

QUADRAMED

Response to
Request for Information
Provided to the



TORCH Foundation

September 2009

NON-DISCLOSURE AND DISCLAIMER STATEMENT

The terms and conditions contained in this proposal will automatically terminate and expire 90 days from the date of the proposal, unless renewed, extended, or terminated earlier by written notice from QuadraMed.

The Client acknowledges QuadraMed's interpretation of the requirements/features and may require billable modification services from QuadraMed or additional applications from a reputable third party.

The recommendations for equipment, programs and services contained in this proposal are estimates based on the data furnished and on observations of similar clients. While QuadraMed believes these estimates to be sound, no hardware warranties, expressed or implied, are made at this time. Furthermore, any changes or modifications to QuadraMed's standard agreement will occur only during formal contractual discussions with an authorized QuadraMed representative.

All responses submitted as part of the initial RFP have been answered to the best of QuadraMed's ability, based on the information provided by the client. Responses shall be subject to further review and revision by QuadraMed prior to inclusion in the Contract.

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Please submit information on the following:

(1) Company profile, including description of company history, organization and leadership structure, experience, growth

Founded in 1993, QuadraMed is a publicly-held corporation and an industry leader in developing information technology solutions that enable healthcare organizations to leverage quality care into positive financial outcomes. From clinical management to patient information management, from revenue cycle management to health information management, QuadraMed solutions increase transparency, profitability, quality, and safety in today's care delivery process.

QuadraMed has long been known for high-quality, award-winning products. KLAS Enterprise, LLC ratings, compiled on the basis of healthcare provider responses, indicate consistently high client satisfaction. In 2008, our Pharmacy solution for Community hospitals earned the "Best in KLAS" ranking, while our Community HIS solution, Affinity Revenue Cycle solutions and our EMPI solutions all earned the second highest rating in their respective categories. Earning a place in the top five in their categories as well are our Quantim Coding, QuadraMed Enterprise Scheduling and QuadraMed CPR products.¹

Behind our products and services is a staff of 600 professionals whose experience and dedication to service have earned QuadraMed the trust and loyalty of clients at approximately 2,000 healthcare provider facilities in North America, the United Kingdom and Saudi Arabia.

QuadraMed has made its mark developing and implementing innovative information technology solutions across today's broad spectrum of healthcare institutions.

When combined in QuadraMed's Care-based Revenue Cycle™ process, these innovative solutions enable healthcare organizations to maximize financial performance and reimbursement based on the quality of care provided. They create long-term client partnerships and enable healthcare organizations to deliver quality care while achieving the highest value from their IT investments.

QuadraMed was built through strategic acquisitions and significant organic product development designed to provide the most comprehensive range of healthcare information technology solutions available in the marketplace. Our legacy knowledge and expertise came from the acquisition and integration of some of the oldest and best-known healthcare information technology companies such as CompuCare, founded in 1968; Coast Micro, Inc.; Medicus; Codemaster; Pharmacy Data Systems; and Tempus Software.

In 1994, QuadraMed was one of the first vendors to deploy web-based clinical products. These products have come to include those deployed on our advanced Clinical Workstation, Electronic Document Management (EDM), Physician Notes, and Orders and Prescriptions solutions. The company's Affinity HIS offerings embrace all major open industry standards (HL7, XML, X12 EDI, ODBC, J2EE and TCP/IE), and are platform independent. QuadraMed has an ongoing program to incorporate the HL7 Reference Information Model (RIM) into relevant areas of its integrated data repository, and now offers a next-generation CPOE with knowledge-embedded Intelligent Care Sets™ that enable the software to anticipate relevant data needs, process the data and present it in a "just in time" user-friendly manner.

The addition in 2007 of QuadraMed Computerized Patient Record (QCPR) — through QuadraMed's acquisition of Misys' clinical information system — was a critical step in creating

¹ See www.KLASresearch.com, 2008 KLAS Top 20 Report. KLAS Confidential Information. 2009 KLAS Enterprises, LLC. All rights reserved.

the most integrated end-to-end revenue optimization solution on the market. The QuadraMed Computerized Patient Record product supports our goals of expanding our technology offerings and business management services to create the market's most integrated end-to-end revenue optimization solution. We strive to help healthcare organizations provide appropriate levels of cost-effective, quality care while streamlining their reimbursement processes.

QuadraMed also has taken a leading-edge approach to HIM products. The company's Quantim HIM product suite is the industry's first fully integrated, web-native platform, and Quantim Coding has become the recognized standard for its superior Knowledge-Based Coding technology.

The company is also nationally recognized for QuadraMed MPI and the QuadraMed Acuity, Productivity and Benchmarking System, as well as standalone solutions for Decision Support, and Electronic Data Interchange.

QuadraMed's direction reflects an aggressive focus on providing an integrated, enterprise-wide end-to-end revenue optimization solution. This approach and our 100 product offerings combine to help enterprises address key trends shaping the industry such as reducing medical errors, controlling costs, addressing growing consumerism and protecting patient privacy.

(2) **List of current hospital U.S. clients**

QuadraMed has installed cost-effective, scalable solutions earning the trust and loyalty of customers at approximately 2,000 healthcare provider facilities in the United States, Canada, the United Kingdom and Saudi Arabia. They can be found in healthcare organizations ranging from small rural hospitals to large multi-facility providers, Integrated Delivery Networks (IDNs), and all Veterans Affairs Hospitals nationwide. These Care-Based Revenue Cycle solutions are backed by the strength of our reputation for successful implementations and support. As a result, we have established many long-term relationships within a client base whose loyalty is reflected by the consistently high marks they give QuadraMed in reports published by such respected analyst firms as KLAS Enterprises, LLC and MD Buyline. There are currently 68 QCPR customers and over 550 Quantim customers. Should QuadraMed be chosen as the vendor of choice for the TORCH Foundation, we will be willing to further discuss our specific U.S. hospital clients. In addition, QuadraMed has provided a list of client references in response to question 6 below.

(3) **List of current contractual partnership(s)**

QuadraMed has a business partnership with **ePartnersMD**, which provides general financial software to our clients. Clients that need specialty products (e.g., dietary, housekeeping, etc.) can be assured that these solutions integrate easily with QuadraMed software.

QuadraMed collaborates with **e-MDs Inc.** to provide state-of-the-art ambulatory electronic health record (EHR) solutions to affiliated physician group practices.

To more rapidly provide high quality, feature-rich products to our clients, QuadraMed began a strategic partnership in 2008 with **Tata Consultancy Services**, a leading global IT services and consulting firm, to assist with quality assurance, technical publications and software programming. This partnership will increase our development resources by approximately 11%.

QuadraMed has had a partnership with **InterSystems** for the last two decades. QuadraMed solutions leverage the high performance and reliability of InterSystems' advanced technology, including Caché, Ensemble and DeepSee in our solution suite.

Over the last nine years, **Software Information Systems, LLC (SIS)** - that is headquartered in Lexington, KY and has been in business for over 25 years - has worked with QuadraMed to supply hardware technology and infrastructure support for the implementation of QuadraMed applications at hospitals in the U.S. and Canada. SIS works directly with QuadraMed Advanced Technology Solutions to set up systems and servers to meet QuadraMed and hospital specifications agreed upon during the sizing process.

The **Healthcare Association of New York State (HANYS)**, a non-profit organization representing healthcare networks and hospitals of the State, business solutions has been a partner of QuadraMed Corporation for over a decade providing support and implementation services for QuadraMed's Coding & Compliance solutions. Currently in New York, there are over 60 HANYS member hospitals using the Quantim solution.

(4) List of companies you consider your competitors

QuadraMed competes with other providers of healthcare information software and services, as well as healthcare consulting firms. Our principal competitors include McKesson Corporation, Inc., Siemens Medical Services Health Services Corp. (formerly Shared Medical Systems or SMS), Meditech Corporation, Eclipsys Corporation, Cerner, GE Medical Systems, 3M, and SoftMed Corporation, Inc. Other competitors include niche providers of electronic document management software, MPI products and services, decision support products, and financial services consulting and outsourcing.

