



Corporate Headquarters
9009 Carothers Parkway, Suite C-2
Franklin, Tennessee 37067

FOR IMMEDIATE RELEASE
For more information, call:
Thomas Mitchell
Director of Marketing
615-798-6630
tmitchell@medquist.com

**MEDQUIST DEEPENS ROLE IN SISTERS OF MERCY'S EHR DEPLOYMENT STRATEGY,
EXPANDING COST-SAVING CLINICAL DOCUMENTATION SERVICES AND TECHNOLOGY**

Franklin, TN – July 21, 2011 – MedQuist Holdings Inc. (NASDAQ: MEDH), a leading provider of integrated clinical documentation solutions for the U.S. healthcare system, today announced that it has expanded its long-term partnership with Sisters of Mercy Health System of Chesterfield, Mo., for clinical documentation technology and transcription services. The health system recently added St. Joseph's Clinic, in Hot Springs, Ark., to its list of facilities and clinics working with MedQuist to leverage clinical documentation services and technology in its electronic health record (EHR) deployment strategy, thereby expanding cost-reducing transcription and technology opportunities across the system.

The implementation at St. Joseph's Clinic follows a comprehensive roll-out of MedQuist's clinical documentation services in 10 of Mercy's core facilities and associated clinics that started in 2009. Since reducing transcription costs is a top priority at Mercy, the health system searched for a solution that would align with its enterprise-wide EHR deployment strategy. As a technology and services company, MedQuist was able to provide significant transcription cost reductions while providing a solution that fully integrates with Mercy's EHR technology. The successful implementation at St. Joseph's was the latest implementation for a series of clinics and surgery centers as Mercy enters its next phase of the rollout.

"MedQuist's outstanding implementation team remains consistent from project to project. The same key people, who have a unique understanding of Mercy's core processes as well as experience with our EHR, have been deployed each time," said Kellie Greer, executive director of Centralized Coding and Transcription Services for Mercy. "From technical staff to account managers, the entire team works elbow to elbow with our staff. This attention to detail and subject matter expertise within the EHR has created a strong partnership between the two organizations that produces exceptional results."

Other documentation challenges Mercy wanted to improve included inconsistent document quality and increasing pressure on report turnaround times, according to Greer. MedQuist applied its management reporting capabilities, the MedQuist Performance Monitor™ (MPM), to monitor and continuously improve quality issues quickly and easily. The ability to drill down into the data allows visibility to individual dictators, providing statistical analysis and other metrics so that the MedQuist account management team can work with Mercy on continuous process improvement and deliver the best results.

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"MedQuist has expert account management and quality assurance teams specifically dedicated to Mercy. Maintaining high-quality standards is fundamental, and even with a learning curve, MedQuist was able to meet our expectations on turnaround times while maintaining excellent quality," said Margaret Boler, enterprise transcription manager for Mercy Health System. "MedQuist has frequent, regular calls with each Mercy facility to review account status and quality managing a large system with a local feel and results. We are confident that we have a responsive and proactive team in place to support us as we work to meet our goals and continue to expand across all of our health system."

"MedQuist is proud to help Mercy reduce overall costs and be a key part of their EHR strategy as they continue to expand and grow," said Michael Clark, chief operating officer of MedQuist. "With our integrated clinical documentation technology and services, we are able to help Mercy realize the full potential of their enterprise EHR deployment while maximizing cost savings."

About MedQuist

MedQuist is a leading provider of medical transcription services, and a leader in technology-enabled clinical documentation workflow. MedQuist's enterprise solutions – including mobile voice capture devices, speech recognition, Web-based workflow platforms, and global network of medical editors – help healthcare facilities improve patient care, increase physician satisfaction, and lower operational costs. For more information, please visit www.medquist.com.

About Sisters of Mercy Health System

Mercy is a not-for-profit organization that includes hospitals, physician clinics, outpatient facilities, outreach ministries and other health and human services throughout a seven-state area: Arkansas, Kansas, Louisiana, Mississippi, Missouri, Oklahoma and Texas. Their facilities and services are staffed by more than 40,000 co-workers and physicians.

"Safe Harbor" Statement under the U.S. Private Securities Litigation Reform Act of 1995: Statements in this press release regarding MedQuist's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. 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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