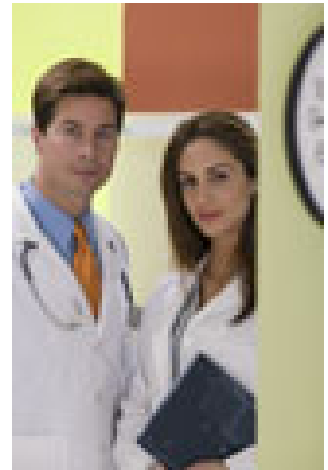


PMS and EHR Practice Assessment

Per your request, I have attached our detailed response to your request to provide your organization with experienced advisory and consultative services related to an operational assessment of moving towards a new Electronic Health Record (EHR) and potential replacement of your current Practice Management System (PMS). AC Group, Inc. (ACG), formed in 1996, is a healthcare technology advisory and research firm designed to save participants precious time and resources in their technology decision-making. AC Group is one of the leading companies, specializing in the evaluation, selection, and ranking of vendors in the PMS/EMR/EHR healthcare marketplace. For the last three years, AC Group has produced an annual report on the Digital Medical Office and the use of Technology by physicians. This comprehensive report includes detailed reviews of the Mobile Healthcare, Document Imaging, and EMR marketplace. The report also includes the most comprehensive evaluation of vendor EMR functionality to date - more than 5,000 questions. This evaluation decision tool has been used by more than 5,000 physicians since 2002. Additionally, AC Group has conducted more than 100 PMS/EHR searches, selections, and contract negotiations for small physician offices to large IPA since 2003.



Hospitals, individual physicians, physician groups, PHOs and IPAs are actively searching for new technologies that will enable them to improve patient care, reduce costs and improve the overall “quality of life” for themselves and their families. One of the greatest challenges today is locating the “best” technology and software for the “best” price. With over 200 vendors selling ambulatory Electronic Medical Record (EMR) Systems and an additional 300+ selling other complementary applications and services, the technology marketplace is overwhelming to most healthcare organizations and physicians.

AC Group’s experienced consultants will assist your organization in documenting current operations, and will assist in building tools to evaluate the PMS after implementation. In many cases, organizations have not successfully developed a methodology of measuring improvements in operations after PMS implementation. Thus, many organizations cannot document improvements and cannot measure operational changes.

AC Group’s experienced consultants will provide your organization with an assessment of potential operational changes based on analysis of 100’s of prior EMR installations. These operational changes will include guidelines on point of care devices, how to handle older paper charts, how to successfully capture clinical data before a patient visit, etc.

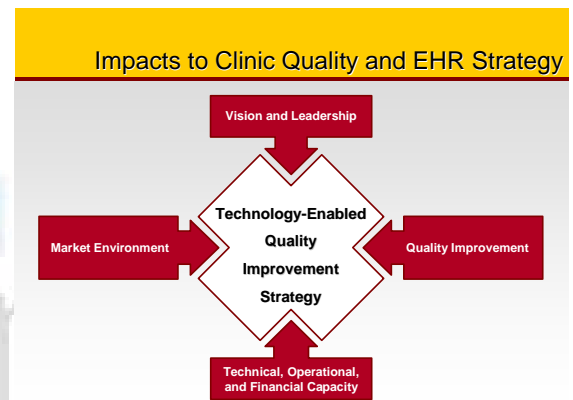
AC Group consultants will provide your organization with information on lessons learned from other implementations, to include both positive methodologies as well as information on methodologies that have not worked. We believe that every organization needs to learn why implementations fail, so that the organization does not make the same mistakes.

PMS and EHR Practice Assessment

In our daily lives, we are inundated with information. From the news media to advertising to the World Wide Web, the amount of information available to individuals in today's society is staggering. This has prompted some to say that we are moving beyond the information age into the knowledge age. They point out that we are already well immersed in the information age and that what we really need is a way to sift and sort this information, a way to gauge what is useful and what is not.

The defining characteristic of the Knowledge Age is perpetual change. Unlike previous transformations, the transformation to the Knowledge Age is not a period of change, followed by stability. It will usher in an epoch of continuous change on an accelerating time cycle. This means that the kinds of knowledge that will serve each individual and our society as a whole are constantly evolving. But how do you determine if you and your medical practice is ready to move into the 'Knowledge Age'?

AC Group will provide your practice with a readiness assessment review and the development of an implementation plan. Under this option, Mark Anderson and Loraine Casagrande, RN will come to your practice, meet with members of the practice and will conduct an operational review of your practice's readiness. The Readiness Review will require around three on-site consulting days plus two additional days of operational questions via phone and email. AC Group will develop a report that outlines the practice's readiness to embrace the planned transition.



