



Imprimis Pharmaceuticals Announces New Economic Study Demonstrating \$8.7 Billion in Potential Cost Savings over the Next 10 Years with the Adoption of Dropless Therapy™

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SAN DIEGO, Oct. 26, 2015 /PRNewswire/ -- Imprimis Pharmaceuticals, Inc. (NASDAQ: IMMY), a specialty pharmaceutical company focused on the development and commercialization of proprietary compounded drug therapies, today announced that findings of a recent economic study demonstrate that its Dropless Therapy™ could save Medicare and Medicaid more than \$7 billion over the next ten years. Additionally, during the same time period patients could save \$1.4 billion for out of pocket costs for co-payments, and state governments could save \$124 million in Medicaid payments. According to the co-sponsored economic study, "[Analysis of the Economic Impacts of Dropless Cataract Therapy on Medicare, Medicaid, State Governments, and Patient Costs](#)", Medicare and Medicaid will fund over 38 million cataract surgeries over the ten years and Medicare will reimburse 96% of the total costs. Dropless Therapy™, a one-time injectable compounded formulation administered by an ophthalmologist at the end of a cataract surgery, consists of the same FDA-approved generic drug ingredients generally used in topical eye drops. Use of Dropless Therapy™, which has been administered in over 100,000 ocular procedures to date, has been presented at major ophthalmology conferences in the United States and is also the subject of one study which has been submitted and a second pending submission for peer review and publication.



In addition to the significant cost savings the study reports that Dropless Therapy™ offers, many ophthalmologists believe that a one-time injection of Dropless Therapy during surgery helps to improve patient compliance and is beneficial for patients with physical and mental challenges such as osteoarthritis, rheumatoid arthritis, scoliosis, Parkinson's, kyphosis, Alzheimer's, and dementia. At a recent major ophthalmology conference, 95% of cataract surgeons surveyed commented they would prefer Dropless Therapy™ compared to the current standard of care eye drop regimen. Although Dropless Therapy™ doesn't have FDA-label approval for the finished formulations, the antibiotics and steroid medications to prevent inflammation and infection after cataract surgery have been well studied and used in clinical practice for decades. Triamcinolone acetonide was initially approved by FDA in 1957; moxifloxacin hydrochloride was initially approved by FDA in 1999; and, vancomycin hydrochloride was initially approved by FDA in 1986.

All component pharmaceutical ingredients in Imprimis' Dropless Therapy™ are made in FDA registered and inspected manufacturing facilities according to US Pharmacopeia monographs (or standards) and each Imprimis-owned compounding pharmacy is subject to inspection by the FDA as well as supervision from and inspection by the state boards of pharmacy in which they are licensed to dispense prescriptions.

Researchers at Andrew Chang & Co, LLC, concluded that despite significant advantages for patients and the health care system, adoption of dropless therapy has lagged due to the patients' inability to choose this therapy. With over 38 million cataract surgeries projected to be funded by Medicare and Medicaid over the next ten years, giving patients the option to choose and pay for dropless therapy would produce significant cost savings for patients and for the Medicare and Medicaid programs. It would significantly reduce costs for patients because, even if they paid for the therapy, they would be relieved of paying the high co-payments for drops under the current policy.

Imprimis CEO Mark L. Baum, stated, "We hope these findings prove helpful in our effort to seek a policy change within the Centers for Medicare & Medicaid Services (CMS) which is an important initiative for our company as we seek to make Dropless Therapy™ available to any American – rich or poor, with a good health plan or not – who wishes to avoid the well-known challenges associated with putting eye drops in their eyes over 150 times following cataract surgery. I have met with many

legislators – Republican and Democrat -- and it has been clear to me that they understand how Droplless Therapy™ can benefit their constituents. I hope this new economic study will provide them with the economic data to help them make the changes necessary to save our government and millions of Medicare age patients billions of dollars over the next decade. Not taking the simple action required to make Droplless Therapy available goes against the interests of the millions of seniors who want access to Droplless Therapy and who want to avoid the high cost and compliance issues that eye drops cause."