Some of the main client considerations that impact competition are client service and support, ability to install systems in a reasonable timeframe, use of open standards as well as industry standards that allow disparate systems to work together, product functionality, company reputation and stability, and price.

(5) Bios/resumes of key contacts (principals, managing directors, key staff)

Senior Management Team Biographies

Duncan W. James
President and Chief Executive Officer



Duncan W. James serves as QuadraMed's president and chief executive officer and a member of the Board of Directors. An accomplished senior executive with domestic and international experience in operations, strategic planning, sales/marketing, and product management, James has more than 25 years experience in the healthcare information and technology industries.

Prior to joining QuadraMed in July 2009, James was group president at McKesson Corporation for nine years, and a member of the McKesson Operating Committee. In his most recent role as group president of the McKesson Provider Technologies Health Systems business unit, he was responsible for the strategy and day-to-day operations of McKesson's portfolio of clinical, revenue cycle, decision support and enterprise imaging's solutions for the hospital and health system market.

In addition to his experience at McKesson, he held multiple executive roles in operations, product management and marketing at HBO & Company and First Data Corporation Health Systems Group, prior to both becoming part of McKesson Corporation. He also was senior vice president and general manager of healthcare at Scient Corporation, formerly iXL Inc. Additionally, James held a number of key sales and marketing positions at Digital Equipment Corporation, a leader in computer systems and services.

He has a Bachelor of Science in industrial management and Master of Business Administration from Georgia Institute of Technology and University of Dallas, respectively.

David L. Piazza
Executive Vice President, Chief Financial Officer
and Chief Operating Officer



David L. Piazza became Chief Financial Officer, Executive Vice President, Corporate Secretary and Treasurer of QuadraMed in August 2005, and was named our Chief Operating Officer on March 24, 2009. Mr. Piazza joined the Company in October 2003 as Vice President of Finance, and has been responsible for all non-accounting finance and administrative matters for the Company.

From June 2001 to October 2003, Mr. Piazza was Chief Financial Officer of Gemplex, Inc., a global virtual private network provider in Vienna, Virginia, and from February 2000 to June 2001, he was Chief Financial Officer and Senior Vice President, of Teligent International, also located in Vienna, Virginia.

Mr. Piazza has twenty years of experience in the telecommunications sector, where he has worked with both public and private companies. He is a CPA and began his career in the public accounting practice, where he specialized in the audits of regulated companies. Mr. Piazza is a graduate of the University of Illinois.

Jim R. Klein
Senior Vice President and Chief Technology Officer

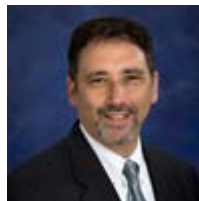


A nationally recognized expert in the area of healthcare information technology, Jim Klein was

appointed to his current position with QuadraMed in August 2005.

Mr. Klein has more than 25 years experience in the industry and previously held the post of director, healthcare technology for InterSystems Corporation, a QuadraMed technology partner. He has also served as a vice president and research director with Gartner, Inc., and a member of the Compucare management team through that company's acquisition by QuadraMed in 1999.

Joseph I. Bormel, MD, MPH
Chief Medical Officer and Vice President for
Clinical Strategy



Dr. Bormel is focused on developing advanced clinical strategy incorporating best knowledge management practices to drive patient safety. He assumed his position with QuadraMed in August 2001, after having served as a director and chief architect for Medical Measurement and Management System Solutions at Cerner Corporation.

With 25 years experience in healthcare technology, Dr. Bormel's achievements include significant innovations in the design and deployment of advanced ambulatory and inpatient electronic medical record systems. He is a recognized authority on computerized physician order entry (CPOE), and is responsible for the leading-edge technology of QuadraMed Care Management products and their integration to form a foundational component of the company's Care-Based Revenue Cycle solutions.

In 1991, Dr. Bormel received Board Certification in Internal Medicine. His clinical training included both Internal Medicine and Rheumatology. He has completed a Fellowship at Massachusetts General Hospital in medical informatics directed by the National Institutes of Health, and earned a Masters of Public Health in Clinical Effectiveness and Health Management from Harvard University. Dr. Bormel holds advanced standing with the American College of Physician Executives, and also has earned non-medical degrees in electrical engineering and computer science from The Johns Hopkins University.

Steven V. Russell
Senior Vice President, Corporate Development



Steven Russell joined QuadraMed in November 2005, and leads the company's efforts in long-range strategic planning to best assure its growth and profitability objectives. His responsibilities include corporate branding, marketing, public relations, competitive analysis, product management, sales, and establishing business partnerships to support the company's strategic initiatives. Steven reports to the company's chief executive officer.

Mr. Russell has over 20 years of healthcare sales, marketing and operations experience in the healthcare information technology and services business industries. Previously, he served as vice president, HIM national sales for Precyse Solutions, a HIM consulting and services company. Prior to

that, he was senior vice president at Healthscribe, Inc., until its sale to Spheris in early 2005.

Before joining Healthscribe, Mr. Russell was the executive vice president of Phycom, Inc., an Internet-based firm serving the managed care industry. He also served as a senior vice president of field operations for Compucare Company, a private healthcare technology company, and regional vice president at Cerner Corporation, a major public healthcare information technology provider.

Steven Russell holds a Bachelor of Arts degree from Indiana University.

Linda Baum
Senior Vice President, Customer Services



Linda Baum joined the QuadraMed Management Team in 2003, and accepted her current position in 2005. As an expert across the spectrum of healthcare information technology, her responsibilities are broad-based and include enterprise-wide customer support and implementation services.

Prior to 2003, she served eight years as Senior Account Manager for the ADP Claims Services Group. In this position, Ms. Baum managed the delivery of medical bill review software and outsourcing services to Property & Casualty insurance companies, growing this business segment to more than \$9 million in annual revenue. Previously, Linda Baum worked with Compucare, acquired by QuadraMed in 1999. She was the company's Director of Product Marketing. Her earlier experience with Compucare also included a variety of positions in customer services.

Ms. Baum earned her Bachelor of Arts degree with High Honor majoring in Anthropology and Linguistics from Michigan State University, and was elected to the Phi Beta Kappa and Phi Kappa Phi honor societies. She went on to study at Rutgers University from where she was awarded a MLS degree in Information Science.

Brook Carlon
Senior Vice President, Human Resources



Brook Carlon was named Senior Vice President, Human Resources in May of 2007. As a member of the QuadraMed senior management team, she provides overall strategic and operational HR leadership for the Company to ensure alignment with corporate goals and values.

Ms. Carlon has more than 15 years of human resources management experience, with expertise in such areas as international compensation program and process design, policy development, vendor relationships and development of cross-cultural initiatives and practices between domestic and international employee/management populations. She has significant experience leading HR functions during times of growth, and an extensive knowledge of state, federal and international employment law.

Most of Ms. Carlon's career has been spent in the high-tech industry, to include serving as Vice President of Human Resources for M. Transaction Services, a national healthcare electronic data interchange service provider and subsidiary of Misys PLC. Prior to moving into high-tech organizations, she spent time working in the healthcare industry in both home health and hospital settings.

Brook Carlon holds a Bachelor of Science degree from Brigham Young University and earned her MBA from Regis University. She was awarded a Certificate in Human Resources Management from California State University, Hayward, and holds the Senior Professional in Human Resources designation. Ms. Carlon is an active member of the Society of Human Resources Management.

