



Alere Provides Update on Arriva Medical

WALTHAM, Mass., December 28, 2016 – Alere Inc. (NYSE: ALR), a global leader in rapid diagnostic tests, today provided an update on the decision by the Centers for Medicare & Medicaid Services (CMS) to revoke Arriva Medical’s Medicare billing privileges. Arriva is the largest Contract Supplier under the Medicare National Mail Order Competitive Bid Program for Diabetes Testing Supplies, having won contracts in every round of bidding and demonstrating its trusted supplier status to CMS. Arriva has filed an appeal with the Administrative Law Judge (ALJ) at CMS seeking to reinstate Arriva’s billing status. Arriva expects the ALJ to hear the appeal within 30 days and issue a decision within three months. Arriva issued the following statement:

For more than seven years, Arriva has reliably and responsibly provided diabetes testing supplies to Medicare beneficiaries. Today, Arriva serves more than half of the participants in the CMS program. We believe the recent action by CMS to remove Arriva from CMS billing is unlawful, arbitrary and capricious, and harmful to the more than 500,000 patients who depend on Arriva for these critical supplies. Our commitment to patients is unwavering, and because we are confident that this ruling will be overturned, Arriva is continuing to provide patients with the supplies they need as the appeals process proceeds. We are confident that Arriva is in compliance with CMS guidelines and look forward to an expeditious and favorable outcome for both Arriva and the hundreds of thousands of patients who depend on us. The number of purported instances cited by CMS is de minimis relative to the nearly 5.8 million total claims filed by Arriva during that same period.

Additionally, Alere today announced that Arriva has filed a complaint, and related motions, in the U.S. District Court for the District of Columbia (the “Court”) seeking: (i) to compel CMS to stay the process regarding the Competitive Bidding Contract termination while the ALJ appeal is ongoing; and (ii) to compel CMS to provisionally reinstate Arriva’s billing number while Arriva pursues the ALJ appeal. Arriva expects a decision on its motions to enjoin on or about January 5, 2017.

As outlined in the complaint, Arriva alleges that the decision by CMS to bar Arriva from participating in Medicare is driven by a desire to reduce its longstanding backlog of administrative claim-reimbursement appeals. Arriva notes that the Court recently ordered CMS to clear that backlog by 2020, and, upon information and belief, CMS perceives Arriva to be a contributor to that backlog because Arriva has been forced to appeal approximately 250,000 errantly denied claims over the past five years.

Additionally, on October 12, 2016, without any advance notice, Arriva received a letter from CMS informing it that, effective November 4, 2016, the agency was revoking Arriva's Medicare supplier billing number and barring it from re-enrolling in the Medicare program for a period of three years. Then, on November 2, 2016, without granting Arriva the opportunity to be heard, CMS upheld its initial decision based on a four-day, apparently mechanical review. CMS reached this conclusion in spite of evidence provided by Arriva demonstrating that any errors were primarily the result of Medicare system flaws.

Arriva is confident in the merits of this case because, among other things:

- Arriva and the Medicare beneficiaries it serves will suffer irreparable harm if injunctive relief is not granted;
- The balance of equities and the public interest are decidedly in favor of Arriva;
- Arriva is likely to succeed on the merits of the case because CMS's actions are depriving Arriva of protected property and liberty interests without due process; and
- CMS's refusal to grant Arriva a pre-termination hearing violates due process.

Alere has previously made public a fact sheet providing additional information regarding Arriva's relationship with CMS. The fact sheet can be accessed on Alere's website at <http://bit.ly/2if2hpJ>.

King & Spalding LLP is serving as legal counsel to Alere in connection with the Arriva matter.

About Alere

Alere believes that when diagnosing and monitoring health conditions, **Knowing now matters™**. Alere delivers reliable and actionable information by providing rapid diagnostic tests, enhancing clinical and economic healthcare outcomes globally. Headquartered in Waltham, Mass., Alere focuses on rapid diagnostics for cardiometabolic disease, infectious disease and toxicology. For more information on Alere, please visit www.alere.com.

Cautionary Statement Regarding Forward-Looking Statements

This communication (and those referenced in this communication) contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding Arriva's commitment to its patients and the Medicare program; the timing for a hearing and decision by the ALJ; the timing for a ruling by the federal court with respect to certain motions made by the Company; the bases for the Company's confidence in this case and that the ruling by CMS will be overturned; the potential impact of the revocation of Arriva's Medicare enrollment, including with respect to the risks to beneficiaries and the National Mail Order DTS program and CMS policy and any other statements about the future expectations, beliefs, goals, plans or prospects of the board or management of the Company. Readers can identify these statements by forward-looking words such as "may," "could," "should," "would," "intend," "will," "expect," "anticipate," "believe," "estimate," "continue" or similar words. A number of important factors could cause actual results of Alere and its subsidiaries to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to the possibility that the ALJ may determine the Company's appeal in a manner adverse to the Company, the possibility that the U.S. District Court for the District of Columbia may not grant

the Company's motion to enjoin and/or may make a ruling in the case that is adverse to the Company, as well as the risk factors detailed in Part I, Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (as filed with the Securities and Exchange Commission on August 8, 2016) and other risk factors identified herein or from time to time in our periodic filings with the SEC. Readers should carefully review these risk factors, and should not place undue reliance on our forward-looking statements. These forward-looking statements are based on information, plans and estimates at the date of this communication. We undertake no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

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