Mr. Baum added, "Recent increases in healthcare costs have been linked directly to companies that take old and off-patent generic drugs and charge prices that are so high that the price of the drug itself impedes or prevents access to healthcare. In the case of an elderly patient population with cataracts – you're talking about living without sight. We believe that ophthalmologists, ambulatory surgery centers, hospitals, patients and public and private payors have been charged far too much for what is a legacy technology – eye drops. We are pleased to be able to offer something truly innovative – that has been used over 100,000 times – and that can save Medicare and Medicare recipients and other patients billions and billions of dollars. And that is just for one surgical procedure – cataract surgery."

Baum concluded, "In order for the benefits of these savings to be realized, CMS must consider economically supporting Droplless Therapy™ through reasonable payment, or at the very least, by allowing patients to pay for Droplless Therapy™. Believe it or not, current Medicare policy does not provide for payment for Droplless Therapy™, nor does Medicare allow patients to pay for Droplless Therapy™ -- regardless of their cost savings over paying for eye drops. That's right – if you are a Medicare recipient you can't pay for Droplless Therapy™. Current Medicare policy mandates that if patients wish to experience the benefits of Droplless Therapy™ they must find an ophthalmologist who is willing to pay for it on behalf of the patient. Most ophthalmologists will not do this unless they are making more money on other premium services. Therefore, this current policy has acted to suppress Droplless Therapy™ adoption and perhaps an unintended but real consequence is that only Medicare recipients who have the means to pay for premium services get access. In other words, if you are lower income or poor, you end up having to buy and use expensive eye drops. This isn't a great outcome for anyone other than the big eye drop companies. We can do better and we intend to work with CMS to increase access to Droplless Therapy™ for all Americans who want it."

All Imprimis compounded formulations may only be prescribed pursuant to a physician prescription for an individually identified patient consistent with federal and state laws governing compounded drug formulations.

About Droplless Therapy Injectable Formulations

Over 400 ophthalmologists are now prescribing Imprimis' proprietary Droplless Therapy™ compounded formulations. Since its launch in April 2014, Droplless Therapy™ formulations have been administered in over 100,000 eye surgeries, primarily cataract surgeries. Ophthalmologists have reported that Droplless Therapy formulations may substantially reduce or eliminate the need for costly eye drops following ocular surgeries thereby simplifying post-operative patient care and helping to provide safeguards against bacterial infection and inflammation. For more information, visit www.droplless.com.

ABOUT IMPRIMIS PHARMACEUTICALS

San Diego-based Imprimis Pharmaceuticals, Inc. (NASDAQ: IMMY) is a national leader in the development, production and dispensing of novel compounded pharmaceuticals. The company's business primarily consists of four therapeutic segments including ophthalmology, urology, sinus and integrative medicine. Imprimis dispenses compounded pharmaceuticals in all 50 states from four facilities located in California, Texas, New Jersey and Pennsylvania. For more information about Imprimis, please visit the corporate website at www.ImprimisPharma.com.

SAFE HARBOR

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Any statements in this release that are not historical facts may be considered such "forward looking statements." Forward looking statements are based on management's current expectations and are subject to risks and uncertainties which may cause results to differ materially and adversely from the statements contained herein. Some of the potential risks and uncertainties that could cause actual results to differ from those predicted include risks and uncertainties related to Imprimis' ability to make commercially available its compounded formulations and technologies in a timely manner or at all; physician interest in prescribing its formulations; risks related to its compounding pharmacy operations; its ability to enter into other strategic alliances, including arrangements with pharmacies, physicians and healthcare organizations for the development and distribution of its formulations; its ability to obtain intellectual property protection for its assets; its ability to accurately estimate its expenses and cash burn, and raise additional funds when necessary; risks related to research and development activities; the projected size of the potential market for its technologies and formulations; unexpected new data, safety and technical issues; regulatory and market developments impacting compounding pharmacies, outsourcing facilities and the pharmaceutical industry; competition; and market conditions. These and additional risks and uncertainties are more fully described in Imprimis' filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q. Such documents may be read free of charge on the SEC's web site at www.sec.gov. Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made. Except as required by law, Imprimis undertakes no obligation to update any forward looking statements to reflect new information, events or circumstances after the date they are made, or to reflect the occurrence of unanticipated events.

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