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MedQuist's CodeRunner™ Interfaces with Hospital Systems for Faster Billing

Mount Laurel, NJ, September 26, 2006 – In today's fast-paced healthcare environment, providers need to shorten their revenue cycle, while at the same time reducing data entry errors. To address the challenge of completing coding better and faster, MedQuist Inc. (Pink Sheets: MEDQ) has successfully interfaced its remote, computer-assisted coding system, CodeRunner, with hospital billing systems. This new interface provides seamless integration that allows codes to be directly transferred from CodeRunner to the customer's billing system, eliminating manual code entry and expediting billing.

At Southern Illinois Healthcare, a three-hospital system located in Carbondale, IL, MedQuist's CodeRunner is interfaced with the patient financial system. Before implementing the interface, MedQuist's coding team would perform the coding and enter codes into the CodeRunner application. Then hospital HIM staff would go online, print summary sheets and manually enter codes into the system.

Marcia Matthias, RHIA, corporate director of Health Information Management at Southern Illinois Healthcare, is witnessing firsthand how the new interface is helping to meet the organization's goals. "We've reduced our manual data entry efforts tremendously and have already reduced another day in unbilled," says Matthias. "The improved turnaround time and accuracy is more important than even reducing the amount of human intervention needed to enter data." She adds, "MedQuist's project management was very willing to work with us and customize the interface to meet our needs."

Another MedQuist customer, Denise Hunt, MS, RHIA, director of Health Information Management at Sierra Nevada Memorial Hospital in Grass Valley, Calif., is also seeing more accurate and timely billing through MedQuist's billing interface. At Sierra Nevada, MedQuist's CodeRunner is interfaced with the hospital information system. Before the interface, Hunt was also concerned about data entry errors and the risk of transposed numbers. "With the volume of accounts generated and coded at Sierra Nevada Memorial," she says, "it was just a matter of time before human error was likely to happen." Her concerns have virtually disappeared with the interface in place.

More

"Health Information Management directors need more control over the coding and billing process than they have had in the past, due to the changes in the healthcare field," says Scott Bennett, senior vice president of Sales and Marketing at MedQuist. "CodeRunner is the only facility and professional computer-assisted, remote coding solution with advanced coding workflow management and optional coding services on the market today, and the new billing interface makes the solution even stronger."

For more information, contact a local MedQuist representative or call 800-233-3030.

About MedQuist:

MedQuist, a member of the Philips Group of Companies, is a leading provider of electronic medical transcription, health information and document management products and services. MedQuist provides document workflow management, digital dictation, speech recognition, mobile dictation devices, Web-based transcription, electronic signature, medical coding products and outsourcing services.

"Safe Harbor" Statement under the U.S. Private Securities Litigation Reform Act of 1995: Statements in this press release regarding MedQuist's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. Such risks and uncertainties, which could cause actual results to differ from those contained in forward-looking statements include, but are not limited to: (1) our ability to recruit and retain qualified transcriptionists and other employees; (2) the impact of new services or products on the demand for our existing services; (3) our current dependence on medical transcription for substantially all of our business; (4) our ability to expand our customer base; (5) changes in law, including, without limitation, the impact the Health Information Portability and Accountability Act (HIPAA) will have on our business; (6) infringement on the proprietary rights of others; (7) risks inherent in diversifying into other businesses; (8) any continuation of pricing pressures and declining billing rates; (9) difficulties relating to the implementation of management changes throughout the Company; (10) the outcome of pending and future legal and regulatory proceedings and investigations; and (11) any direct or indirect impact of the matters disclosed in the Form 8-K filed by the Company on August 8, 2006. Actual outcomes and results may differ materially from what is expressed or forecasted in forward-looking statements. As a result, forward-looking statements speak only as of the date they were made, and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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