Steve Kotyk
QuadraMed Sales Executive
Specializing in Patient Identity Management



Career Highlights

- Fifteen years with QuadraMed and twenty-six years of experience in Health Information Technology.
- Primary area of expertise: Integration and implementation of Enterprise Master Patient Index (EMPI) systems and solutions to identify and resolve (E)MPI data integrity issues within health care organizations.
- Interacting with end-users and IT staff to resolve system and application integration issues to maximize the use of the QuadraMed EMPI product solutions.
- Interacting with staff during the implementation process to identify concerns, discuss ideas and the benefits, limitations and the importance of the new systems.
- Prior to joining QuadraMed, served as Health Care Information System Sales Director and a Systems Engineer for major health care computer manufacturer.
- Since joining QuadraMed, responsibilities have included: Director of Patient Access Application Implementations, Director of Enterprise Hospital Information System Support Group, Director of Marketing & Sales Support, (E)MPI Project Management, and Major Account Client Management.
- Education credentials include a Bachelor of Science in Computing Sciences from Texas A&M University.

Notable Accomplishments

- Introduced, testified and supported the passage of Texas HB-1060 in conjunction with Representative Tan Parker and Senator Chris Harris to allow Hospitals to electronically read Texas Driver's Licenses during registration,
- Member of the HIMSS Ambulatory Community Healthcare Organization task force,
- Built AHIMA EMPI Virtual EMPI e-lab prototype,
- Johns Hopkins Health System EMPI Project Manager,
- Orlando Regional Health System EMPI Project Manager,
- Allina Health System, and numerous single entity health care organizations.

Education and Professional Membership

B.S. Computing Science from Texas A&M University

AHIMA

HIMSS

NAMAH

(6) At least three references from three different hospital/facility clients.

Princeton Healthcare System – QCPR
Nick Thimis, CIO
(609) 750-8736

Saint Francis Health System – QCPR & Quantim Coding
Dave Paulsen, Director of IT
(918) 494-3515

Arnot Ogden Medical Center – QCPR
Gregg T. Martin, MBA, CPHIMS - CIO
(607) 737-4511

Cayuga Medical Center at Ithaca – Quantim Coding & Compliance
Toni Cornell – HIM Director
(607) 274-4011

Winchester District Memorial Hospital – QCPR
Carol Adam, CHIM - Chief Information Management Officer/Chief Privacy Officer
(613) 774-2420 ext. 6755

Nix Medical Center – Quantim Coding
Maggie Garcia - Health Information Management
(210) 579-3114

Coon Memorial Hospital – Quantim Coding
Judy Howerton - Health Information Management
(806) 244-4571

Wadley Regional Medical Center – Quantim Coding and Compliance
Jodi Martindale - HIM Director
(903) 798-7101

Hillcrest Baptist Medical Center– Quantim Coding and Compliance
Lynn Shaw - Director of Medical Records
(254) 202-4590

Catholic Health – Quantim Coding and Compliance
Mary Beth McCarthy, RHIA, CIRCC - Interim System Director HIM
716-828-2999 office

(7) Company financials (summary) for previous two years

Please refer to Attachment 1 for QuadraMed’s 2007 10-K Report and Attachment 2 for QuadraMed’s 2008 Form 10-K Report.

(8) **Description of service(s) or product(s) offering for the rural and community market**

QuadraMed Computerized Patient Record (QCPR)

QuadraMed QCPR offers an electronic record system solution for progressive healthcare institutions striving for higher quality care and higher levels of physician use. QCPR drives quality care by providing decision support, patient data reporting modules and secure, browser-based access to patient clinical information. It includes access to a powerful online clinical data warehouse and image viewing tools that together, help healthcare organizations address patient safety, clinician shortages, business management and system connectivity.

QCPR integrates clinical information into a single patient centered record

QCPR is a patient-centric, point-of-care clinical information system that integrates every aspect of patient care activity into a single, confidential, computerized patient record. QCPR streamlines administrative functions and eliminates paperwork enabling caregivers to focus on quality patient care.

A single, integrated system with a comprehensive suite of modules, QCPR provides depth and breadth of patient care support functionality and end user flexibility. It has been integrated with other systems, and it is customizable to provide support within a wide range of care settings. Using a multidisciplinary solution approach, QCPR improves decision making and care provision for nurses, physicians, pharmacists and all clinicians.

QCPR Core solution application includes:

- Orders/Results management
- QCPR Clinical Decision support
- QCPR Basic Nursing documentation
- QCPR Nursing Assessment
- QCPR Pharmacy Management
- System Utilities and Maintenance application
- Clinical Desktop Application (CDA)
- Interfaces (Lab and Radiology)
- QCPR Nursing Plan of Care/ Care Planning/NANDA
- Acuity Plus software (Basic)
- Inpatient methodology
- Nursing Outcomes module
- Transparent Classification mode
- Staffing Import Interface
- LAN license (21-30 workstations)
- QCPR Registration

QCPR optional products include:

- Emergency Services
- Radiology System (RIS)
- Pharmacy Barcode Medication Management
- Ambulatory Care
- Behavioral Health
- Computerized Physician Order Entry (CPOE)

- Diagnostic Services
- Problem List
- Rehabilitation Services
- Respiratory Therapy
- Pathways
- Laboratory
- Perioperative
- Acuity Plus
- Clinical Operation Practice Evaluation (COPE)
- QuadraMed Enterprise Scheduling

QuadraMed QCPR benefits include:

- Online patient data available at every point in the care process and accessible across all departments.
- Integrated, decision-support driven computerized physician order entry (CPOE).
- Highly flexible clinical documentation tools, including phrase selection, forms, templates and free text. QuadraMed QCPR also integrates with real-time speech recognition technology to better capture clinical encounter details.
- Comprehensive clinical decision support that incorporates powerful workflow tools to improve the delivery and management of patient care.
- Integrated medication management that supports the total medication process including closed-loop, bar code-driven medication administration to support the "Seven Rights".
- Secure, 24/7 access to patient data.
- An enhanced nursing documentation process that incorporates numerous time-saving features to reduce charting time.
- Alerts and reminders to improve the delivery and management of patient care.

Strengths of QuadraMed QCPR include:

1.) Integrated architecture, integrated workflow;

QuadraMed QCPR provides an integrated suite of applications operating on a single common database and healthcare process/workflow model. More than simply providing services for individual users, the QuadraMed suite of applications enables effective real-time communication among all clinicians and supporting staff to ensure complete, accurate, and timely care. The system's integrated design enables quality benefits such as reducing medical errors, optimizing quality care outcomes, decreasing costs, and supporting compliance with Joint Commission regulations and hospital policies.

2.) Implementation Methodology - ability to execute;

The implementation of an Electronic Health Record (EHR) with Physician Order Entry (POE) is probably the most comprehensive and challenging project a hospital will undertake. Implementing an EHR system requires significant changes affecting nearly every hospital department; therefore we recommend a phased implementation approach. A well-implemented EHR can transform healthcare practice dramatically allowing you to significantly improve quality of care, solve many issues associated with patient safety, and reduce costs while increasing both staff and patient satisfaction. The key to a successful implementation realization of clinical value within the first four to five months of an implementation, attract physician usage, and have customers leverage the early success of system use.

3.) **Experience;**

QuadraMed QCPR is the most mature and stable electronic health record application in the industry. QCPR is installed in over 60 sites with the experience to ensure the successful combination of product performance, installation planning, and superior client support services.

4.) **IMM - Integrated Medication Management;**

Comprehensive, closed loop medication management encompassing every step of the medication process, including bar code medication administration (BCMA) to support the seven rights: the right drug in the right dose via the right route at the right time with the right indication and right documentation — and most importantly — to the right patient.

QuadraMed QCPR also provides a critical sixth right: the right documentation following specific medication events.

