



**THE QUANTUM GROUP**

*An Informative Monthly Newsletter brought to you by The Quantum Group of Companies*

# Cube Talk



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Cube Talk is an enlightening monthly newsletter created to share the latest healthcare industry information and Company developments with the healthcare providers, investors, partners and friends of The Quantum Group of Companies.

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## Industry Observations by Noel J. Guillama, President & CEO

On August 1, 2008, The Quantum Group will be holding its annual shareholders meeting in concurrence with an exhibition at the Florida Medical Association Expo (FMA), presenting The Quantum Group of Companies. Shareholders will not only have the opportunity to go beyond hearing or reading about what we are doing, they will also be able to experience it and meet many members of our talented team. Attending shareholders will also be invited to join our Renaissance Health Systems hospitality event to be held that evening.

The Quantum Group of Companies have reached many significant milestones in growth and development over the last year. Renaissance has increased its patient base nearly 155% to 2,500 in just six months. The launch of Quantum Innovations (QI), the technology and innovations arm of Quantum, filed nine provisional business process patents and introduced the Quantum Innovation Incentive Program (QuIIP) - a ground-breaking program in the healthcare industry that will further progress the culture of innovation among Quantum employees. With these technology-based initiatives, we are well on our way to *empowering* patients, *enabling* providers and *enriching* the science of healthcare.

Furthermore, we were recently featured in a *Florida Trend* magazine supplement, *Florida Innovation*. This state-wide magazine highlighted the impact that we will have on the healthcare industry and will further expose Quantum to the Northeast investment community as the magazine will be inserted into *Crain's New York Business* in July.

I thank you for your continued interest and support of The Quantum Group. We are pleased with our continued growth and are excited for our future.



## "Bare" Essentials: *The Physician's Alternative*

*Brought to you by The Quantum Agency*

**Bare** ('ber) adj.: lacking a natural, usual or appropriate covering.

*- Merriam-Webster's Dictionary*

In the healthcare industry, bare refers to a physician or practice that elects not to carry malpractice insurance, and that number is increasing year after year. According to *Florida Trend*, from 2003 to 2007 the number of bare Florida physicians has increased more than 33%. The decision to go bare is very important and should not be considered until all ramifications (both positive and negative) have been fully explored.

*Cont'd pg 2*

## *The Quantum Group, Inc. Recent Announcements*

The Quantum Group  
Announces Annual  
Shareholders Meeting  
*June 24, 2008*

The Quantum Group  
Announces Second Quarter  
Financial Results for FY 2008  
*June 18, 2008*

The Quantum Group & IBM  
Sign Research Collaboration  
Agreement  
*May 28, 2008*

The Quantum Group  
Completes Corporate  
Expansion Plan  
*May 21, 2008*



**“Bare” Essentials** *(Cont’d from pg 1)*

It is certainly no secret, that many physicians now consider medical malpractice insurance premiums to be out of reach. Therefore, some physicians have decided to forego this valuable protection, believing that going bare solves the problem.

Unfortunately, going bare does not prevent a lawsuit from being brought against a physician. Funding the cost of a lawsuit without having appropriate medical malpractice insurance is and should be a major concern for physicians.

If you have ever had to retain legal counsel, even for a traffic ticket, you can imagine the cost of legal retainer fees. There are supplementary expenses such as court costs, continuing legal fees, etc. Additionally, loss of personal assets as well as loss of professional reputation must be considered. Remember, it’s not only the verdict that should be taken into account, it’s also the cost to obtain that verdict.

Thankfully, there is a solution to decrease risks if a physician

decides to go bare. That solution is **Medical Legal Expense Reimbursement Insurance**. This type of reimbursement insurance helps protect a physician’s estate at a reasonable cost. Whether a malpractice claim arises, peer or license review board proceedings take place, or even if a physician loses hospital privileges, this insurance will reimburse the related legal expenses.

The physician can expect additional benefits such as: choice of counsel from an

approved panel or selection of their own counsel, coverage limits of up to \$500,000/\$500,000, availability of prior acts coverage and access to an attorney telephone hotline that will answer general risk management questions.



