, 6,000 affiliated physicians, 10 hospitals, ambulatory care and urgent care centers, and the MedStar Health Research Institute are recognized regionally and nationally for excellence in medical care. As the medical education and clinical partner of Georgetown University, MedStar trains more than 1,100 medical residents annually. MedStar Health's patient-first philosophy combines care, compassion and clinical excellence with an emphasis on customer service. For more information, visit MedStarHealth.org.

About vBloc® Therapy

vBloc Therapy works to control sensations of hunger using a pacemaker-like device that is implanted under the skin during a safe, minimally invasive procedure that does not alter or remove any patient anatomy. The vBloc System is designed to give the patient a sensation of fullness, empowering them to eat less, control their appetite, and lose weight. Studies have shown that vBloc Therapy produces meaningful weight loss while also reducing comorbidity factors related to obesity.

vBloc Therapy is approved for use in people aged 18 years and older who are obese, with a BMI of 40 to 45 kg/m², or a BMI of 35 to 39.9 kg/m² with a related health condition such as Type 2 diabetes, high blood pressure, high cholesterol levels or obstructive sleep apnea who have had a poor response to trying to lose weight under supervision in the last 5 years.

About EnteroMedics Inc.

EnteroMedics is a medical device company focused on the development and commercialization of technology to treat obesity and metabolic diseases. vBloc® Neurometabolic Therapy, delivered by an FDA-approved pacemaker-like device called the vBloc® System, is designed to help patients feel full and eat less by intermittently blocking hunger signals on the

vagus nerve. EnteroMedics recently acquired the Gastric Vest System™ through its acquisition of BarioSurg, Inc.

Forward-Looking Safe Harbor Statement:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by the use of words such as "expect," "plan," "anticipate," "could," "may," "intend," "will," "continue," "future," other words of similar meaning and the use of future dates. These forward-looking statements are based on the current expectations of our management and involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others: our limited history of operations; our losses since inception and for the foreseeable future; our limited commercial sales experience with our vBloc® System for the treatment of obesity in the United States or in any foreign market other than Australia and the European Community; the competitive industry in which we operate; our ability to maintain compliance with the Nasdaq continued listing requirements; our ability to commercialize our vBloc® System; our dependence on third parties to initiate and perform our clinical trials; the need to obtain regulatory approval for any modifications to our vBloc® System; physician adoption of our vBloc® System and vBloc® Neurometabolic Therapy; our ability to obtain third party coding, coverage or payment levels; ongoing regulatory compliance; our dependence on third party manufacturers and suppliers; the successful development of our sales and marketing capabilities; our ability to raise additional capital when needed; international commercialization and operation; our ability to attract and retain management and other personnel and to manage our growth effectively; potential product liability claims; the cost and management time of operating a public company; potential healthcare fraud and abuse claims; healthcare legislative reform; and our ability to obtain and maintain intellectual property protection for our technology and products. These and additional risks and uncertainties are described more fully in the Company's filings with the Securities and Exchange Commission, particularly those factors identified as "risk factors" in Exhibit 99.3 of our current report on Form 8-K filed July 26, 2017. We are providing this information as of the date of this press release and do not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

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