Third Party Software requirements include:

- InterSystems Caché (Database Management System)
- IBM AIX (Server OS)
- Microsoft Windows XP (Workstation OS)
- Medi-Span® API (Drug Information Database) from Wolters Kluwer Health
- Health Language Controlled Medical Vocabulary (ICD coding)
- SNOMED CT/RT (new Canadian availability of Free SNOMED license) from IHTSDO
- Veritas Cluster Server
- Sun Solaris (Server OS)
- InterSystems Ensemble (DBMS & Integration Engine)

QuadraMed Health Information Management (HIM)

QuadraMed Health Information Management (HIM) solutions provide a powerful link between access, care and revenue records. They provide anywhere, anytime access to all patient documents to improve patient safety and eliminate workflow redundancy. QuadraMed HIM solutions secure all functions required to maintain the electronic medical record and reduce administrative tasks to expedite reimbursements.

QuadraMed HIM solutions integrate with all major Health Information Systems (HIS).

Key Benefits Include:

- **Increases patient safety:** Fast, easy, concurrent access to a consolidated patient record supports quality care with comprehensive, updated patient data.
- **Improves health information management:** QuadraMed HIM solutions eliminate the need to store and transport records for completion and supports remote coding initiatives.
- **Streamlines data collection:** QuadraMed HIM solutions capture data from various sources within an enterprise. Abstracting processes can be customized to meet varying data collection and reporting needs.
- **Reduces exposure to fines and penalties:** QuadraMed Compliance solutions help hospitals manage RAC challenges and improve compliance accuracy. QuadraMed HIM solutions ensure compliance with CMS regulations and AHA Coding guidelines while improving the reliability of the reimbursement process and the quality of compliance data.

- **Increases timeliness of data flow:** QuadraMed HIM solutions integrate with all major Patient Accounting and Billing systems while minimizing billing and cash flow delays.
- **Supports the Legal Medical Record: QuadraMed** HIM solutions help hospitals organize diverse data streams of clinical information into a single, intuitive, and secured patient record.
- **Maximizes coding:** QuadraMed's integrated coding solutions support centralized and decentralized hospital and physician coding. They give coders the clinical, financial and regulatory information they need while increasing productivity, minimizing risk and ensuring proper reimbursement.
- **Reduces time and paperwork:** QuadraMed HIM solutions provide anytime, anywhere access to data and decrease the time required to complete medical records. Paperwork is reduced as unsigned documents are captured from various systems. Deficiency analyses are streamlined with automatic updates.
- **Automates deficiency monitoring:** Powerful tools for concurrent and retrospective analysis improve compliance with Joint Commission and other regulatory standards while ensuring timely record completion.

QuadraMed HIM Solutions

QuadraMed HIM solutions are built upon a state-of-the-art web-based SQL foundation that ensures seamless integration with any hospital's HIS system and supports the Legal Medical Record. QuadraMed's comprehensive solutions help HIM departments accurately convert complex clinical information into codified data. QuadraMed solutions improve coder productivity and regulatory compliance, ensure claims are produced quickly and contain accurate codified information. QuadraMed's solutions support MS-DRGs, Severity Adjusted Groupers and all forms of state required reimbursement, including APGs.

QuadraMed's HIM offering includes:

Workflow Manager: Automate and streamline HIM department business processes within a paperless environment. Workflow Manager passes documents, information and tasks from one participant to another, completing sequences of activities driven by customized business rules. This solution automates key HIM functions to increase turnaround times and eliminates unnecessary steps to improve internal operations.

Facility Coding: QuadraMed's gold-standard "knowledge"-based coding methodology ties all necessary coding guidelines, books, and professional practices together and delivers it to the coder's finger-tips for quick and easy access during the coding process. Real-time edits and coding queues ensure accuracy and improve coder productivity. This cost-effective, web-based product integrates seamlessly with the hospital's HIS product to ensure swift processing of codified information for billing purposes.

Physician Coding: Designed specifically for clinics, QuadraMed Physician Coding solution ensures consistency and accuracy when coding physician documentation in an ambulatory environment.

Inpatient Compliance and Outpatient Compliance: These enterprise-wide compliance management solutions reduce risk exposure by effectively managing and monitoring coding challenges that can lead to penalties and fines.

Abstracting: QuadraMed Abstracting enhances and automates patient visit data collection. This enterprise-wide tool captures, structures and analyzes clinical and financial data. It improves the quality of data and enhances provider insight into patient encounters. QuadraMed Abstracting

integrates seamlessly with QuadraMed Coding and Compliance, improving productivity and streamlining workflow.

Electronic Document Management (EDM): Manage, process and securely store patient and business data in one convenient solution. A central repository for patient documents and images, EDM combines patients' medical and financial histories into single online views for concurrent access across multiple locations and episodes of care.

Chart Completion: When used with QuadraMed eSignature, QuadraMed Electronic Document Management and a deficiency interface, Chart Completion automatically creates, updates and completes deficiencies, reducing processing time. This solution informs medical staff peer review with vital re-appointment and re-credentialing data.

eSignature: View documentation deficiencies and access, edit and sign documents from workstations in multiple locations. Tightly integrated with QuadraMed Chart Completion and QuadraMed Electronic Document Management, eSignature automatically creates and updates deficiencies to reduce chart analysis time.

Correspondence Management: A centralized, Web-based database allows access from workstations in any department or facility. Powerful functionality manages and monitors patient requests, generates disclosure accounting and audit reports, archives account processing and tracks disclosure types. Tight integration with QuadraMed Electronic Document Management streamlines the release of information.

Chart Locator: Track and control paper medical records and support the hybrid record. Integrated with QuadraMed Electronic Document Management, Chart Locator allows staff to quickly identify records that have electronic documents. To safeguard confidentiality, it flags sensitive documents and creates alerts for timely return of records. With an optional appointment-scheduling interface, the solution can automatically create chart reservations.

File Manager: A single-vendor web-native document management solution for all enterprise documents including Business Office, Human Resources, Materials Management, Medical Staff Credentialing and other departments.

- (9) **Description of product development process/methodology; software cycle; Q/A process/methodology; implementation process; training, support methodology; escalation procedure (frontline, backline, NOC, call center, IVR); product security/compliance; and pricing structure.**

Strategic Direction of Product Development

QuadraMed has numerous industry-leading products as evidenced by the consistently high user ratings they receive in reports published by the industry's most trusted analyst and consulting firms. The company's competitive advantage, however, resides in how these products, when integrated; create a distinct advantage in the market. In light of this, QuadraMed has taken steps to align its organizational resources to better exploit this competitive advantage.

In line with its Vision and Mission, QuadraMed's strategic focus is on its Care-Based Revenue™ Cycle Management process, a process that enables healthcare providers to deliver quality care and meet today's challenges by seamlessly integrating key clinical elements with their revenue cycle. In 2006, QuadraMed announced the company's Care-Based Revenue Cycle Management initiative, resulting in an end-to-end framework for a fully integrated healthcare information system: from patient access and identification to care management, health information

management and financial management. The result: improved quality of care and positive financial outcomes.

The clinical elements of QuadraMed Care-Based Revenue™ Cycle Management are:

- Patient Access
- Health Information Management (HIM)
- Electronic Health Record (EHR)
- Electronic Document Management (EDM)
- Workflow
- Decision Support

QuadraMed also has a unique strategy—titled *7 Steps to Patient Safety*™—to help healthcare providers address risk management. The Affinity Care Management product set contributes to enhanced patient safety by improving integration, streamlining workflow, facilitating better documentation and better decision support. This integrated system supports order control/results reporting, acuity/staff requirements, plan of care, vital signs and intake/output, charting and assessment, pharmacy/medical management, department management, clinician access, and computerized physician order entry (CPOE).

Clients use these strategies with QuadraMed's end-to-end solutions to optimize the patient experience and leverage quality care into rapid, cost-effective reimbursement for their organizations.

