



October 16, 2014

Priority Health is First Health Plan to Cover FoundationOne® and FoundationOne® Heme to Enhance Precision Cancer Treatment

Coverage for Foundation Medicine's Comprehensive Cancer Genomic Profiles Now Available to Members of Michigan-based Priority Health

CAMBRIDGE, Mass. & GRAND RAPIDS, Mich.--(BUSINESS WIRE)-- [Foundation Medicine, Inc.](http://www.foundationmedicine.com) (NASDAQ:FMI) and Priority Health today announced an agreement to enhance precision medicine options for Priority Health members with advanced cancers. With this agreement, Priority Health is the first health plan in the country to cover FoundationOne and FoundationOne Heme, the most comprehensive genomic profiles currently commercially available for patients with cancer.

"FoundationOne and FoundationOne Heme results empower physicians to develop an individualized treatment plan based on the unique genomic profile of each patient's tumor," said John Fox, MD, MHA, associate vice president, medical affairs, Priority Health. "Historically, cancers were categorized and treated by location in the body: lung, breast, colon, blood, etc. With additional information available about the underlying genomic drivers of a tumor's growth, we're helping our members to access customized treatment options with targeted therapies."

Priority Health's positive coverage decision includes FoundationOne, a fully informative genomic profile that interrogates the entire coding region in 315 genes and select introns in 28 genes commonly altered in solid tumors, and FoundationOne Heme, a fully informative genomic profile that analyzes DNA in 405 genes and RNA in 265 genes that are most commonly altered in hematologic malignancies, sarcomas, and select pediatric cancers. Both services inform the appropriate utilization of targeted therapies in alignment with up-to-date medical evidence.

"This positive coverage decision from a leading commercial insurer serves as further validation of the clinical utility of a treatment plan informed by comprehensive genomic profiling of a patient's unique cancer," said Kevin Krenitsky, MD, chief commercial officer of Foundation Medicine. "Priority Health's leadership in recognizing important innovations to advance patient care marks a meaningful step in the acceptance of comprehensive genomic profiling as an important element in the clinical treatment of cancer. We look forward to working with Priority Health to define additional applications for our current and future products and services."

About Foundation Medicine

Foundation Medicine (NASDAQ: FMI) is a molecular information company dedicated to a transformation in cancer care in which treatment is informed by a deep understanding of the genomic changes that contribute to each patient's unique cancer. The company's clinical assays, FoundationOne for solid tumors and FoundationOne Heme for hematologic malignancies, sarcomas and pediatric cancers, provide a fully informative genomic profile to identify the molecular alterations in a patient's cancer and match them with relevant targeted therapies and clinical trials. Foundation Medicine's molecular information platform aims to improve day-to-day care for patients by serving the needs of clinicians, academic researchers and drug developers to help advance the science of molecular medicine in cancer. For more information, please visit www.FoundationMedicine.com or follow Foundation Medicine on Twitter (@FoundationATCG).

About FoundationOne®

FoundationOne, the company's first clinical product, is a fully informative genomic profile for solid tumors used by oncologists to identify the molecular alterations in a patient's tumor and match those alterations with relevant targeted therapies and clinical trials. Using next-generation sequencing in routine cancer specimens, FoundationOne interrogates all genes somatically altered in human cancers that are validated targets for therapy or unambiguous drivers of oncogenesis based on current knowledge. It reveals all classes of genomic alterations including base substitutions, insertions, deletions, copy number alterations and select rearrangements. FoundationOne fits easily into the clinical workflow of the ordering physician, and test results are provided in an easy-to-interpret report supported by a comprehensive review of published literature. FoundationOne is a laboratory-developed test performed at Foundation Medicine's CLIA-certified lab. Please visit www.FoundationOne.com for more information.

About FoundationOne® Heme

FoundationOne Heme is a fully informative genomic profile for hematologic cancers (leukemia, lymphoma and myeloma),

sarcomas and pediatric cancers, designed to provide physicians with clinically actionable information to guide treatment options for patients based on the genomic profile of their cancer. It is Foundation Medicine's second clinical product and was developed in collaboration with Memorial Sloan-Kettering Cancer Center. Using next-generation sequencing in routine cancer specimens, FoundationOne Heme interrogates all genes somatically altered in these cancers that are validated targets for therapy or unambiguous drivers of oncogenesis based on current knowledge. The test employs RNA sequencing in addition to DNA sequencing to simultaneously detect all classes of genomic alterations, including base pair substitutions, insertions and deletions, copy number alterations and rearrangements, and gene fusions (a type of alteration that is a common driver of hematologic malignancies, sarcomas and pediatric cancers). FoundationOne Heme fits easily into the clinical workflow of the ordering physician, and test results are provided in an easy-to-interpret report supported by a comprehensive review of published literature. FoundationOne Heme is a laboratory-developed test performed at Foundation Medicine's CLIA-certified lab. Please visit www.FoundationOne.com for more information.

Foundation Medicine® and FoundationOne® are registered trademarks of Foundation Medicine, Inc.

About Priority Health

Priority Health is an award-winning, Michigan-based non-profit health plan nationally recognized for improving the health and lives of the people it serves. It continues to lead the industry in engaging members in their health, delivering effective health and disease management programs and working with physicians to improve health care outcomes and performance. Priority Health is one of only 20 health plans nationwide with wellness programs accredited by the National Committee for Quality Assurance, an organization which also rated it among the best health plans in the nation. Priority Health was also named the benchmark plan, by the State of Michigan, for all individual and group plans to model.

Priority Health offers a broad portfolio of health benefit options for employer groups and individuals, including Medicare and Medicaid plans. Its network of health care providers features 98 percent of practicing physicians available in Michigan and more than 900,000 nationwide.

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, including, but not limited to, statements regarding the benefits of FoundationOne and FoundationOne Heme to physicians and patients in the treatment of cancer. All such forward-looking statements are based on management's current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in or implied by such forward-looking statements. These risks and uncertainties include the risks that physicians may encounter delays or denials in obtaining coverage and reimbursement decisions for FoundationOne and FoundationOne Heme, that physicians may not be able to obtain access to relevant targeted therapies and clinical trials matched to molecular alterations identified by FoundationOne and FoundationOne Heme as readily as expected; that Foundation Medicine may not continue to offer FoundationOne and FoundationOne Heme or to further develop these and other products in a successful manner; and that the risks described under the caption "Risk Factors" in Foundation Medicine's Annual Report on Form 10-K for the year ended December 31, 2013, which is on file with the Securities and Exchange Commission, as well as other risks detailed in subsequent filings with the Securities and Exchange Commission, may be realized. All information in this press release is as of the date of the release, and Foundation Medicine undertakes no duty to update this information unless required by law.

Media Contact:

Dan Budwick, Pure Communications, Inc.
973-271-6085

dan@purecommunicationsinc.com

or

Investor Contact:

Khaled Habayeb, 617-418-2283

ir@foundationmedicine.com

Source: Foundation Medicine, Inc.

News Provided by Acquire Media