For more information about **Medical Professional Legal Expense Reimbursement Insurance**, contact **The Quantum Agency, Inc.** at 877-634-6748.

**“Federal HealthCare Agencies Gear Up for NHIN Trials”**

**Excerpt from**  
*HealthCareITNews.com*  
**By Bernie Monegain**  
**May 1, 2008:**

With just four months left to go before a public demonstration in September of how a Nationwide Health Information Network [NHIN] would work, officials from the five federal healthcare agencies participating in the trial run say they are kicking into high gear.

Of the \$3.1 trillion the country spends on healthcare today, 40 percent can be attributed to federal health agencies, said Vish Sankaran, program director for Federal Health Architecture, part of the Office of the National Coordinator for Health Information Technology.

The federal government is one of the 10 NHIN trial implementations. The other

nine are health information exchanges across the country.

The idea is that healthcare organizations that are already linked by state or region will connect with one another, forming a base with which more groups like theirs can link to create a nationwide network.

Marty Prahl, a contractor with the Social Services Administration, said more than 5 million people file for disability benefits each year. The agency seeks about 15 million to 20 million medical records and spends about half a billion dollars gathering medical information.

For the applicant, the intake process can be long and grueling, he said. Usually unable to work, with no income and no health

insurance, the applicant is asked to provide his medical history from memory. The intake process is stressful– and waiting for benefits to kick in is even more so, he said.

The process is also a burden on providers, “This can take weeks or months to return,” he said. Meanwhile, many disability applicants seek medical care from emergency departments.

“If we could exchange information in a standardized way,” he said, “Ultimately, we’ll see public benefit from this.”

Steve Steffensen, MD, a clinical neurologist and deputy chief of informatics with the military’s Advanced Information Technology Group, spoke of the difficulties of gathering

complete medical information on troops, their spouses and children, who often seek care both inside and outside the military health system.

“Obtaining and transferring information on wounded soldiers whose care moves to the VA could be almost immediate with electronic exchange,” he said.

Tim Cromwell, from Veterans Health Affairs, talked about his father-in-law, a Korean Conflict Veteran, who receives his primary care from the VHA but chooses to see an oncologist, cardiologist, and ophthalmologist outside. Cromwell’s mother-in-law keeps all the records in order in a cardboard box.

“My mother-in-law shouldn’t be the health information exchange for my father-in-law,” Cromwell said. “We have to do better. This is a national challenge.”

“The idea is that healthcare organizations that are already linked by state or region will connect with one another.”





## Patient-Centered Medical Care

The Centers for Medicare & Medicaid Services (CMS) regularly conducts and sponsors demonstration projects to test and measure the effect of potential program changes.

According to CMS, the projects study the possible “impact of new methods of service delivery, coverage of new types of service, and new payment approaches on beneficiaries, providers, health plans, states, and the Medicare Trust Funds.”

On April 30, 2008, Fred Bazzoli, Editor of Healthcare Finance News reported on one of the current projects. The Medicare Medical Home

Demonstration project is being mandated by legislation through the Tax Relief and Health Care Act of 2006, Section 204. This section directs CMS to conduct a three-year demonstration project of the medical home concept of patient care.

The legislation regards the medical home as any “large or small medical practice where a physician provides comprehensive and coordinated patient-centered medical care and acts as the ‘personal physician’ to the patient.” The project will begin on January 1, 2009, in rural, urban and underserved areas in up to

eight states. This is the first time legislation requests CMS to receive outside advice in developing a case management fee and valuation for one of its demonstration projects.

CMS has received a proposal for payment rates to implement the project by the American Medical Association/Specialty Society Relative Value Scale Update Committee (RUC). The suggestion for valuing the medical home demonstration project includes slight increases in relative value units used to calculate physician payments for ongoing assessments of patients.

