

Medem, Inc. – BILLING FAQ

REASON(S) FOR CHARGE

Q. What is the subscription cost for a Medem Web site and services?

A. Medem's subscription fees are \$295/physician/year for the physician's entire practice. If you belong to one of our partner societies, then you will receive a 33% discount and the cost to you is \$195/physician/year.

Q. I am a partner society member, but I am being charged at the higher non-society rate.

A. Please fax a copy of your society id card with your contact information to 1-877-526-3356 and representative will contact you to update your record.

Q. Why am I being charged for my site? I thought it was free through my society?

A1. For the past 5 years Medem has been providing free practice Web sites largely through a sponsorship model. This approach was not met with widespread approval. In addition, we have developed a substantially broader and more valuable suite of physician-patient communication services that are integrated with the Web site that improve practice revenue, care quality, and patient safety and satisfaction—all of which have real, tangible value in the market place and are significantly more expensive for physicians through other organizations. In order to continue to provide these and other products, as well as providing the level of customer service you've come to expect from us, it is necessary for Medem to charge a modest annual fee.

Remember, at \$195 a year, the cost of your practice Web site and the other iHealth Services comes out to about 50 cents per day.

- If you are a society member, you are still entitled to the additional benefit of a 33% discount off the standard annual subscription rate of \$295.
- If you are not a member of a society and would like to become one to take advantage of these and other member benefits, please visit our Web site at http://www.medem.com/am/am_societies_participating.cfm to find out which society is the best fit for you.

Are you aware that through the use of Medem services you can recoup the cost of your subscription within a few months?

Are you also aware that Medem has added services that can help you increase your practice revenue?

REASON(S) FOR CHARGE - continued

A2. In addition to moving away from a sponsored model to a subscription model for your Web site and iHealth Services, Medem has and will continue to expand its suite of services to include theiHealthRecord (a secure, online personal health record for all your patients), medication adherence programs and FDA product warning and recall alerts.

Q. I'm am not interested in expanded services as I do not have any intention of ever using any of the additional features, so why do I need to pay for them?

A1. Your practice Web site is now an integrated part of a product suite known as iHealth Services. While you have control over which of the services you use, they are structured as a fully-integrated suite of online services.

In determining our pricing structure we have already taken this into account and even looking at the cost of the service if you just choose to use the Web site, the annual charge is modest in comparison to many other Web hosting and Web site services in the industry.

In addition, you will still have access to Medem's award-winning Medical Library containing a comprehensive collection of credible health care information from the nation's leading medical societies, increased exposure for new patients to find you, and access to new insured patients (and the associated practice revenue) through health plan directories and medical society links.

Q. Why should I pay for this service?

A. Essentially doctor, the iHealth Services are a way for you to provide an expanded level of service to your patients with little or no additional effort on your part. We also provide several ways for you to increase your practices' visibility in the marketplace as well as ways to increase your practice revenue, patient safety and satisfaction.

For example . . .

- As a member of the Medem Network you can ***Improve your practice marketing & new patient access***, through exclusive links from major health plan and medical society provider directories to your Medem Web site. **Over half a million patients per month find Medem physicians through these links.**
- ***You can Increase practice revenue*** through Online Consultation And remember, you decide how much you want to charge your patients for Online Consultation...the national average charge is \$20) and other services that generate income and fulfill pay-for-performance requirements.

WHAT IS THIS SERVICE

Q. I'm confused, what are iHealth Services?

iHealth Services is a product suite that begins with your practice Web site and includes the following products:

- IHealthRecord and iHealthRegistration

IHealthRecord is the nation's first secure, interactive, & portable personal health record that comes from the source patients trust most...you...their own physician. As an added benefit, the iHealthRecord links to the *iHealthRegistration* form which can be printed by your patients in advance, and brought with them to their appointment. This valuable service allows you to end clipboard care in your office and streamline patient flow and improve patient and staff satisfaction.

- Disease Mgt and Medication Adherence Programs

When your patients complete an iHealthRecord, they are automatically enrolled in disease management and medication adherence programs that are based on the information they've input into their record.

These programs are written by leading authorities such as medical societies, patient advocacy groups, and government agencies (including the FDA, CDC, American Heart Association, American Cancer Society among others). **You also have the option of creating your own customized adherence programs to suit your patients' particular needs.**

- FDA product warning alerts

Another feature that **brings peace of mind to your patients and helps you reduce liability** are the automated daily updates and alerts sent directly from the FDA. Now your patients don't have to learn about adverse drug interactions or recalls from the media, they will automatically receive these warnings on the day the FDA distributes them. This patient safety feature is one that has lead medical liability carriers to endorse Medem's iHealth Services..

- A Patient Education Library

When you join the Medem Network your patients have 24 hour access to peer-reviewed patient education materials, including over 5,000 articles. The content is provided by leading medical and specialty societies, so you can rest assured the information is trustworthy.

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WHAT IS THIS SERVICE-continued

This information helps your patients manage their conditions and medications and saves you time from having to find the information on your own. It also reinforces you—the physician—as the central point and source of care.

