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**PRESS RELEASE**  
**IBM and Partners Help Healthcare Clients Adopt Electronic Health Records and Improve Operations With Cloud Software**

Last update: 9:05 a.m. EDT March 17, 2009

ARMONK, NY, Mar 17, 2009 (MARKET WIRE via COMTEX) -- IBM (IBM: **96.86**, **-1.44**, **-1.5%**) today announced that American Occupational Network (AON) and HyGen Pharmaceuticals are improving patient care by digitizing health records and streamlining their business operations using cloud-based software from IBM Business Partners MedTrak Systems and The System House.

By accessing technology that handles various tasks -- from electronic health records (EHRs) to on-line appointment scheduling -- as a service through the Internet instead of developing, purchasing and maintaining technology on-site, San Diego-based AON has been able to update its clinical processes and increase key efficiencies to improve patient care. For example, by digitizing health records and other processes, the company has reduced medical transcription costs by 80 percent and now can provide faster and more accurate billing to individuals and insurance companies, reducing the average time to create a bill from 7 days to less than 24 hours.

In the United States, the new American Recovery and Reinvestment Act will infuse \$19 billion into healthcare IT and calls for the utilization of an EHR for each person by 2014. While EHRs help deliver smarter healthcare systems with real-time access to critical patient health information, only an estimated 38 percent of U.S. physicians used partial or full EHRs in 2008.

As many healthcare providers struggle to manage the high costs of providing quality patient care, this low EHR utilization rate can be attributed to providers also being challenged with investing time and resources into information technology to improve their operations. This challenge makes acquiring technology as a cloud-based service compelling in the healthcare industry.

"IBM is committed to working with our many business partners, alliances and clients to apply emerging technologies such as cloud computing to today's healthcare challenges as we help build smarter worldwide healthcare systems together," said Dan Pelino, general manager, IBM Healthcare & Life Sciences Industry. "IBM provides the technical training, infrastructure and hosting services that enable our Business Partners to deliver cloud-based software to those healthcare providers and businesses that would rather focus on their own core competencies than build a team of IT technical experts."

MedTrak Systems, Inc., of North Muskegon, Michigan, uses IBM hosting services and IBM DB2 database software to deliver its software as a cloud-based service to healthcare providers of all sizes. This IBM Business Partner's Internet-based software helps its users improve overall care for patients while increasing business efficiency and reducing operating costs with one system that manages patient registration, scheduling, EHRs, clinical workflow, billing and collections.

AON recently converted its clinical billing software and adopted additional capabilities, including EHRs, registering and scheduling with MedTrak software for its five occupational health clinics in Southern California. AON needed a solution to help compete against the larger national occupational medicine chains, yet it lacked the technical infrastructure, IT skills and budget for increased staffing expenses.

"By acquiring these new capabilities as a service, AON has become much more efficient and able to provide a better patient experience without up-front IT infrastructure costs or a need for additional staff for on-going IT maintenance," said Larisa West, director of administration, American Occupational Network. "With MedTrak, we've been able to streamline our clinical processes, and to have added these capabilities and staff them on-premises, we otherwise would have needed to add two or three technical staff members per clinic."

MedTrak also provides its software as a cloud-based service to educational institutions to help build the skills of future health professionals. Davenport University has trained hundreds of medical students on MedTrak software by simulating real-world health system medical workflows, EHRs and billing.

HyGen Pharmaceuticals Streamlines Operations with Cloud-Based Services

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IBM Business Partner The Systems House, Inc. of Clifton, New Jersey, has experienced an industry shift with more clients opting to acquire its supply chain software as a service. Its Master Distribution System (MDS) software, tailored to the needs of healthcare supply distributors, can be managed either by a client on its own premises or as a service, hosted remotely on IBM AIX software and IBM System p servers. Of The Systems House's new customers in 2008, more than 75 percent opted to use their software with the cloud-based services delivery model.

"Healthcare supply distributors play a critical role in the industry and are not immune to the challenges of reducing the cost of care for patients," said David Fertig, vice president, technical services, The Systems House. "With IBM technology and support, we've been able to deliver MDS as an affordable service, helping distributors to better manage their costs, become more efficient and meet the level of service their customers demand."

HyGen Pharmaceuticals, a national wholesale distributor of generic prescription pharmaceutical products based in Bellevue, Washington, needed to implement a new IT infrastructure to better manage its business operations and address increased regulatory and reporting issues while building a foundation for solid business growth.

The company was using several different software systems and wanted to create an integrated view of all its business information. The company chose MDS delivered as a service because of the unlimited growth capability and the quick start-up and implementation it offered.

With increased business control and an instant view of all operational activity, HyGen now can catch invoices going out below minimum margins, decrease inventory levels on products that no longer sell, and provide customers with documentation when they attempt to return items that were not purchased from the company. Utilizing lot and serial tracking, HyGen also can create e-pedigree documentation for "track and trace" on drugs throughout the supply chain.

All of these functions allow the company to focus on growing its business through new opportunities instead of dealing with the daily operational and technology issues associated with running a small-to-medium business.

MedTrak Systems and The Systems House are part of IBM's Software as a Service (SaaS) Specialty program -- comprised of over 200 Independent Software Vendors (ISVs) using an IBM infrastructure to support their cloud-based software services offerings.

For more information on IBM's SaaS Business Partner program, visit: [www.ibm.com/partnerworld/saas](http://www.ibm.com/partnerworld/saas).

For more information on MedTrak Systems and The Systems House, please visit: [www.medtraksystems.com](http://www.medtraksystems.com) and [www.tshinc.com](http://www.tshinc.com).

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