QuadraMed is in the process of completing the migration of all its care products to a web-based user interface. Its developers are also working to tightly integrate them with the enterprise Master Patient Index solution to provide a person-centric health record as opposed to an episode-oriented record. Within the next year, QuadraMed also will release advanced documentation technology to facilitate:

- template-driven structured documentation
- the integrated creation and presentation of charted, discrete results, assessments and prose
- concurrent coding and abstraction
- automated creation of a longitudinal record
- automated creation of regulatory submissions (i.e., claims attachments)

The principles on which QuadraMed develops its core products enhance their ability to be easily accessed, scaled, extended, and integrated with legacy systems. Key drivers are portability of information, flexibility of deployment, anywhere / anytime access, and data standardization. The intent is to provide users with a paperless path to achieving an EHR through a pragmatic growth strategy that conforms to their individual needs and dynamic environments.

Product Development Strategy

Technology Strategy

Our technology development focuses on portability of information, flexibility of deployment, anywhere / anytime access, and data standardization. Our technology strategy is guided by these trends:

- The Internet and distributed computing will continue to have a significant impact on the way software is developed and delivered;
- Web-native applications with a modern Internet architecture will play a significant role in the future; and
- Computing power, storage capacity, and network bandwidth may continue to double every 18, 12, and 6 months, respectively.

Development Principles

We believe that the principles on which our core products are being developed will enhance their ability to be easily accessed, scaled, extended, and integrated with the client's legacy systems.

These principles include:

- **Standards Based:** Our products support industry standards, such as Health Level 7 ("HL7"), X12 EDI and XML. This standards-based approach enables QuadraMed clients to preserve their investments in installed departmental systems and to support a corporate-wide integration strategy. Our products will enable the integration of information from different environments into a single, patient-centered database.
- **Platform Independent:** We intend to isolate the application business logic and user interface from the underlying hardware and operating system through an adaptive technology framework and core services. A QuadraMed client then will be able to pursue the most advantageous hardware route, generally without affecting data portability.
- **Scalable and Reliable:** Our architecture is based on the communications and networking facilities of UNIX and Windows. The adaptive architecture offers great scalability and reliability for enterprise systems of all sizes.
- **Flexible and Customizable:** Our architecture includes powerful tools that allow users to adapt the system to their specific needs. At the institution level, clients can design custom data entry screens, reports, and workflow—without programming. At the user level, the framework supports "end user authoring" which allows physicians and clinicians to easily configure the system to provide the information that they need, in a format that they are comfortable with, and organized to support the way they work.
- **Ease of Installation and Implementation:** Our emerging architecture makes it easy to install and implement. The use of web-based thin clients eliminates the need for manual software installation and configuration on individual workstations. QuadraMed has a record in successful installations and client satisfaction. Our products are designed to support incremental installation and we specialize in interfacing with legacy systems, thereby providing the client with a rapid return on investment.
- **Web Accessible:** Our newer applications are fully web accessible, including a web-native and Java (J2EE)-based framework that is fully integrated with core enterprise-wide registration, clinical and financial systems. This architecture also allows integration with existing web portals to make enterprise wide information web-accessible.

Implementation Approach

It is the objective of QuadraMed to partner with TORCH to equip your organization to build an implementation team to implement and provide first level support for the QuadraMed CPR and Quantim applications at rural and community hospitals in Texas. The QuadraMed implementation project team will work with your team to define and implement the proposed systems.

QuadraMed recognizes that the successful implementation of an Electronic Health Record (EHR) is essential; QCPR is probably the most comprehensive and challenging project a hospital will undertake. Implementing an EHR system requires significant changes affecting nearly every hospital department; therefore we recommend a phased implementation approach tailored to the rural and community hospital's need. A well-implemented EHR can transform healthcare practice dramatically allowing you to significantly improve quality of care, solve many issues associated with patient safety, and reduce costs while increasing both staff and patient satisfaction. The key to a successful implementation realization of clinical value within the first four to five months of an implementation, attract physician usage, and have customers leverage the early success of system use.

QuadraMed's approach to system implementation is to deliver standard product applications rich in function and designed to provide flexibility in meeting the state reporting and business operations requirements of a wide variety of delivery models. To accomplish this, QuadraMed provides a structured implementation methodology with demonstrated success across diverse organizational requirements.

QuadraMed recommends that TORCH establish an organizational structure of which the purpose would be guidance and support for the participating hospitals to incorporate efficiencies of economy in the implementations of the clinical EMR at the individual facilities. QuadraMed recommends that TORCH form a clinical implementation team to partner with QuadraMed to rollout QCPR. For the first two concurrent implementations, QuadraMed will partner with the TORCH team to design and develop standard clinical workflows custom for the rural hospitals of Texas. As the TORCH model is deployed to each facility, the QuadraMed team will provide in-depth education to the TORCH team on both basic and advanced database configuration tools and techniques. We will work with the TORCH team to implement interfaces, as well as convert patient data from existing systems (if applicable). QuadraMed will also provide basic system management training, to enable ongoing support and maintenance of QCPR well beyond the implementation at each of the facilities. End User Training is also an important aspect of the overall implementation. QuadraMed will provide the TORCH team with tools and training on how to train the end users. Following several full implementations at TORCH facilities, the TORCH team will be fully capable of leading the rollout of QCPR to future facilities. QuadraMed will continue to provide project management, database oversight, interface and conversion services as needed to ensure the TORCH team's success.

All successful methodologies, including the QCPR implementations, are based on the assumption that a defined process is in place and that the process consists of specified activities that are performed in a particular sequence. QuadraMed has defined the specific activities and the order in which implementation tasks must be performed to achieve a successful implementation of the QuadraMed products. These will be reflected in a hospital's project plan.

QuadraMed is open to further discussions with the rural hospitals of Texas and TORCH to explore alternatives to the implementation and training methodology to ensure the success of the rural hospitals in their efforts to deploy an electronic health record system.

Training

The training of your implementation team can be conducted at QuadraMed's facilities in Reston, VA and Santa Ana, CA, utilizing a "train-the-trainer" approach. For implementations that require an aggressive timeline, QuadraMed highly recommends training in our training centers.

QuadraMed's training goal is to teach clients to effectively and efficiently use our products in the scope of their ongoing business requirements.

QuadraMed's application training is designed to enhance your employees' mastery of the QCPR and Quantim system. Our "train the trainer" method makes optimal use of your facility's resources, time and educational needs.

Additionally, we offer our clients regularly scheduled supplemental training courses and can provide customer-defined on-site training to meet specific business needs.

The Training activities are specifically tailored to meet the needs of each area and mirror the day-to-day activities as they would be performed within that department. An appropriate training database is established to enable end users to fully understand their specific tasks and how they fit into the overall process. End User training is usually provided by resources identified from the Super Users, who have been involved from the beginning of the project and trained for this role.

Client Support

At QuadraMed, we are committed to building a solid professional working relationship with our clients and responding to their needs in an accurate and timely fashion. Our strong commitment to client service is demonstrated in everything we do and reflected in our high client satisfaction ratings.

To ensure continuity and quality in our services, we assign a Project Manager to each client. The Project Manager is the principal link with QuadraMed during implementation, and assists the transition to Client Support after go-live. This assigned team keeps our clients' informed of findings and gathers feedback on a regular basis to ensure our clients' continuing satisfaction.

QuadraMed strives to exceed expectations for support and service, and to manage the client relationship with the utmost care and respect. We continuously seek ways to deliver superior services that stand out from the competition, while empowering our clients to achieve quality care and financial health.

