# Hanger Orthopedic Group, Inc. Receives Favorable New Code for WalkAide

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BETHESDA, Md., Nov. 10 /PRNewswire-FirstCall/ -- On November 3, 2008 The Centers for Medicare and Medicaid Services (CMS) announced their decision to establish a new code E0770 with the descriptor (functional electrical stimulator, transcutaneous stimulation of nerve and/or muscle groups, any type, complete system, not otherwise specified) which will be reimbursable for beneficiaries with foot drop due to incomplete spinal cord injuries effective January 1, 2009. This HCPCS decision will cover Hanger Orthopedic Group, Inc.'s (NYSE: HGR) WalkAide. The reimbursement amount for this new code is in the process of being determined by CMS.

Under this new HCPCS code, the WalkAide will have a covered status of "D," designated by CMS as a covered benefit for indicated populations. CMS instructions for coverage require the device to be fit by skilled clinicians within specific healthcare settings, including inpatient and outpatient hospitals and comprehensive and outpatient rehabilitation facilities. This aligns with Hanger's policy to have only skilled and trained clinicians providing the WalkAide. The WalkAide also received an additional classification under Durable Medical Equipment as a D1E, which places the device in a separately identifiable category from other DME equipment such as wheelchairs, walkers and crutches.

Commenting on the news, Thomas F. Kirk, President and Chief Executive Officer of Hanger Orthopedic Group, remarked, "We are extremely pleased with these positive first steps in the process to make the WalkAide available under the Medicare and private insurance programs to the patient populations suffering from foot drop. We are excited that CMS recognizes the importance of the WalkAide by giving the device its own unique 'E' code. CMS estimates that there are 11,000 spinal cord injuries each year that add to the 250,000 legacy victims."

Hanger Orthopedic Group, Inc., headquartered in Bethesda, Maryland, is the world's premier provider of orthotic and prosthetic patient care services. Hanger is the market leader in the United States, owning and operating 677 patient care centers in 45 states and the District of Columbia, with over 3,500 employees including 1,080 practitioners (as of September 30, 2008). Hanger is organized into four units. The two key operating units are patient care which consists of nationwide orthotic and prosthetic practice centers and distribution which consists of distribution centers managing the supply chain of orthotic and prosthetic componentry to Hanger and third party patient care centers. The third is Linkia which is the first and only provider network management company for the orthotics and prosthetics industry. The fourth unit, Innovative Neurotronics, introduces emerging neuromuscular technologies developed through independent research in a collaborative effort with industry suppliers worldwide. For more information on Innovative Neurotronics, Inc. or the WalkAide(R), visit http://www.ininc.us. For more information on Hanger, visit http://www.hanger.com.

This document contains forward-looking statements relating to the Company's results of operations. The United States Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain forward- looking statements. Statements relating to future results of operations in this document reflect the current views of management. However, various risks, uncertainties and contingencies could cause actual results or performance to differ materially from those expressed in, or implied by, these statements, including the Company's ability to enter into and derive benefits from managed care contracts, the demand for the Company's orthotic and prosthetic services and products and the other factors identified in the Company's periodic reports on Form 10-K and Form 10-Q filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE Hanger Orthopedic Group, Inc.
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