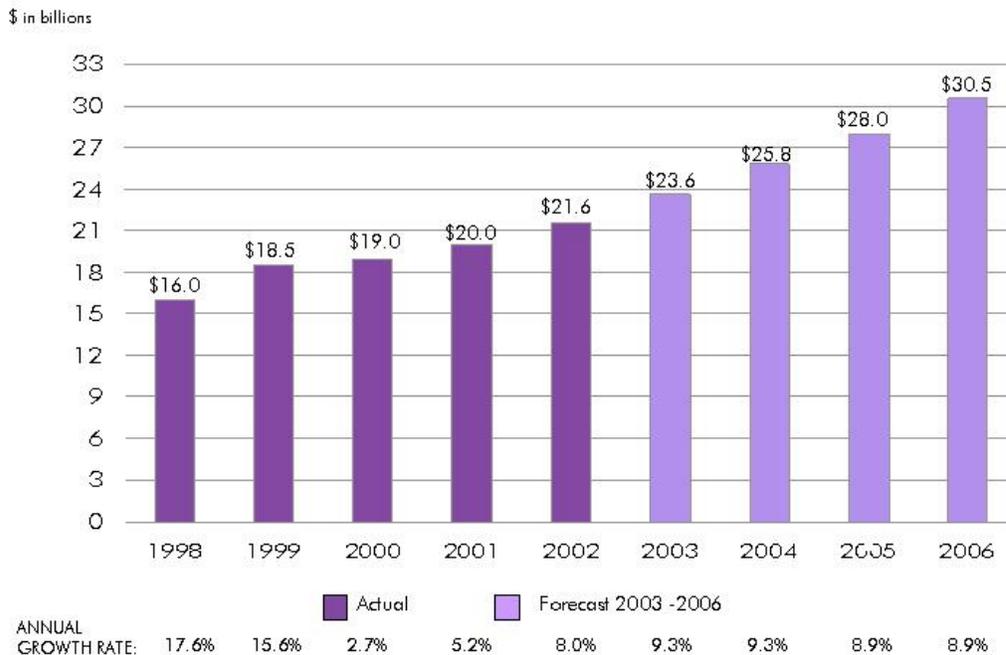


HEALTHCARE INFORMATION TECHNOLOGY SPENDING IS GROWING RAPIDLY

Chicago, IL, February, 2004 – The Healthcare Information Technology (H.I.T.) market in 2003 is forecasted to grow at a rate of 9.3% to \$23.6 billion from \$21.6 billion spent in 2002 as the H.I.T. market continues to out- perform all other segments of the technology industry, according to Sheldon I. Dorenfest & Associates, Ltd., a Chicago- based provider of H.I.T. market data.

Fueled by the desire to reduce medical errors and improve clinical work processes, the H.I.T. market is flourishing again. H.I.T. market growth is led by PACS and CPOE buying and followed by the purchase of other clinical information systems such as computerized patient record, pharmacy, surgery, emergency department, radiology, and document management systems. With a strong fourth quarter of accelerated buying to finish the year, 2003 will be the best H.I.T. market growth year since 1999. Dorenfest & Associates, Ltd. forecasts that H.I.T. market growth will continue at about 9% per year for the next three years with H.I.T. market spending expected to grow to \$30.5 billion by the end of 2006. (See Figure 1)

FIGURE 1 H.I.T. MARKET TRENDS



SOURCE: Sheldon I. Dorenfest & Associates, Ltd.

“Results from over 1,000 healthcare delivery systems and almost 2,500 hospitals interviewed to date for THE 2003 DORENFEST INTEGRATED HEALTH CARE DELIVERY SYSTEM (IHDS +) DATABASE™ ([www.dorenfest.com/databaseProduct.asp](http://www.dorenfest.com/databaseProduct.asp)) indicate a big jump in buying across all application areas,” said Sheldon I. Dorenfest, CEO, Dorenfest & Associates. “Patient safety issues are paramount in the minds of senior management teams who are turning to I.T. software solutions to help them reduce medical errors throughout their organizations,” Dorenfest continued.

“PACS systems are showing the most dramatic growth with over 30% of the hospitals interviewed in 2003 now using a PACS system, and over half of these hospitals purchasing PACS within the past two years. During the next two years, another 40% of the nation’s hospitals will be purchasing a PACS system,” said Dorenfest.

“CPOE systems showed similar trends. In 2001, less than 1% of the nation’s hospitals were using CPOE systems in which most of the physicians were entering most of their own orders into the computer systems. At the present time, almost 15% of the hospitals in the nation are in the process of implementing a CPOE system. Over 50% of the remaining hospitals are evaluating their strategy toward CPOE, and many of them will be buying such systems in the next three years,” Dorenfest continued. “Other clinical systems including CPR, emergency department, pharmacy, surgery, radiology, document management, and a variety of other clinical and financial systems were also driving market growth,” said Dorenfest.

“While H.I.T. system purchases outpace prior expectations, there continues to be a growing work process problem within healthcare organizations. The cumulative impact of poorly implemented past system purchases has caused the industry to create a wide variety of convoluted, tangled, and redundant work processes. With this additional clinical systems buying, there is a possibility that work processes will deteriorate further unless implementation approaches are improved,” said Dorenfest. “Significant emphasis must be placed on simplifying and improving work flow by reducing redundant, convoluted, and tangled work processes during the implementation of these new systems,” said Dorenfest. “This presents a tremendous opportunity for the industry, and H.I.T. vendors are taking different approaches to packaging and delivering their products in the healthcare market place. By emphasizing process improvement services to support the implementation of their software, healthcare suppliers will be more successful and make their healthcare customers better users of their information systems products,” says Dorenfest.