The RUC also reported on

other direct practice expenses varying on the number of conditions that a patient might have. Additionally, the proposal suggests covering the purchase of electronic medical record (EMR) systems and the various hardware and software costs related to the implementation of the EMR systems.

The proposal by the RUC of the demonstration project further strengthens the willingness of physicians to support, as well as provide comprehensive and coordinated patient-centered medical care.



## Costs Vary for Same Drugs

Being competitive today is seen in more places than just on the basketball court. We are in a time where we have to be competitive in all aspects of our lives, including healthcare.

Today, prices for prescription drugs are varying drastically. Not only is the price fluctuation between different chains, it is happening between different chains of the same stores.

*Consumer Reports Magazine*

recently did a survey to prove these fluctuations are happening. The survey consisted of 163 pharmacies nationwide. Within each of the pharmacies, the magazine called to find out the prices for four prescription drugs - three name brand medicines and one generic. The survey found that Detrol ranged from \$365 to \$551 and Plavix from \$382 to \$541. The generic osteoporosis

drug Alendronate also ranged from \$124 to \$306. In addition the survey showed that both franchises and independent drug stores have different prices and conveniences. Not one store was completely better than the other in all benefits.

Wal-Mart is one of the specific franchises caught up in this competitiveness. Recently they expanded their discounted

prescription program to offer 90-day supplies for \$10 and added several women’s medications at a discount. For example, that same generic osteoporosis drug, Alendronate, will now cost consumers \$9 for a 30-day supply or \$24 for a 90-day supply. It will also reduce the price of more than 1,000 over-the-counter medications to \$4 or less.



Visit our booth at the  
*Florida Medical Association*  
*2008 Expo*  
August 1-2, 2008



Join us as we celebrate  
*A Quantum Shift*  
*in Healthcare*  
August 1, 2008, 6:30 pm

Rosen Shingle Creek • 9939 Universal Blvd. • Orlando, Florida 32819



## College-Educated Living Longer

On Tuesday, March 11, 2008, reporter Steven Reinberg of *HealthDay News* summarized the findings of a study about the connection between education and life expectancy. The study found that those with more than 12 years of education - more than a high school diploma -

can expect to live to 82. The study also concluded those with 12 or fewer years of education have a life expectancy of 75.

Researcher Ellen R. Meara, an assistant professor of healthcare policy at Harvard Medical School, reported that the difference in life expectancy

between the well-educated and less-educated groups can be accounted for by smoking-related diseases, as well as living in areas that have their own health threats with limited access to health insurance coverage and health services. Researchers also determined that

less-educated women declined in life expectancy. Women with more than 12 years of education by age 25 could expect to live five years longer than their female counterparts.



## Practice What We Preach: Living "Green"

by Kelli Robinson, Employment Services Specialist and Member of the Quantum Wellness Task Force

It is easy to learn how to make your office (and your home) "green." It is also easy to find the right materials to go "green." Soooo... what is stopping you?

### Reduce ~ Reuse ~ Recycle

The Wellness Task Force has encouraged the entire staff of The Quantum Group to implement the green efforts we practice in our offices, in our homes as well. The first step is to be committed. To show our sincerity, each employee has

signed an Environmental Awareness Pledge that hangs proudly in our offices.

Maintaining a healthy lifestyle encompasses more than one's diet and exercise. The environment, including personal habitats, needs to be healthy as well.

The easiest and most common contribution we can all make is to recycle. Try taking it one step further and remove the tabs from soda cans, soup cans, tuna cans (you

get the picture). The metal alloy in the pop tab is more valuable than the rest of the entire can. Recycle the cans at your curb and save the tabs for fundraising groups that will recycle for cash.

Our list of green efforts includes a hybrid car purchase policy, energy and water conservation policies, recycled furniture, and many others. There are also many websites to help get you started, or more involved if you have initiated

environmental policies already. A great website to use for specific questions is [www.news.com](http://www.news.com), it directs you to a host of other useful "green websites."

If every single one of us makes an effort each day, we will create a more environmentally sound earth for the next generation. Join us; go for the "green" and live healthy!



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