

## **Masimo Announces "Better Care" Program - A Hospital Risk-Share Program for Blood Transfusion Related Cost Reduction with SpHb@, and \$30 SpHb Sensor Price**

The Associated Press

Masimo (NASDAQ: MASI) today announced that in line with its mission to "Improve Patient Outcomes and Reduce the Cost of Care by Taking Noninvasive Monitoring to New Sites and Applications@," and its confidence that continuous noninvasive hemoglobin monitoring (SpHb@) will further the company's stated mission, Masimo is introducing a hospital-wide risk-share program for Blood Transfusion Related Cost Reduction (BTR-CR, pronounced "Better Care"). The Better Care Program guarantees blood transfusion related cost reductions will exceed the incremental price of SpHb sensors.

Joe Kiani, Founder and CEO of Masimo stated, "We understand that hospitals are doing their best to deliver quality care in an unprecedented time of reduced census, cost containment pressure, and increasing expense. Through our customers' and independent researchers' experience with SpHb, we are confident that SpHb will not only reduce mortality and morbidity, but will reduce cost dramatically. The Better Care Program allows a select number of hospitals to implement SpHb monitoring hospital-wide with the guaranteed protection that their costs will not increase. We hope the Better Care Program will not only provide improved patient care and dramatically lower costs, but will also represent a new model for other medical technology companies to help hospitals achieve their goal of better care, with lower cost guaranteed!" Masimo's "Better Care Risk-Share Program-Guarantees Hospital Savings from SpHb Reducing cost of care is a central focus in every hospital today. Red blood cell transfusions and their related costs are one of the largest cost centers in every hospital, often 10 times the annual cost of SpO2 sensor purchases. Transfusions can save lives, but the evidence is clear that they also dramatically increase mortality and morbidity risk and cost. These facts underscore the need to transfuse only when necessary. Hemoglobin concentration is a primary indicator of the need for transfusion and invasive blood draws for laboratory hemoglobin determination are among the most common tests performed in hospitals, but they can only offer intermittent and often delayed results. Masimo SpHb has been shown to help clinicians reduce blood transfusions during surgery, as well as provide an early indication of hemoglobin drops in medical and surgical intensive care, obstetric, and general-floor patients-allowing lifesaving interventions. Results of a randomized controlled trial conducted by researchers at Massachusetts General Hospital and Harvard Medical School showed that Masimo SpHb helped anesthesiologists reduce the frequency of blood transfusion by 90% (from 0.1 to 0.01 units per patient) in 327 patients undergoing orthopedic surgery.(1) In keeping with Masimo's mission to improve patient outcomes and reduce the cost of care, Masimo is proud to introduce its risk-share program for Blood Transfusion Related

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Cost Reduction. Masimo guarantees that when a hospital replaces its standard SpO<sub>2</sub> adhesive sensors with Masimo rainbow@ ReSposable SpHb Sensors and begins monitoring noninvasive hemoglobin (SpHb), pleth variability index (PVI@), and methemoglobin (SpMet@), in addition to Masimo SET SpO<sub>2</sub>, pulse rate, and perfusion index (PI), the incremental price paid for the rainbow sensors will be exceeded by a reduction in blood transfusion related costs.

If the documented blood transfusion-related costs in a hospital do not exceed the incremental price paid for Masimo rainbow@ ReSposable Sensors beyond standard SpO<sub>2</sub> sensor pricing, Masimo will provide a refund for the difference between the incremental price paid and the reduction in blood transfusion related costs (terms and conditions apply). The Better Care Program is available to the first 100 hospitals worldwide that qualify for the program. Interested hospitals should contact their Masimo sales representative or go online for further details and conditions at: [www.masimo.com/bettercare](http://www.masimo.com/bettercare). (2) "Less than five percent of hospital costs are associated with the use of medical devices and disposables," stated Jon Coleman, President of Worldwide Sales, Marketing and Clinical Research at Masimo. "In contrast, blood is one of the largest cost centers in the hospital.

Masimo is so confident that SpHb monitoring will result in a blood transfusion related cost reduction that we are willing to guarantee it with our new Better Care Risk-Share Program. We look forward to partnering with hospitals around the world to improve patient outcomes and decrease the cost of care with SpHb and our other rainbow@ monitoring capabilities." We believe hospitals can expect even greater savings beyond blood transfusion related costs by using SpHb and other rainbow@ measurements to detect bleeding sooner and enable lifesaving interventions, reduce the number of blood draws and incidents of hospital-acquired anemia, optimize fluid management with PVI, and decrease the risk of dangerous methemoglobinemia with SpMet. In addition, we believe hospitals will also receive clinical and financial benefits from Masimo SET pulse oximetry, including reduced retinopathy of prematurity (ROP) in very low birth weight neonates, decreased sensor utilization, decreased arterial blood gas measurements, faster oxygen weaning time, and earlier detection of patient distress that helps to improve outcomes and lower the length of stay for post-surgical patients. The rainbow@ ReSposable Sensor also provides the industry's best green solution with a dramatically lower carbon footprint.(3) New Design Leads to \$30 rainbow@ SpHb ReSposableT Sensor Price-Making SpHb Use Broadly Available Thanks to recent enhancements to the rainbow@ ReSposable design that increase the number of patient applications possible with the Reusable Optical Sensor (ROST) component of the ReSposable System to 20 or more patients (from five previously), Masimo's internal cost savings can be extended to hospitals wishing to adopt SpHb more widely. The SpHb ReSposable Sensor System is now priced at just \$30 USD per patient (based on reasonable committed sensor usage), which represents up to a 50% price reduction over previous pricing. Given that the SpHb ReSposable Sensor also provides Masimo SET@ SpO<sub>2</sub>, pulse rate, perfusion index (PI), methemoglobin (SpMet), and pleth variability index (PVI) measurements, the new sensor pricing makes it possible for SpHb to become a new standard of care for all patients throughout the continuum of care.