- **Organizational Alignment** is an assessment of your practice's support for new technologies designed to create the digital medical office of the future. This section will detail four readiness areas including Culture, Organization, Leadership, and Strategy. Readiness indicators in this section will provide you with a better understanding of your practice's functional infrastructure and a guide for developing an organizational plan for technology adoption.
- **Management Capability** is an assessment of your practice's readiness to manage information, human resources, and financial resources for current and future technology requirements. The section details four readiness areas including Information Management, Clinical and Administrative Staff, Accountability, and Finance and Budgeting. Readiness indicators in this section will identify specific areas that require increased management focus, potential process development, or planning before moving forward with new technologies.
- **Operational Capacity** is an assessment of your practice's infrastructure preparedness to facilitate technology adoption. This section details three readiness areas including Workflow Process, Patient Involvement, and Training. Readiness indicators in this section will identify potential process or infrastructure barriers to adoption of newer technologies and will provide you with tangible guidance to improve these areas.

PMS and EHR Practice Assessment

- **Technology Capability** is an assessment of your practice's technology capabilities that were reviewed during the first deliverable.

AC Group's Physician Technology Evaluations

The project will be lead by Mr. Mark R. Anderson, CPHIMS, FHIMSS, CEO and Healthcare IT Futurist with AC Group, Inc. and Lorraine Casagrande, RN, Senior Clinical Consultant. The proposed staff represents leading national speakers on the Digital Medical Office of the Future and they have spoken at over 350 conferences and meetings since 2000. They have spent an average of 30+ years focusing on Healthcare – not just technology questions, but strategic, policy, and organizational considerations. The proposed staff is widely-versed individuals with line and consulting responsibilities in more than 200 hospitals, 50 healthcare payer organizations, and over 100 Physician/Clinics. This experience has provided the team with a wealth of front-line experience. AC Group staff has also been involved in one of the nine Agency for Healthcare Research and Quality (AHRQ) and e-Healthcare initiative grants that have been awarded to local communities.

AC Group, Inc. (ACG), formed in 1996, is a healthcare technology advisory and research firm designed to save participants precious time and resources in their technology decision-making. AC Group is one of the leading companies, specializing in the evaluation, selection, and ranking of vendors in the PMS/EMR healthcare marketplace. For the last five years, AC Group has produced an annual report on the Digital Medical Office and the use of Technology by Physicians. This comprehensive report includes detailed reviews of the Mobile Healthcare, Document Imaging, Practice Management, and the EMR marketplace. The report also includes the most comprehensive evaluation of vendor PMS/EMR functionality to date - more than 5,000 questions. This evaluation decision tool has been used by more than 5,000 physicians since 2002. Additionally, AC Group has conducted more than 100 PMS/EHR searches, selections, and contract negotiations for small physician offices to large IPA since 2003.

PMS and EHR Practice Assessment

Why Select AC Group, Inc

We offer clients the advantage of the finest industry research available anywhere, as well as a resource equally valuable - the collective hindsight of hundreds of healthcare organizations. AC Group can increase the effectiveness of your healthcare IT programs by providing recommendations for improving your organization's ability to address industry trends, market drivers, and new competitive threats. ACG is qualified to deliver these services based on:

- Mr. Anderson (the proposed project lead) was a corporate CIO for four large multi-facility IDNs and has conducted over 200 EMR technology search and selections in the past 4 years ranging in size from 1 physician office to large groups of over 2,300 physicians. He was the CIO for West Tennessee Healthcare (6 hospitals and more than 1,000 physicians), the CIO for Taconic IPA (11 hospitals and 2,300 physicians), the CIO for the Sisters of Charity of Nazareth Health System (10 hospitals and 3,800 physicians), Sisters of Providence Health System (15 hospitals and over 8,000 physicians).
- Our knowledge of the healthcare IT marketplace enables us to accurately analyze that market, taking the competitive landscape and industry drivers into consideration. AC Group produces a semi-annual report that ranks vendors based on functionality, company viability, end-user support, and technology infrastructure. This annual report is reviewed by over 70,000 physicians each year and has been used by CMS, DOQ-IT, and many of the State QIOs as a foundation for their research and recommendations.
- Our understanding of user buying dynamics via our ongoing syndicated research services with provider, payer, and vendor organizations. AC Group leverages existing research and opinions formulated through extensive user interaction to provide timely analysis and real-world experiences. Mr. Anderson has written a book on the "Digital Medical Office of the Future".
- Our use of acknowledged healthcare IT industry experts gives us credibility in presenting our findings and recommendations to your senior management.
- AC Group's staff experience working with and in Provider and Payer organizations for 30+ years. We are not just researchers, we are former executive members of multi IDNs, Physician Groups, and Payer organizations and thus, our staff represents the peers that you would be working with.
- Combined with our experience performing IT strategy engagements, AC Group is well positioned and excited about assisting your organization on this initiative.

