



SearchAmerica

June 7, 2006

For Immediate Release:

Recent IRS Action on Charitable Reporting Has Hospitals Seeking an Immediate Solution

SearchAmerica (Minneapolis, MN), a provider of online financial risk assessment and charity tools for healthcare organizations announced an automated solution for those hospitals seeking to be in compliance with new legislative efforts on charitable reporting and not-for-profit hospital status. In response to government action on hospitals not-for-profit status, some providers are implementing new technology to more effectively identify charity care (as opposed to bad debt). This new technology is designed for uniformity and consistency for those accounts likely to qualify for charity. In addition, many hospitals are retrospectively reviewing write offs related to charity and bad debt accounts. The retrospective audit revolves around analysis and review of past write offs and it's compliance to charity write off policies and procedures. On-line reporting and reconciliation are additional key components of the automated solution. In a growing number of instances, this reporting tool has been a key aspect of monitoring who qualifies and who does not qualify for charity-an important aspect of charity compliance monitoring.

In the June 5, 2006 issue of Modern Healthcare, the cover story article referred to recent action by Senate Finance Committee Chairman Chuck Grassley. Grassley has asked the IRS to step up enforcement on the tax exempt status of not-for-profit hospitals. He has also asked the IRS to review problem areas in the tax-exempt arena, including not-for-profit hospitals, suggesting they should possibly set up enforcement. This "edict" by Senator Grassley is prompting hospitals to take immediate action in the area of charity write offs. Daniel Johnson, CEO of SearchAmerica, said "automated determination of charity is taking on increased importance in the industry for compliance consistency and audit review."

About SearchAmerica, Inc.

The leader in improving registration integrity, reducing bad debt and assessing discounts for the self pay/uninsured by verifying patient data and providing payment prediction using integrated technology for the healthcare industry. SearchAmerica provides a complete range of real-time, online products that are used by over 300 healthcare customers. SearchAmerica customers benefit from smarter data which produces a healthier bottom line. For more information, please visit <http://www.searchamerica.com>.

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