

Thousands of hospitals now can connect to SearchAmerica as key part of the solution for uncompensated care and billing practices

IRS sends out 550 Questionnaires on Tax Exempt Status— Hospitals taking immediate action

MINNEAPOLIS- (BUSINESS WIRE) – June 29, 2006

Bruce Nelson, Vice President, SearchAmerica says hospitals are taking direct action in response to IRS questionnaires to approximately 550 tax-exempt hospitals and healthcare organizations across the nation last month. The government wants to know about the level of community benefits provided in exchange for tax-exempt bond financing and other benefits. The "compliance check" questionnaire includes sections on uncompensated care, billing practices, community programs, the board of directors and executive compensation. The stated goal is to increase voluntary compliance with the law. It's part of an investigation into tax-exempt entities that the IRS has conducted for the past year. Healthcare industry experts also see this action by federal regulators as a response to changes in the healthcare industry and allegations of unfair billing and aggressive collection practices by hospitals.

To address this pressing issue of uncompensated care and billing practices, hospitals are implementing Charity Advisor™, a transaction provided by SearchAmerica. This is a solution that predicts charity care eligibility based on an institution's published charity care policy. Non-intrusive income and household size estimates allow providers to confidentially predict eligibility using an automated, non-discriminatory evaluation tool. Patients that meet provider-defined criteria can be referred to appropriate personnel for further discovery and follow-up. Charity Advisor work-listing and form generation functionality can significantly reduce administrative overhead. Additional benefits include: improved community relations, decreased legal liability and increased bad debt to charity care re-classification.

Essentially, these hospitals have discovered it is difficult to be in compliance without automated processing of charity eligible accounts. Furthermore, thousands hospitals have found it virtually impossible to process charity accounts manually, as well as "control" billing and collection practices without automated assistance.

For more information please contact Bruce Nelson at 262.255.2578 or on the web at www.searchamerica.com.

About SearchAmerica, Inc.

The industry leader in prediction of payment and automated charity/Medicaid processing. SearchAmerica provides a complete range of real-time, integrated products that are used by over 300 healthcare customers. SearchAmerica's quality and accuracy is "best in class" and providers benefit from their smarter data which produces a healthier bottom

line. Documented case studies prove a significant return on investment, consistent with favorable public relations.