PMS and EHR Practice Assessment

Similar Engagements in Past two Years

Name:	Stephanie Roman	Title	Practice Administrator
Company:	Orthopedic Consultants Medical Group	Type:	45 Orthopedic physicians
Address:	16311 Ventura Blvd., Suite 800	Phone:	818-788-7343
city-state	Encino, CA	Email:	sroman.ocmg@skypipeline.com
Working Relationship	EHR Search and Selection	Time Period	July 2005 to July 2006

Name:	Jack Ryan	Title	CIO
Company:	Illinois Bone and Joint Institute	Type:	88 Orthopedic Providers
Address:	350 South Northwest Highway Suite 200	Phone:	847-720-7020
City-state	Park Ridge, IL 60068	Email:	jryan@healthinfoservice.com
Working Relationship	EHR Search and Selection	Time Period	June 2006 to Present

Name:	Don Schreiner	Title	COO
Company:	Rockford Orthopedics	Type:	16 Orthopedic Physicians
Address:	535 Roxbury Rd.	Phone:	815-484-6915
city-state	Rockford, IL. 61107	Email:	dons@rockfordortho.com
Working Relationship	EMR and PMS Search and Selection	Time Period	Oct 2004 to February 2005



Level 2 Proposal

PMS and EHR Practice Assessment

Name:	AL CAMPAGNA	Title	COO
Company:	Greater Rochester Orthopedics	Type:	6 Orthopedic Physicians
Address:		Phone:	585-295-5314
city-state	Rochester, NY	Email:	ACAlberto@aol.com
Working Relationship	EMR and PMS Search and Selection	Time Period	Oct 2004 to February 2005

Name:	Dr. Federman.	Title	Trudeau Health Systems
Practice Name	Trudeau Health Systems (PHO)	Phone:	518-897-2698
Address:		Type:	46 Physician M/S PHO
city-state	Saranac Lake, NY	Email:	kgates@amccares.org
Working Relationship	EMR Search and Selection	Time Period	October 2004 to July 2005

Name:	Stephen W. Schilling	Title	CEO
Practice Name	Clinica Sierra Vista	Phone:	Ph. 661-635-3050 Fax 661-869-1041
Address:	1430 Truxtun Ave., Ste. 400	Type:	50 Provide FQHC
city-state	Bakersfield, CA 93301	Email:	schillings@clincasierravista.org
Working Relationship	PMS and EHR Search and Selection	Time Period	January 2007 to Present

Name:	Jack Keller, MSHA, CMPE	Title	Vice President
Practice Name	HealthTexas Medical Group	Phone:	(210) 731-4824
Address:	6243 IH 10 West, Suite 480	Type:	20 Providers
city-state	San Antonio, TX 78201	Email:	jack.keller@healthtexas.org
Working Relationship	PMS and EHR Contract Review	Time Period	December 2006 to Present

PMS and EHR Practice Assessment



Mr. Anderson is one of the nation's premier IT research futurists dedicated to health care. He is one of the leading national speakers on healthcare and physician practices and has spoken at more than 350 conferences and meetings since 2000. He has spent the last 30+ years focusing on Healthcare – not just technology questions, but strategic, policy, and organizational considerations. He tracks industry trends, conducts member surveys and case studies, assesses best practices, and performs benchmarking studies.

Besides serving at the CEO of AC Group, Mr. Anderson served as the interim CIO for the Taconic IPA in 2004-05 (a 500 practice, 2,300+ physician IPA located in upper New York). Prior to joining AC Group, Inc. in February of 2000, Mr. Anderson was the worldwide head and VP of healthcare for META Group, Inc., the Chief Information Officer (CIO) with West Tennessee Healthcare, the Corporate CIO for the Sisters of Charity of Nazareth Health System, the Corporate Internal IT Consultant with the Sisters of Providence (SOP) Hospitals,

and the Executive Director for Management Services for Denver Health and Hospitals and Harris County Hospital District.

