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Veracyte Announces Positive Coverage Policy for the Afirma® Gene Expression Classifier from Health Care Service Corporation (HCSC)

-- Additional Blues Plan Issues Positive Coverage Decision for the Afirma GEC; Two More Sign In-Network Contracts --

SOUTH SAN FRANCISCO, Calif., Dec. 14, 2015 /PRNewswire/ --Â Veracyte, Inc. (NASDAQ: VCYT), a molecular diagnostics company pioneering the field of molecular cytology, today announced that Health Care Service Corporation (HCSC), an independent licensee of the Blue Cross and Blue Shield Association and one of the nation's largest health insurers, has posted a medical policy that covers Veracyte's Afirma Gene Expression Classifier (GEC). The policy will cover as medically necessary the genomic test for HCSC's nearly 16 million members, effective January 1, 2016.Â

Additionally, Excellus BlueCross BlueShield in New York State issued a positive coverage decision for the Afirma GEC. These new policies will bring the total number of insured lives covered for the test to nearly 175 million, including more than 40 million Blue Cross and Blue Shield plan members. The plans determined that the Afirma GEC may be medically necessary for use in identifying patients with benign thyroid nodules - and who can thus potentially avoid a diagnostic surgery - among those whose fine needle aspiration (FNA) biopsy results are indeterminate following traditional cytopathology review.

"We are delighted that these notable Blue Cross and Blue Shield plans will make the Afirma GEC available as a covered benefit for their members," said Bonnie Anderson, Veracyte's president and chief executive officer. "We believe these coverage decisions reflect the value of the Afirma GEC in helping patients with thyroid nodules avoid unnecessary surgery, while also removing costs from the healthcare system. The Afirma GEC's value is proven in multiple peer-reviewed, published studies demonstrating the test's performance and clinical utility, as well as through its inclusion in leading medical guidelines.

"We are also pleased to enter into contracts with Blue Cross Blue Shield of Massachusetts and Blue Cross Blue Shield of North Dakota, through which Veracyte becomes an in-network provider to these plans, which can facilitate patient access to the Afirma GEC." Veracyte now has such contracts in place with health plans representing nearly 130 million total members, including over seven million Blue Cross and Blue Shield members.

According to the American Cancer Society, thyroid cancer is the fastest-increasing cancer in the United States, with more than 62,000 new cases expected in 2015. Among the approximately 525,000 fine-needle aspirations performed on patients with thyroid nodules each year in the United States, 15-30 percent of the results are inconclusive in ruling out cancer, and most physicians have traditionally recommended thyroid surgery for final diagnosis. Following surgery, however, 70-80 percent of these patients' nodules are diagnosed as benign.

About AfirmaÂ
Veracyte's Afirma Thyroid FNA Analysis is a comprehensive solution for improved thyroid nodule assessment. It centers on the Afirma Gene Expression Classifier, a 142-gene molecular test that identifies benign thyroid nodules among those deemed indeterminate by cytopathology, enabling these patients to potentially avoid an unnecessary surgery. An additional 25 genes are used to differentiate uncommon neoplasm subtypes. The company's Afirma Malignancy Classifiers - comprising tests for medullary thyroid cancer and BRAF gene mutation status - are designed to inform surgical strategy for those patients headed to surgery based on their cytopathology or Afirma GEC results.Â

About Veracyte
VeracyteÂ (NASDAQ: VCYT) is pioneering the field of molecular cytology, offering genomic solutions that resolve diagnostic ambiguity and enable physicians to make more informed treatment decisions at an early stage in patient care. By improving preoperative diagnostic accuracy, the company aims to help patients avoid unnecessary invasive procedures while reducing healthcare costs.Â Veracyte'sÂ Afirma Thyroid FNA Analysis centers on the proprietary Afirma Gene Expression Classifier and is becoming a new standard of care in thyroid nodule assessment. The Afirma test is recommended in leading practice guidelines and is covered for nearly 175 million lives inÂ the United States, including throughÂ Medicare and many commercial insurance plans.Â VeracyteÂ is expanding its molecular cytology franchise to other clinical areas, beginning with

difficult-to-diagnose lung diseases. InÄ April 2015, the company launched the Percepta™ Bronchial Genomic Classifier, a test to evaluate patients with lung nodules that are suspicious for cancer.Â VeracyteÂ is developing a second product in pulmonology, targeting interstitial lung diseases, including idiopathic pulmonary fibrosis. For more information, please visitÂ www.veracyte.com.

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. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "expect," "believe," "should," "may," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our beliefs regarding the drivers of adoption of Afirma, our expectations with respect to the success of our entry into the pulmonology market, our expectations regarding full-year 2015 guidance and forecast for annual GEC test volume, and the value and potential of our technology and research and development pipeline. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, anticipated events and trends, the economy and other future conditions. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially, and reported results should not be considered as an indication of future performance. These risks and uncertainties include, but are not limited to: our limited operating history and history of losses;Â our ability to increase usage of and reimbursement for Afirma and to obtain reimbursement for any future products we may develop or sell; our ability to continue our momentum and growth; our dependence on a few payers for a significant portion of our revenue; the complexity, time and expense associated with billing and collecting from payers for our tests; laws and regulations applicable to our business, including potential regulation by theÂ Food and Drug AdministrationÂ or other regulatory bodies;Â our dependence on strategic relationships and our ability to successfully convert new accounts resulting from such relationships; our ability to develop and commercialize new products and the timing of commercialization; our ability to successfully achieve adoption of and reimbursement for our Percepta Bronchial Genomic Classifier; our ability to achieve sales penetration in complex commercial accounts; the occurrence and outcome of clinical studies; the timing and publication of study results; the applicability of clinical results to actual outcomes; our inclusion in clinical practice guidelines; the continued application of clinical guidelines to our products; our ability to compete; our ability to expand into international markets and achieve adoption of our tests in such markets; our ability to obtain capital when needed; and other risks set forth in the company's filings with theÂ Securities and Exchange Commission, including the risks set forth in the company's Quarterly Report on Form 10-Q for the quarter endedÂ September 30, 2015. These forward-looking statements speak only as of the date hereof andÂ VeracyteÂ specifically disclaims any obligation to update these forward-looking statements.

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