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CalRHIO Selects Medicity and Perot Systems to Build Statewide Health Information Exchange for California

SAN FRANCISCO, Calif., March 13, 2007 – CalRHIO announced today that it has selected Medicity, Inc., teamed with Perot Systems (NYSE:PER), to build a statewide health information exchange utility service that will offer California health care providers secure electronic access to patient medical records, where and when they are needed.

“CalRHIO’s primary goal is to deliver critical health information services reliably and affordably to clinicians, patients, state, county, and federal health agencies, and local exchange efforts throughout California,” said CalRHIO CEO and President Donald Holmquest, MD, JD. “Medicity and Perot Systems were selected because their solution offers a strong, proven, and scalable technology platform that will eliminate limitations on how individual health care organizations and local communities design and implement the health information exchange services they need.”

“In addition to a suite of solutions that are already integrated and interoperable, Medicity and Perot Systems brought an innovative financial model to the table that will enable us to sustain the project long term,” said Molly Coye, MD, MPH, one of the founding directors of CalRHIO’s board and CEO and president of the Health Technology Center. “Creating a sustainable business model is one of the biggest challenges for health information exchange efforts nationally,” Coye noted, citing findings of a federal study she chaired last year that assessed nine statewide HIE initiatives.

Medicity and Perot Systems’ first step will be to assist in the procurement of private seed money to fund start-up costs for the CalRHIO HIE utility service, including building the statewide backbone infrastructure and integration, marketing and communication, and CalRHIO’s operating budget. Financing requirements for this phase are estimated at \$300 million.

The health information exchange platform will make it possible for physician offices, hospitals, and health plans that have invested in health information technology to use their current technology to access data outside their walls. While details of charges are yet to be determined, the savings expected as a result of having better information will be many times greater than the cost, according to Holmquest.

Through its partnership with Medicity and Perot Systems, CalRHIO will offer a suite of secure, privacy-protected services from which organizations can select to use all, some, or none. For example, for communities that want to enable all their health care providers to exchange information, CalRHIO’s HIE utility service will offer an optional alternative to building and financing their own infrastructure. For communities that have already initiated local health information exchange efforts, the services offered will be compatible and complementary.

“It is imperative that we get a technology solution up and running as soon as possible to accommodate the needs of California doctors, hospitals, and patients,” Holmquest said. “Every day in California, 50,000 or more patients are experiencing suboptimal care solely because

important medical information is missing from their records. Payers and patients are paying huge additional costs because of the fragmented care that result from lack of timely information.”

Both HHS Secretary Mike Leavitt and Gov. Arnold Schwarzenegger have called for adoption of electronic medical records over the next several years to improve the quality and safety of health care, as well as decrease costs. The health information exchange utility service to be developed by Medicity and Perot Systems for CalRHIO supports the Governor’s Executive Order and will enable electronic medical records to be shared confidentially among providers across California and through the National Health Information Network, currently under development by HHS. The effort supports Secretary Leavitt’s value-driven health care initiative by promoting the adoption of electronic health records and potentially enabling health care organizations to track and document the efficiency and appropriateness of care patients receive.

Medicity and Perot Systems were selected to build the CalRHIO utility service through a competitive bidding process.

“Medicity is honored to be selected for this partnership. CalRHIO has a bold vision to improve patient safety and reduce healthcare costs throughout the state, and we look forward to making this vision a reality through our joint efforts,” said Kipp Lassetter, MD, Medicity CEO. “We have been building and delivering the software solutions necessary to make this project successful for nearly 10 years and have proven our ability to assimilate patient information from a wide and varied number of sources into a single, unified patient record view. We know medical errors are reduced, patient care is improved, and costs are reduced when caregivers have access to this critical information.”

“For over 20 years, Perot Systems has applied advanced technology to solve problems and improve processes in healthcare,” said Chuck Lyles, president of Perot Systems’ healthcare industry group. “Our work with CalRHIO will now extend those services to the many health care providers throughout California as we collaborate to deploy a network of connectivity for reducing costs, enhancing patient safety, and improving the overall delivery of care. We believe the CalRHIO initiative will serve as a model for the nation for demonstrating the benefits of community connectivity.”

“CalRHIO set up a rigorous process for selecting a partner to help us build California’s statewide health information exchange,” Holmquest noted. “We are extremely grateful for the many good ideas that were contributed. Considering the enormity and complexity of this project, we anticipate that there will be opportunities for additional vendors to partner with us on specific projects and activities in the future.”

About CalRHIO

CalRHIO is a collaborative statewide initiative whose mission is to improve the safety, quality, and efficiency of health care through the use of information technology and the secure exchange of health information. For more information on CalRHIO, visit www.calrhio.org.

About Medicity

Medicity, Inc. is a clinical integration and interoperability company serving hospitals, large physician groups, RHIOs/HIEs, and payers. Company clients include thousands of healthcare organizations. It has been connecting healthcare since 1998. For more information please visit www.medicity.com.

About Perot Systems

Perot Systems is a worldwide provider of information technology services and business solutions. Through its flexible and collaborative approach, Perot Systems integrates expertise from across the company to deliver custom solutions that enable clients to accelerate growth, streamline operations, and create new levels of customer value. Headquartered in Plano, Texas, Perot Systems reported 2006 revenue of \$2.3 billion. The company has more than 21,000 associates located in North America, Europe, and Asia. Additional information on Perot Systems is available at <http://www.perotsystems.com>.