Client Support Policy

Once the client's software becomes Live and operational, the Software Warranty Period expires and the client transitions to the QuadraMed Support and Maintenance Plan. Under this Plan, QuadraMed provides all support, software maintenance and software updates for the length of the Plan term. The following is a description of the QuadraMed Client Support Policy from our Software License and Services Agreement:

Superior Benefits: QuadraMed Client Support

- ✓ Highly trained tenured staff ready to serve 365 days a year 24X7
- ✓ Specialized critical case management with unprecedented results and client satisfaction
- ✓ 402 years cumulative tenure at QuadraMed
- ✓ 847 years cumulative industry experience
- ✓ Average QuadraMed support and technical services staff tenure is 6.6 years
- ✓ Unique, diverse, inclusive organization that offers application, technical, interface and hardware support under direction of one unified management team
- ✓ Established partnership with Enexity to provide SecureLink™ Virtual Support Network
- ✓ Dedicated Client Portal for central information access and repository
- ✓ Dedicated client download site making downloading updates faster and easier
- ✓ Self-service web access
 - Ability to log support cases online
 - Online solution database
 - Manage facility contacts online
 - Manage facility information and e-mail correspondence recipients online
- ✓ Case resolution summaries
- ✓ Cumulative case status reports
- ✓ Leading-edge remote access tools that allow instantaneous connection to client sites that meet HIPAA required guidelines
- ✓ Proactive communications via support bulletins and advisories

Commencing on the Live Date, Licensee shall automatically be enrolled in the Plan. Licensee's length of enrollment in the Plan shall be determined as follows: (a) If Licensee has licensed the Software for a limited term, Licensee shall be enrolled in the Plan until the

completion of such limited term, unless such enrollment is terminated earlier in accordance with this Agreement; or (b) If Licensee has licensed the Software for a perpetual term, Licensee's enrollment in the Plan will be provided on an annual basis, and Licensee's enrollment in the Plan will automatically renew for subsequent one (1) year terms following Licensee's initial term ("Renewal Terms"), unless Licensee terminates the Plan earlier in accordance with this Section. Licensee shall notify QuadraMed in writing of the name(s) of Designated Contacts, and Licensee may change such Designated Contacts upon written notice to QuadraMed.

On-going Support

Client support would be provided from our company headquarters in Reston, Virginia, USA. Approximately 141 employees work in the Client Support department. Our clients in Canada receive the same prompt client support as all QuadraMed clients. Clients can reach QuadraMed Client Support 24 hours a day, 7 days a week. Our Call Center is staffed from 8:00AM until 8:00PM ET Monday through Friday (excluding company holidays). Calls received during this period route to our daytime support staff; critical calls received at all other times automatically transfer to QuadraMed's On-Call Analysts. Clients can open support cases by telephone, e-mail, or the Internet. After the case has been opened and assigned, a Call Center representative will e-mail the case number to the client; this number is used for tracking the issue in the future. Clients can check open cases via telephone, e-mail, or the Internet as well. Our automated client support system tracks and reports client service levels so we can easily determine where we need to devote extra attention.

QuadraMed can provide onsite software support, if it is determined necessary. In most cases, on-site software support is not required.

Additional Support Benefits for all QuadraMed Clients

As part of our commitment to provide client support excellence, we offer our clients easy access to information. We provide a comprehensive list of helpful items you can use to enhance your ability to support your QuadraMed product via our QuadraMed Client's Support Web Pages. Examples of the type of information and service available to you are:

- Helpful hints – hints on how to support the system, set up maintenance and perform other tasks designed to enhance your use of the system;
- Communications – QuadraMed posts all communications to our clients so they may be easily located for future reference;
- Newsletters – these contain information on product release statuses, company updates, user information and other items of interest;
- Service Advisories – these notifications are sent via e-mail to clients for any urgent communications;
- Report sharing areas – we provide an area for our users to post and share ad hoc reports. This saves our clients time and provides access to reports that may meet your needs;
- ListServ – The QuadraMed User Community maintains six list serves (Affinity, CPR, HIM, PFS, Pharmacy, and QES) that allow you to benefit from the experiences of other QuadraMed product users through a lively exchange of ideas (a small fee is required to participate on the ListServ);
- Training registration and catalogs – registering for classes is easy via the web;
- Software updates – a listing of updates of our software;

- FAQ's/Quick tips – our support team provides quick answers to commonly asked questions to save time and find quick answers;
- Client notifications – any client notification about our products are posted for you to read and reference; and
- Electronic Software Distribution – high speed ESD capabilities allow fast downloading of software and documentation.

Levels of Support

Clients can open a support case or check the status of an open case via phone, e-mail or internet. Clients must phone in critical priority issues. When a client e-mails an issue to the Call Center, a Call Center representative will e-mail the user the case number when it has been opened and assigned. Clients may use that case number for checking the case status.

The following Service Level Agreements (SLAs) for case response guidelines are based on a multi-tiered level depending on the product (Tier I or Tier II). The SLA goals for response and resolution timeframes are dependent on the correct priority being established for the case.

Once a support case is assigned to a Support Analyst, the following response and resolution times apply. Each case is worked on using all needed resources to expedite prompt resolution. If a case must be escalated to Software Development, the timeline for completion will be provided after Development's analysis is complete.

Tier I SLAs apply to issues affecting: Caché or MUMPS, Clinical Workstation, Computerized Physician Order Entry, Electronic Data Interchange, QuadraMed Electronic Document Management, Quantim applications, standard interfaces and Advanced Technology Solutions-related issues (such as hardware and operating system issues).

Tier II SLAs apply to issues affecting: Affinity Revenue Cycle solutions, QuadraMed CPR solutions, Laboratory, Pharmacy, Radiology, QuadraMed Enterprise Scheduling, Health Information Management solutions, General Ledger, Patient Accounting and Payroll. The SLA response and resolution timeframes for Tier I and Tier II are described in the table below.

Case Priority Level	Response Times A Support Analyst will respond within:	Resolution Times Problem must be corrected (or an agreed upon workaround provided) within:
Critical	Tiers I & II: 30 minutes	Tiers I & II: until resolved
High	Tiers I & II: 12 business hours	Tier I: 2-5 business days Tier II: 10 business days
Medium	Tiers I & II: 24 business hours	Tier I: 20 business days Tier II: 30 business days
Low	Tiers I & II: 24 business hours	Tier I: 30 business days Tier II: 45 business days

Software Support and Maintenance Plan

Under the terms of the Software Support and Maintenance Plan, QuadraMed supports the then-current version and the immediately previous version. Support and maintenance fees include all updates to the software that occur during the client's enrolment in the Plan. Clients are encouraged to stay current with their releases to continue receiving support.

Support and maintenance fees include all updates to the software, as well as any corrections, enhancements and releases of the software or documentation made generally available to QuadraMed's clients subscribing to the Support and Maintenance Plan. In addition to the software changes, clients also receive documentation that contains the following information:

- Release Notes and supporting Release Documentation
- Application Documentation including User and Setup Guides

QuadraMed maintains a "Client Only" section of our website where clients may download releases and documentation, access support information, and research frequently asked questions.

QuadraMed provides the updated software (containing enhancements, or new versions/releases), any documentation changes, and release notes. We thoroughly and extensively test each release in our internal database environments before making it available to clients, but each client is also responsible for testing the release to ensure there will be no problems in its own environments. QuadraMed has various technical resources available via our Client Support Call Center in case a client needs any assistance with this testing step. After testing the changes in the test environment, they are moved into the production environment.

Releases are 100% backward compatible. We advise all clients to be on a current release of the software and to have installed any associated service packs supported under the annual software support program.

When being deployed to a client's development system, the release is reviewed and tested using client-developed test scripts, performing a comprehensive end to end test that validates all release and custom development factors. After satisfactory testing, the copy of the development database then is moved to the production database.

Pricing Structure

The proposed QuadraMed applications are offered based on a Perpetual License model. That is, the client purchases the software one time and QuadraMed provides regular releases as long as the client has an active maintenance agreement in force. An annual maintenance agreement is priced at 18% of the software list price per year. The QCPR EHR software license fee is determined by the annual operating revenue of the hospital. The Quantim HIM software license fee is determined by the number of staffed beds for the core application modules plus a per concurrent user license fee. QuadraMed also charges a fixed implementation and training fee for each of its applications.

