

Diapulse[®] Corporation of America

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News Release

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Diapulse Wins Medicare Approval

Great Neck, NY, February 20, 2004 -- Diapulse Corporation of America (OTC-DIAC) announced today that Centers for Medicare and Medicaid (CMS) Services granted approval for coverage of the Diapulse Wound Treatment System in a Decision Memorandum issued December 22, 2003.

Under CMS guidelines the Company submitted a Formal Request for Reconsideration outlining an error in a decision that had become effective April 1, 2003 that omitted Diapulse from Medicare coverage for treatment of chronic wounds.

Over a 17-month period, David M. Ross, Vice President of Diapulse Corporation of America, met with CMS and supplied information that was instrumental in convincing CMS to reverse a previous national non-coverage policy decision. Medicare will now provide coverage for Diapulse in hospitals, nursing homes, and physician offices, when the National Coverage Determination is published.

“Providing coverage for Diapulse is a significant step forward to help millions of Americans suffering with chronic and non-healing wounds such as pressure sores and diabetic wounds that have not responded to previous treatments,” said Mr. Ross.

Diapulse produces non-thermal pulsed electromagnetic energy that can effectively treat through bandages and surgical dressings to reduce swelling and pain. The system is prescribed by physicians and has been successful as an adjunct in healing wounds. In many cases it has helped to prevent amputations of limbs. Research published in medical journals around the world has proved its safety and effectiveness.

The Company also intends to supply additional information and request CMS to provide coverage for patients at home. Diapulse has treated thousands of wounds on patients confined to home and the Company has received accreditation by the Joint Commission on Accreditation of Healthcare Organizations for high quality and standards in homecare. Mr. Ross said, “It would be unfair to deny elderly and disabled patients confined to home from coverage when their physicians prescribe Diapulse.”

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Additionally, Mr. Ross stated, “If Diapulse Technology were employed in all nursing homes, based on an *Actuarial Report* published in the *Journal of Insurance Medicine*, the annual U.S. cost savings could be approximately \$2.25 billion.”

Diapulse Corporation of America, a public traded Company listed Over-The-Counter Symbol DIAC, is the pioneer and leader in the biophysical therapeutic effects of pulsed electromagnetic energy in medicine. The Company manufactures, researches and develops the proprietary Diapulse, indicated for the adjunctive use in the palliative treatment of postoperative edema and pain in superficial soft tissues.

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