- Online Consultation™ and Secure Messaging

Optional services such as Secure Messaging and Online Consultation can maintain the importance of the physician-patient relationship in a secure environment. These services, available through Medem, are liability carrier endorsed and HIPAA compliant. You the physician decide whether to use them for administrative purposes such as scheduling appointments or for sending clinical messages about a patient's health conditions. They are quick and easy to use and you set the fee, which patients can pay online via a credit card. Services such as these not only improve patient satisfaction, they also help you increase your practice revenue.

Q. I never signed up for your services. How did you get my information and who authorized Medem to create a Web site for me?

A. Your Medem Web site was created in one of two ways; either through one of your medical societies/ our medical society partners or through a sponsorship by either Johnson & Johnson or Physician Direct.

IF PRESSED FOR MORE DETAILS/INFORMATION:

If you were or are a member of one of the following medical societies: Iowa Medical Society, American Medical Association, Medical Society of New Jersey, American Academy of Pain Management and Rehabilitation and the Texas Medical Association, providing you with a practice Web site was part of the partnership agreement.

Each of these medical societies sent at least two notifications to their members ***before*** the conversions took place and offered all members the option of opting out of receiving the service. The site can be canceled if you wish.

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CREDITS

Q. I read that there's a way for me to continue using these services for free in 2007. Can you explain this to me?

Yes, you can continue to use iHealth Services—and be credited for your 2007 subscription at the end of 2006—if you meet one of the following criteria on an ongoing basis:

1. You perform 1 Online Consultation per week and charge for it (*Your transaction fees are credited back towards your annual membership fee*).
2. 300 of your patients sign up for an iHealthRecord from your site in the 2006 calendar year. This means that for an average physician who sees 15 patients per day, if 10 patients completed an iHealthRecord prior to their next appointment, you could meet this goal in just 30 days!

These two criteria cannot be combined. Although Medem would like physicians to actively use both services, Physicians must qualify through the use of one of the two requirements on an ongoing basis in order to qualify for free iHealth Services.

Q. So this means that I have to pay up front?

Yes. In order to fulfill one of the requirements to receive the practice Web site and other iHealth Services at no additional charge in 2007, you must first pay your 2006 invoice.

Q. How and when will I receive my credit once I meet the criteria for a credit toward my 2007 iHealth Services?

You will receive an invoice in December, 2006 which will show the credit if you met one of the criteria during the 2006 calendar year. If you meet one of the criteria I described earlier, you will receive a credit on your 1/01/2007 invoice.

Q. Do I need to continue meeting this same criteria to receive the iHealth Services for free and will the requirements change?

Yes. You must continue to meet one of these criteria in order to qualify for the credit in coming years and yes, the criteria to qualify for free iHealth Services is subject to change in 2007.

DIDN'T AGREE TO CHARGE – WANT TO TERMINATE

Q. I've never agreed to being charged for my Web site. This seems like bait and switch.

A. Medem has always reserved the right to charge (*with prior notice*) for our products as is outlined in the Terms of Service agreement. As you know, we have offered our suite of products at no charge for the past six years.

Medem is also expanding its suite of services to further enhance the physician-patient relationship and we continue to support you, the physician, as the central point of care.

Our most recent example of this is the development and launch of the iHealthRecord, a secure, online personal health record for all your patients, and medication adherence programs, all available **from you, the physician**, through your practice Web site.

In the coming months, you will see us continue to expand the suite of iHealth Services available to you and your patients.

Q. What if I decide not to pay the subscription charge?

A. Your Web site and all the other suite of services will automatically terminate and your patients will no longer be able to benefit from the services that were provided through your Web site.

Medem will be sorry to lose you as a valued customer and we hope you will reconsider your decision and will renew your service for 2006 to continue utilizing your practice Web site and to fully evaluate the full suite of services to you and your practice.

Q. I want to cancel, what do I need to do?

A. Please provide me with your invoice number, account number, Web address and first and last name. Medem will process your cancellation. There may be a chance that you will receive a second invoice if there is a cross in the mail. Please disregard it. We are sorry to lose you as a valued customer and hope you will reconsider.

Q. If don't pay the bill, will I be sent to collections?

A. Absolutely not. Medem does not send unpaid subscriptions to collection. Please keep in mind that your services will terminate automatically. We will be sorry to lose you as a valued customer.

PAYMENT OPTIONS

Q. I am confused by the invoice. Can I pay monthly by check?

A. The only option for paying monthly is via automatic credit card charge. If you are paying by check, please send the full annual payment. Please also be aware that paying monthly via credit card will incur a nominal banking transaction fee.

Q. Why can't I pay monthly by check?

A. At this time, only credit cards can be accepted for a monthly payment because the processing is automated.

Q. Why is there a convenience fee for monthly credit card payments, but if I pay the yearly subscription charge by credit card, there isn't one?

A. There are additional processing and handling requirements for monthly credit card payments. Due to the additional requirements we must add a small convenience fee.