QuadraMed expects to negotiate a competitive discount for its software licensing fee if TORCH provides remote hosting services for its member hospitals. QuadraMed is also willing to train and certify the TORCH Implementation and Support personnel to equip TORCH to assume the ongoing responsibility to implement, train and support the EHR and HIM applications at its member hospitals.

- (10) **Description (overview) of the technology/technical platform employed, including configuration management/release methodology and versioning, redundancy/failover model, ASP hosting model, SAS model; and deployment infrastructure, including 3rd party tools used (Postgres, Linux, Apache, etc)**

QCPR Platform

QCPR is deployed on a technical platform specifically designed to provide for high performance and availability throughout healthcare network. The platform consists primarily of InterSystems Caché supporting the QCPR Business Model Engine and a Java-based application framework for creating and deploying distributed applications.

Caché-Enabled Business Model Engine Cluster

InterSystems Caché is a reliable, high-performance and highly scalable database for complex transactional processing applications. It provides direct support for multidimensional data structures that are essential for storing and manipulating complex healthcare information.

The Caché database provides data management services and business logic-enabling services to support the development and operation of the QCPR Business Model Engine. Caché operates on and coordinates multiple Unix-based servers to provide a scalable, fault-tolerant cluster of servers with replicated databases supporting distributed transaction processing and 24/7 operation. Caché completely isolates the QCPR Business Model Engine from the number of servers and the physical management of a large, reliable data store.

Caché provides services that enable the QCPR Business Model Engine, including:

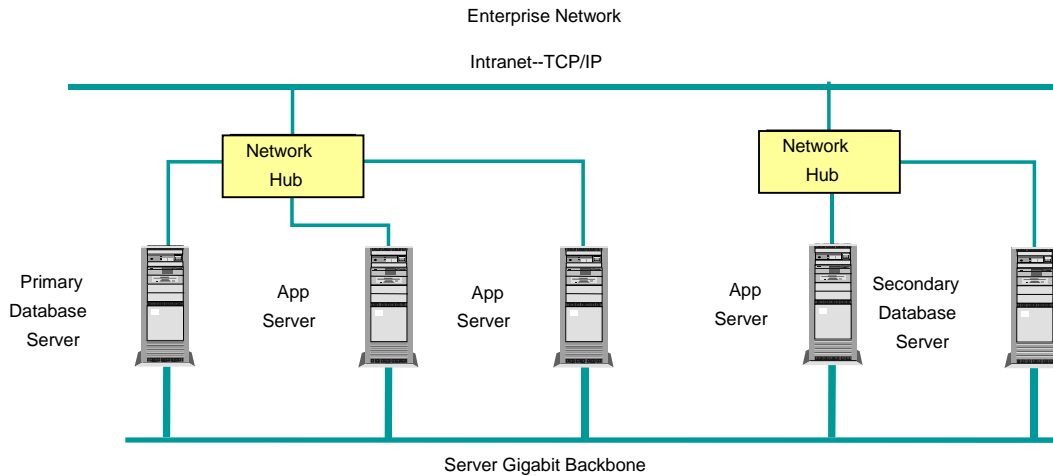
- Business model tools library for the creation of actual business logic
- Job and thread management for Business Engine jobs and stored procedures
- Provide a unified view of persistent data regardless of the number of servers and the nature of data replication and distribution
- Implements scalable real systems

Caché also provides storage management services, including:

- Data replication for reliability and performance
- Comprehensive support for database transactions and journaling
- On-line database backup and optional third party backup

Database storage is implemented with RAID technology that makes individual disk system component failures totally invisible to any of the servers in the cluster. The cluster supports full Business Model Engine functionality while making transactional-consistent backups of the database for disaster recovery purposes.

The following diagram shows a fault-tolerant Business Model Engine cluster consisting of primary and secondary Caché database servers and Caché application servers to run the QCPR Business Model Engine. The primary and secondary database servers each are capable of providing full transactional database support for all application servers in the cluster. They can operate with either a shared database on SAN storage systems or with two separate databases with the secondary replicated with transactions from the primary. The number of Caché application servers is configurable to support system scalability.



A cluster of QCPR Business Model Engine servers

Deployment Options

With cost-effective very high performance symmetric multiprocessing servers, it is possible and desirable in many cases to deploy both the Caché database and the QCPR healthcare business model tiers operating effectively and with high performance on a common server. In this case, a typical configuration consists of two combined database/application servers for both redundancy and performance. If the need should arise over the life of the system to expand capacity beyond the capabilities of two combined database/application servers, the System can be easily upgraded to include additional application servers specifically to share in supporting the healthcare business model tier. No reconfiguration of applications will be required nor will there be any loss of application functionality.

Third Party Software

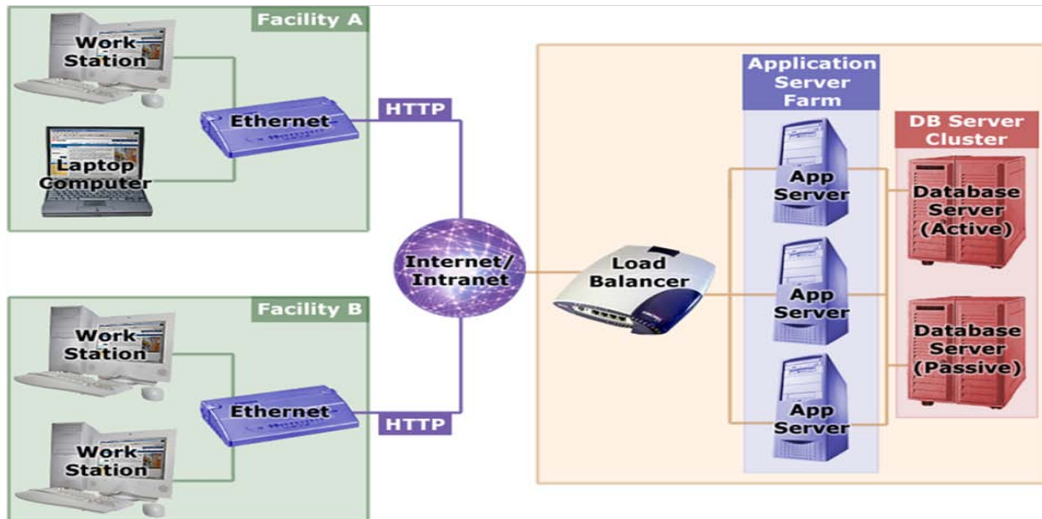
Third Party Software requirements include:

- InterSystems Caché (Database Management System)
- IBM AIX (Server OS)
- Microsoft Windows XP (Workstation OS)
- Medi-Span (Drug Information Database)
- Health Language Controlled Medical Vocabulary (ICD coding)
- OVID Clinical Evidence Database and Search Engine (Optional)
- SNOMED CT/RT (new Canadian availability of Free SNOMED license)
- Veritas Cluster Server
- Sun Solaris (Server OS)
- InterSystems Ensemble (DBMS & Integration Engine)

Quantim Platform

Quantim is a web-native platform of multiple HIM applications that are integrated and share a common MS SQL database. HIM's web-native platform provides anywhere, anytime access, through both Internet and intranet, it also provides a standard, easy-to-use, and familiar paradigm to users. HIM supports both the standard HTTP communication protocol and the highly secure HTTPS protocol.

Quantim Deployment Topology



Redundancy/Failover

QuadraMed systems are compatible with standard high availability technologies, including clustering/failover as well as full remote SAN mirroring and redundant servers. Clients are free to select the type of disaster recovery and business continuity solutions to put in place without having to worry about QuadraMed applications being a limiting factor. As a web-based application, all data is maintained on servers, and disaster recovery will be a direct reflection of how well the environment backs up the servers and data, and/or other standard disaster recovery methodologies employed by the environment. QuadraMed's standard hardware configuration includes redundant mirrored disks. Additional disaster recovery consulting services are available.