His experience **includes 32+ years working with Healthcare organizations, 20+ years working with physician offices, 7 years in the development of physician-based MSO's**, 17 years with multi-facility Health Care organizations, 15 years Administrative Executive Team experience, 6 years as a member of the Corporate Executive Team, and 9 years in healthcare turnaround consulting. Mr. Anderson received his BS in Business, is completing his MBA in Health Care Administration, and is a Fellow with HIMSS. Additionally, he serves on numerous healthcare advisory positions and has developed programs including:

- ❖ Developer of the Six-levels of Healthcare IT for Hospitals and the Physician Office
- ❖ Researcher and producer of the 2002-06 EMR Functional rating system
- ❖ Advisory Board and Content Chairman - Healthcare IT Outsourcing Summit, 2002, 2003, 2004, 2005
- ❖ Advisory Board and Content Chairman - Patient Safety and CPOE Summit, 2002, 2003, 2004, 2005
- ❖ Advisory Board and Content Chairman – Consumer Driven Healthcare Conference, 2003, 2004
- ❖ Advisory Board and CPOE Chairman - Reducing Medication Errors, 2003, 2004, 2005
- ❖ Advisory Board of TETHIC 2003, 2004, 2005
- ❖ Advisory Board of NMHCC 2000, 2001, 2002, 2003, 2004, 2005
- ❖ Advisory Board of TCBI Healthcare Conference 2000, 2001, 2002, 2003, 2004, 2005
- ❖ Advisory Board of TEPR and MRI, 2000, 2001, 2002, 2003, 2004, 2005
- ❖ Past President of Local HIMSS Boards – Houston, Tennessee, Southwest TX
- ❖ Editorial Board of Healthcare Informatics 2001, 2002, 2003, 2004, 2005
- ❖ Judge, MSHUG ISA, 1999-2005, TEPR Awards, 2001-2002, TETHIE 2003-05, HDSC 2003-05
- ❖ National HIMSS Chapters Committee 2001, 2002, 2003, 2004
- ❖ National HIMSS Fellows Committee 2001, 2002, 2004
- ❖ National HIMSS Programs Workgroup Committee 2001, 2002, 2003, 2004

PMS and EHR Practice Assessment

Michael D. Paquin
Health Care Strategist
818-519-4779
ACG Thousand Oaks, Calif. Office

Office: (781) 595-4035
Mobile: (781) 883-2472
E-mail at m_paquin@msn.com

Michael Paquin is well recognized as a leading Healthcare Strategist. His insight and innovation to device connectivity into the EMR have been acknowledged by Microsoft, Frost & Sullivan, TEPR and TETHIC. Previously as the President of Midmark Diagnostic Group (Brentwood), Mr. Paquin was the first to develop an innovative strategy for integrating medical devices into over 70 EMRs. With 30+ years experience in working with Physicians, he brings a unique perspective addressing the needs of the back office as they relate to the paperless office. Currently serving as Chair with MSHUG, (Microsoft Healthcare Users Group) and most recently as V.P. of one of the nations largest Healthcare Information Organization, Mr. Paquin utilizes this unique insight to build well thought out strategies for Healthcare.

- Chair MSHUG (Microsoft Healthcare Users Group)
- 20+ year experience in Cardiology
- Senior member HIMSS
- IHE Connectivity group member
- Speaker at HIMSS, TEPR, TETHIC, MSHUG
- Developer of Pocket PC Diagnostic Devices (ECG, Spiro)
- First to integrate EMRs seamlessly with Diagnostic Devices
- 30+ years Healthcare experience
- Currently Founder of MDP Group, Healthcare strategist working with Corporate and device strategies, marketing strategies.
- Member HIDA

Option 2 - Pricing (Effective January 1, 2008)

Number of Physicians	Less than 3 Physicians	4 to 9 Physicians	10 to 19 Physicians	20 to 49 Physicians	50 to 99 Physicians	Over 100 Physicians
Costs	\$3,000	\$5,000	\$7,000	\$10,000	\$13,000	\$16,000

Payment Schedule

A down payment of **30%** is required along with the signed agreement, by the agreed upon effective date. An additional 40% is due after the completion of the first draft of our practice assessment. An additional 30% is due once the final report has been submitted. **Checks are to be made payable to AC Group, Inc.** Travel expenses will be billed after they occur and will be due and payable within 15 days of receipt of invoice. If there are any questions concerning this agreement please contact AC Group at: (281) 413-5572 or by mail at:

AC Group, Inc.
118 Lyndsey Drive
Montgomery, TX 77316

Acceptance

On behalf of the AC Group, we look forward to assisting you and your community in the healthcare marketplace. Please indicate, by signing below and return by fax to **1-832-550-2338**.

Number of Providers: _____ Contract Amount: \$ _____ .00

Approved by Name: _____ Date: _____

Approved by Signature: _____

Please review the attached document, feel free to contact me if you have further questions. I can be reached at my Houston office (281) 413-5572 or by e-mail at mark.anderson@acgroup.org.

Respectfully submitted:



Mark R. Anderson, FHIMSS, CPHIMS
CEO, AC Group, Inc.