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FOR IMMEDIATE RELEASE

PARADIGM SPINE, LLC ANNOUNCES THAT CAHABA GBA, LLC HAS DETERMINED THAT ITS COFLEX® INTERLAMINAR TECHNOLOGY CAN BE COVERED IN THE STATES OF ALABAMA, GEORGIA AND TENNESSEE

New York, NY, January 7, 2013 - Paradigm Spine, LLC, a provider of innovative spinal implant technologies, announces the favorable Medicare determination by Cahaba Government Benefit Administrators, LLC® (Cahaba GBA) for the Company's landmark coflex® interlaminar technology in the states of Alabama, Georgia and Tennessee. Coflex®, a post-decompression and motion preserving interlaminar stabilization device, has been available in the U.S. since receiving FDA PMA Approval in late 2012.

Cahaba GBA administers Medicare health insurance for the Centers for Medicare & Medicaid Services (CMS), and has been a Medicare contractor since the inception of the program in 1966. Since its founding, Cahaba GBA has striven to develop and improve its business practices, and remains committed to offering the highest quality services to CMS and the Medicare providers it serves. On January 7, 2009, Cahaba GBA was awarded the Jurisdiction 10 A/B MAC contract from the Centers for Medicare and Medicaid Services. As a result, today Cahaba GBA is primarily responsible for the administration of all Medicare Part A and Part B claims throughout the states of Alabama, Georgia and Tennessee.

Cahaba GBA reached a favorable Medicare determination in the states of Alabama, Georgia and Tennessee for the use of Paradigm Spine, LLC's coflex® interlaminar device as a non-fusion alternative for symptomatic spinal stenosis. This policy determination, which provides access to Medicare beneficiaries, was based on Cahaba GBA's in-depth review of both submitted and available references and literature using standard "strength of evidence" guidelines. In view of the robust clinical data derived from the coflex® PMA Approval Study, combined with other key elements such as the coflex® Summary of Safety and Effectiveness Data (SSED) document and the coflex® Instructions For Use (IFU) document, Cahaba GBA has determined that "the use of the coflex® interlaminar device as a non-fusion alternative for symptomatic spinal stenosis can be covered as medically necessary." While this is not a local coverage decision, and Cahaba GBA retains discretion to make individual claim determinations based on medical necessity, this favorable policy determination now provides the more than 3.3 million Medicare patients in Alabama, Georgia and Tennessee with a clinically-proven, motion-preserving, minimally invasive alternative to pedicle screw fusion for the treatment of moderate to severe spinal stenosis.

Spinal stenosis is a condition usually worsened by exercise or walking, with symptoms that include pain, weakness, or numbness in the legs, calves or buttocks and is often associated with low back pain. It is estimated the treatment of lumbar spinal stenosis conditions costs the U.S. government Medicare system more than \$2.3 billion annually¹. According to findings derived from its U.S. PMA Clinical Study, on average, coflex® saved \$5,000-\$8,700 per case compared to the use of pedicle screw fusion². These substantial costs savings were achieved through shorter operating room time, faster patient recovery, less narcotics usage and shorter hospital stay.

About Paradigm Spine, LLC

Paradigm Spine, LLC was founded in 2004 and remains focused on the design and development of solutions for the treatment of spinal diseases. The Company's signature product is the coflex® interlaminar stabilization device, which has more than 18 years of clinical history and patients treated in more than 40 countries worldwide.

Disclosure Statement

This press release and the statements contained herein in no way or manner represent an endorsement on behalf of Cahaba GBA, LLC of Paradigm Spine, LLC and/or its products, including the coflex® interlaminar device.

¹ <http://online.wsj.com/article/SB10001424052748703395204576024023361023138.html>.

² These results were obtained from analyses of intraoperative, postoperative, perioperative, narcotics and supply costs, and were derived from actual costs reported by study sites, supplemented by estimates or assumptions where actual numbers were not or could not be obtained.