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## **MedQuist and Financial Medical Systems Partner for Clinical Coding Services**

*Mount Laurel, NJ, March 15, 2007* – MedQuist Inc. (Pink Sheets: MEDQ) has announced an agreement with Financial Medical Systems Inc. (FMS) to provide a clinical coding platform and coding services for FMS customers nationwide. With the American Health Information Management Association (AHIMA) reporting that the majority of U.S. hospitals face difficulty finding and retaining certified coders, MedQuist offers a pool of credentialed coding professionals and CodeRunner™ remote coding technology to ensure accurate, consistent and compliant coding. Through this new partnership, FMS' existing and new customer hospital systems and physician practices can expect increases in the quality of clinical coding, as well as improvements in their bottom line.

“In today’s healthcare market, experienced coders are the core of your business,” explains Pam D’Apuzzo, vice president of Complete Management Solutions, the coding compliance sister company of FMS. “If you don’t have coders to assign the proper codes for reimbursement, you’re nowhere. More and more, doctors don’t have the time or ability to assign level of service, and the hospitals don’t have the resources to do it for them. At the end of the day, we give hospitals a headache-free alternative to their current mode of operation.”

MedQuist reduces the chance of coding errors by exporting data directly from the CodeRunner remote coding solution to its customers’ billing systems. Fewer errors allow hospitals and physician practices to experience a more efficient flow in the revenue cycle, including faster turnaround in coded charts and a reduction in denials and accounts receivable.

“In an environment of less reimbursement and slashed budgets, the partnership between MedQuist and FMS provides a solution for the healthcare industry that drives down costs and improves patient care,” states Paul Abrams, president of FMS. “Our solution allows physicians to focus on treating patients in the ED, versus worrying about coding accuracy and compliance. Instead of hiring three coders, hospitals can hire three nurses to provide better care.”

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“This partnership is an example of MedQuist’s ability to adapt its services and technologies to suit each customer’s needs,” says Scott Bennett, MedQuist’s senior vice president of Sales and Marketing. “We can provide FMS customers with coding expertise that will enable them to shorten their revenue cycle, improve their workflow and produce consistent, compliant coding – it’s an excellent match for both FMS and MedQuist.”

*Financial Medical Systems Inc. (FMS) provides a full range of billing and receivables management outsourcing services to medical centers, hospital systems, and private physician groups. FMS offers custom solutions to fit an organization’s demands by providing firm and secure financial models necessary for complex and intricate billing structures.*

*MedQuist, a member of the Philips Group of Companies, is a leading provider of clinical documentation workflow solutions in support of the electronic health record. MedQuist provides electronic medical transcription, health information and document management products and services, including digital dictation, speech recognition, Web-based transcription, electronic signature, medical coding, mobile dictation devices, 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 Insurance 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 November 9, 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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