

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): April 12, 2021

iRhythm Technologies, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-37918
(Commission
File Number)

20-8149544
(I.R.S. Employer
Identification Number)

699 8th Street, Suite 600
San Francisco, California 94103
(Address of principal executive office) (Zip Code)

(415) 632-5700
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Par Value \$0.001 Per Share	IRTC	The NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On April 12, 2021, iRhythm Technologies, Inc. announced certain preliminary financial results for the first quarter of 2021. The press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure.

On April 12, 2021, the Company issued a press release on a Medicare Administrative Contractor (“MAC”) Novitas Recent Rate Publication issued on April 10, 2021, which affects reimbursement for the Company’s Zio XT service. The press release is attached hereto as Exhibit 99.1.

This information and the press release is intended to be furnished under Item 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Forward-Looking Statements.

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These statements include statements regarding CPT coding decisions, the company’s expectations regarding government and third-party payor adoption of CPT coding decisions and the timing thereof and other statements relating to reimbursement coverage, and preliminary financial results for the first quarter of 2021. Such statements are based on current assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties, many of which are beyond our control, include risks described in the section entitled “Risk Factors” and elsewhere in our filing made with the Securities and Exchange Commission on the Form 10-K on February 26, 2021. These forward-looking statements speak only as of the date hereof and should not be unduly relied upon. The Company disclaims any obligation to update these forward-looking statements. All forward-looking statements in this document are qualified in their entirety by this cautionary statement.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated April 12, 2021

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IRHYTHM TECHNOLOGIES, INC.

Date: April 12, 2021

By: /s/ Michael Coyle
Michael Coyle
Chief Executive Officer

iRhythm® Technologies Provides Statement on Medicare Administrative Contractor (MAC) Novitas's Updated Rate Publication and Provides Commentary on Results for the First Quarter 2021

SAN FRANCISCO, April 12, 2021 -- iRhythm Technologies, Inc. (NASDAQ: IRTC), a leading digital health care solutions company focused on the advancement of cardiac care, commented on the recent publication by Novitas Solutions (Novitas) of rates applicable to the Current Procedural Terminology (CPT) codes 93243 and 93247. The company also provided commentary on preliminary financial results for its first quarter 2021.

On April 10, 2021, Novitas published updated reimbursement rates for codes 93243 and 93247 at \$103 and \$115, respectively. The updated rates are retroactive to January 1, 2021 and replace rates initially published on January 29, 2021. While these new rates represent an increase from the rates posted on January 29th, iRhythm believes these rates do not appropriately reflect the clinical and economic value that long-term continuous ECG monitoring offers patients, their care teams and the Medicare system. Due to the cost of providing the service relative to the updated rates published by Novitas, iRhythm will not be able to provide its Zio® XT service to the Medicare fee for service segment if these rates remain unchanged. Accordingly, iRhythm is preparing an operating plan to discontinue serving this Medicare segment with Zio XT that it expects to begin implementing in the second quarter.

The company will continue to work with Novitas and other MACs regarding the clinical and economic value of the Zio XT service. In addition, iRhythm has been engaged with the Centers for Medicare & Medicaid Services (CMS) regarding establishment of national pricing for these newly established codes and will continue to use this process as the preferred means of establishing appropriate rates that fully recognize the clinical and economic value of long-term continuous ECG monitoring technology. The company has also initiated a broad customer outreach program to encourage users of the Zio XT service to directly engage both Novitas and CMS on the key role that the Zio XT service plays in the effective diagnosis and management of the Medicare patients within their clinical practices.

“We are extremely disappointed that Novitas did not reflect the appropriate clinical and economic value of long-term continuous ECG monitoring and Zio XT, which is evident to our commercial and direct bill customers who have negotiated pricing consistent with the AMA RUC recommendations. Unfortunately, at these rates we will be unable to offer the Zio XT service to the Medicare fee for service segment,” commented Mike Coyle, iRhythm President and CEO. “We will continue to work hard to secure more appropriate reimbursement for Medicare patients, including national pricing with CMS, so we can continue to deliver the service to all potential patients who can benefit from it.”

iRhythm has analyzed the impact the updated Novitas rates would have had on full year 2020 reported revenue and gross margin had those rates been in effect in 2020. The updated Novitas rates would have negatively impacted 2020 Medicare revenue by \$41.3 million and would have decreased 2020 total company revenue from \$265.2 million to \$223.8 million, or a decrease of 15.6%. In addition, 2020 total company gross margin would have decreased from 73.5% to 68.6%. For the year ended December 31, 2020, Medicare represented 27% of iRhythm's overall revenue, with a small percentage of that 27% attributable to Zio AT and Zio XT for wear of less than 48 hours, which services are priced nationally and not impacted by the updated Novitas rates.

The following table presents the impact the Novitas rates would have had on full year 2020 reported revenue and gross margin in thousands:

	As disclosed	Novitas Impact	Adjusted
Net Revenue	\$ 265,166	\$ (41,326)	\$ 223,840
CMS Revenue	\$ 72,536	\$ (41,326)	\$ 31,210
Gross Margin	73.5 %	(4.9)%	68.6 %

Preliminary First Quarter Financial Results

The company estimates that volume for the three months ended March 31, 2021 grew 9% over volume in the fourth quarter of 2020. In addition, the company estimates that the updated Novitas rates when compared to historical 0297T rates will have a negative \$13.0 million impact to first quarter 2021 revenue.

The first quarter 2021 financial results included in this release are preliminary and therefore subject to change.

Webcast and Conference Call Information

iRhythm will host a conference call today, April 12, 2021, at 5:30 AM PT / 8:30 AM ET to provide commentary on the impact to its business resulting from the newly published Novitas rates. Investors interested in listening to the conference call may do so by accessing the live and archived webcast of the event available on the “Investors” section of the company’s website at: www.irhythmtech.com.

About iRhythm Technologies, Inc.

iRhythm is a leading digital health care company redefining the way cardiac arrhythmias are clinically diagnosed. The company combines wearable biosensor devices worn for up to 14 days and cloud-based data analytics with powerful proprietary algorithms that distill data from millions of heartbeats into clinically actionable information. The company believes improvements in arrhythmia detection and characterization have the potential to change clinical management of patients.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These statements include statements regarding CPT coding decisions, expectations regarding government and third-party payor adoption of CPT coding decisions and the timing thereof and other statements relating to reimbursement coverage, and preliminary financial results for the first quarter of 2021. Such statements are based on current assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties, many of which are beyond our control, include risks described in the section entitled “Risk Factors” and elsewhere in our filings made with the Securities and Exchange Commission on Forms 10-K and 10-Q. These forward-looking statements speak only as of the date hereof and should not be unduly relied upon. iRhythm disclaims any obligation to update these forward-looking statements.

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