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(1) Ehrenfeld J., Henneman J. "Impact of Continuous and Noninvasive Hemoglobin Monitoring on Intraoperative Blood Transfusions." American Society of Anesthesiologists, 2010 Annual Conference, October 18, 2010. Available online here. (2) This is not an offer. Participating in the guarantee requires a contract with agreed-upon terms and conditions. (3) Based on carbon footprint calculations validated by Carbonfund.org in November 2011.

About Masimo Masimo (NASDAQ: MASI) is the global leader in innovative noninvasive monitoring technologies that significantly improve patient care-helping solve "unsolvable" problems. In 1995, the company debuted Measure-Through Motion and Low Perfusion pulse oximetry, known as Masimo SET@, which virtually eliminated false alarms and increased pulse oximetry's ability to detect life-threatening events. More than 100 independent and objective studies demonstrate Masimo SET provides the most reliable SpO2 and pulse rate measurements even under the most challenging clinical conditions, including patient motion and low peripheral perfusion. In 2005, Masimo introduced rainbow SET@ Pulse CO-OximetryT technology, allowing noninvasive and continuous monitoring of blood constituents that previously required invasive procedures, including total hemoglobin (SpHb@), oxygen content (SpOCT), carboxyhemoglobin (SpCO@), methemoglobin (SpMet@), and Pleth Variability Index (PVI@), in addition to SpO2, pulse rate, and perfusion index (PI). In 2008, Masimo introduced Patient SafetyNetT, a remote monitoring and wireless clinician notification system designed to help hospitals avoid preventable deaths and injuries associated with failure to rescue events. In 2009, Masimo introduced rainbow Acoustic MonitoringT, the first-ever noninvasive and continuous monitoring of acoustic respiration rate (RRaT). Masimo's rainbow SET technology platform offers a breakthrough in patient safety by helping clinicians detect life-threatening conditions and helping guide treatment options. In 2010, Masimo acquired SEDLine@, a pioneer in the development of innovative brain function monitoring technology and devices. Masimo SET and Masimo rainbow SET technologies can be also found in over 100 multiparameter patient monitors from over 50 medical device manufacturers around the world.

Founded in 1989, Masimo has the mission of "Improving Patient Outcome and Reducing Cost of Care . by Taking Noninvasive Monitoring to New Sites and Applications@." Additional information about Masimo and its products may be found at [www.masimo.com](http://www.masimo.com).

**Forward-Looking Statements** This press release includes forward-looking statements as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, in connection with the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations about future events affecting us and are subject to risks and uncertainties, all of which are difficult to predict and many of which are beyond our control and could cause our actual results to differ materially and adversely from those expressed in our forward-looking statements as a result of various risk factors, including, but not limited to: risks related to our belief that SpHb enables hospitals to achieve significant patient care and financial impacts, risks related to our Better Care Risk Share Program and belief that the incremental price paid for the rainbow sensors will be exceeded by a reduction in blood transfusion related

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costs in every hospital, risks related to our belief that SpHb ReSposable sensor enhancements will deliver a 20:1 use ratio in all circumstances and applications, as well as other factors discussed in the "Risk Factors" section of our most recent reports filed with the Securities and Exchange Commission ("SEC"), which may be obtained for free at the SEC's website at [www.sec.gov](http://www.sec.gov).

Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. All forward-looking statements included in this press release are expressly qualified in their entirety by the foregoing cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of today's date. We do not undertake any obligation to update, amend or clarify these statements or the "Risk Factors" contained in our most recent reports filed with the SEC, whether as a result of new information, future events or otherwise, except as may be required under the applicable securities laws.

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Masimo, SET, Signal Extraction Technology, Improving Patient Outcome and Reducing Cost of Care. by Taking Noninvasive Monitoring to New Sites and Applications, rainbow, SpHb, SpOC, SpCO, SpMet, PVI, rainbow Acoustic Monitoring, RRa, Radical-7, Rad-87, Rad-57, Rad-8, Rad-5, Pulse CO-Oximetry, Pulse CO-Oximeter, Adaptive Threshold Alarm, and SEDLine are trademarks or registered trademarks of Masimo Corporation. The use of the trademarks Patient SafetyNet and PSN are under license from University HealthSystem Consortium.

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PDT PRN -- LA53521 -- 0000 02/14/2012 21:03:00 EDT <http://www.prnewswire.c>

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