Release Methodology

QuadraMed provides a major release annually.

Major upgrades: Major releases contain changes to the current product and introduce new software applications. QuadraMed provides software changes on a regular basis in lieu of non-critical on-site support programming. These releases are intended to provide timely software fixes and updates to our major release.

Regulatory updates: QuadraMed provides regulatory releases to meet changes in federal- and/or state-mandated requirements.

The Upgrade Process:

Client Responsibilities: The hospital's IS department is responsible for:

- loading the software into your directories
- performing Quality Assurance testing
- releasing the software to the Live environment
- following your organization's internal change management procedures

As with any new software, we recommend you coordinate all aspects of the process: communication, training, testing, documentation, and installation into both Test and Live environments.

Release Installation:

Installation of a software release depends on:

- the release's set up and testing requirements
- the size of the release
- the applications installed at your facility
- the processing capabilities of your hardware

Release Implementation:

A major release usually takes six to eight weeks to implement (from loading of software through testing and going live); it rarely requires additional services from QuadraMed. Update releases require less time, but in general the time required to implement releases depends on how long you want to test the new software before moving the release into the Live environment.

It is your responsibility to schedule downtime related to release implementation for a day/time of the week convenient for your facility. Major releases may require longer downtime than updates. Usually a hospital will schedule downtime for a major release to begin just before midnight — when users are taken off the system. After doing normal nightly maintenance and backups, you load the release into the Live environment. Upon completion of the load, some setup may be required for new functionality. Once this is done, you may allow users back onto the system.

Annual Support fees usually cover software updates and related documentation for major and update releases. The only possible charge would be for the reapplication of customizations. Clients who have software customized at their request incur charges with each major release implementation.

ASP Model

QuadraMed does not offer our software solutions under an ASP use model. QuadraMed is offering the TORCH Foundation a model geared towards TORCH providing remote access to their rural and community hospitals via the TORCH Foundation's data center.

(11) Explanation of what differentiates your service(s) or product(s) from your competitors. What makes your product(s) or service(s) superior? What are the advantages of your product(s) or service(s) over the rest?

QuadraMed provides a practical, high-value solution to the immediate and long term needs of our clients. Our focus on the basics—product excellence, 21st century technology and world class support— are the reasons QuadraMed consistently earns top honors from KLAS, Gartner Research, MD Buyline, First Consulting Group and others.

Unlike vendors that are forced to support multiple product lines for different hospital sizes and types, QuadraMed has adopted a single product strategy for financial, clinical, medical records and decision support. This means all our clients—from the very largest multi-hospital groups to small, community hospitals—benefit from our intense focus of development and support resources on a single product set.

We understand our clients' human and financial resources are precious. Many have limited IT staff and resources that can be devoted to maintaining an IT system. To that end, we have built products that can be extended, configured, implemented and maintained without the need for large IT staffs and budgets, programming resources or consultants.

To ensure long-term ROI for the client, QuadraMed has engineered its products to be web-native, platform-independent, open and scalable.

QuadraMed is committed to its clients' success. We have built and maintain the finest client management organization in the industry. Each new client is assigned a dedicated Account Executive to serve as a single point of contact and manage the on-going business relationship. The Account Executive works with the hospital group's executive team to ensure the investment in a QuadraMed solution continues to provide returns for many years.

QuadraMed Stands Out: Key Care Management Features

QuadraMed empowers your entire care team with a full array of intelligent features that improve access to information, reduce errors and establish effective enterprise-wide workflow processes. QuadraMed also improves provider-to-provider communication with a shared Electronic Health Record. Its clinical decision support can be personalized to fit the workflow needs of clinicians in all care settings.

- Intelligent features for improved decision support
- An enterprise-wide workflow process
- A shared Electronic Health Record

QuadraMed Stands Out: Key Health Information Management Features

QuadraMed's Health Information Management solution provides a full range extraordinary benefits and features, including:

- Parallel processing: QuadraMed HIM products improve workflow efficiencies by replacing the linear workflow process with a parallel process.
- Knowledge-based coding: QuadraMed's knowledge-based approach to coding is designed to meet your real world needs. It replicates the official codebooks that are used for inpatient and

QuadraMed solutions consistently earn top honors from respected analyst firms as KLAS, Gartner Research, MD Buyline, First Consulting Group and others.

outpatient coding. It maintains and builds the coder's expertise in identifying and utilizing codes for DRG and APC reimbursement. The result is highly accurate coding with optimum productivity. It gives your coders all the tools and resources they need to make knowledgeable, efficient and real world coding decisions.

- Web-native system: QuadraMed's HIM suite employs a web-native system that provides secure access from any workstation in any department, facility or even from home.
- An integrated platform: All QuadraMed HIM products function on a completely integrated platform sharing functionality and information. The QuadraMed product suite includes Work Flow, Abstracting, Compliance, Coding, Electronic Document Management, File Manager, Correspondence Management, Chart Completion, Chart Locator and e-Signature modules that are completely integrated and share a central database.

QuadraMed Stands Out: Key Technology Features

QuadraMed uses an integrated, standards-based software platform that simplifies and automates workflows across the continuum of patient care with these key features:

- Ease of installation with an unsurpassed record for successful installations
- Service-oriented standards-based and web assessable architecture
- Highly adaptable and extensible to changing needs and technology
- Platform independence with support for a number of hardware platforms and operating systems
- Ease of use with improved user experience and productivity
- Proven scalability and reliability from small to large enterprise systems
- Cost effective and affordable.

QCPR's Competitive Difference

The key competitive difference for QCPR is integration. Integration is one of the most abused words in the clinical information systems industry. Each vendor defines it differently and claims to be "integrated" yet true integration is seldom seen. System integration is the cornerstone of QCPR in which we manage all clinical information on a patient-centered basis. This allows every process from every clinician and care provider in the hospital to be continuously consolidated into a current, accurate reflection of the patient's status. Simply stated, all physician, nursing and ancillary activities are merged into one patient-centered view and become immediately available as actionable information to all authorized QCPR users. The net result is collaborative and coordinated patient care.

Few in the industry are capable of producing a longitudinal health record.

Our enterprise-wide computer-based patient record system with robust order management, clinical decision support and an integrated suite of modules helps clinicians make better decisions and ensure best practice. QCPR's longitudinal health record tracks treatment and care events across the continuum of care to ensure completion of prescribed care, while offering real-time access to comprehensive patient information. QCPR's 'integrated by design' point-of-care features are essential to reducing medical errors, optimizing quality care and outcomes, decreasing costs and supporting compliance of JC regulations and hospital policies.

Specific functionalities support:

- Integrated decision-support driven CPOE.

- Multiple modes of clinical documentation including phrase selection, forms, templates and free text.
- QCPR also integrates with real-time speech recognition technology to better capture clinical encounter details.
- Closed-loop, barcode-driven online medication management, thereby supporting the Six Rights of Medication Administration.

Quantim's Competitive Difference

There are many differentiating factors that make QuadraMed's HIM solution so compelling:

1. Quantim is the recognized leader in "knowledge" based coding solutions.
 - **Diagnosis, CPT, MS-DRGs, APRs, APGs**
2. Quantim Coding and Compliance is installed in 550+ sites.
 - **Integrated with all major vendors, the Coding and Compliance suite ensures accurate coding & clean claims**
3. Quantim is a leader in the eHIM initiative.
 - **Intrinsic, integrated product platform that helps hospitals achieve 100% paperless HIM**
4. Quantim seamlessly manages data and documents in support of the EMR and paperless HIM department processes.
 - **Legal Medical Record capture and storage and record management tools**
5. Quantim makes the connection between electronic clinical documentation, coding and billing.
 - **Automates patient chart preparation, electronic signatures, coding, abstracting, and compliance**
6. Quantim improves productivity.
 - **Supports remote employee coders now and envisions delivery of integrated computer assisted coding, via natural language processing**