

white paper:

Hospitals Save Money Using MediFlag Booklet to Treat Non-English Speaking Patients

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1 executive summary

Hospitals are facing an increasing challenge to communicate quickly and effectively with non-English speaking patients. In an effort to serve diverse populations, hospitals are required to use on-staff, call-out or telephone based language interpreters. Facing pressure to control costs and increase efficiency, they are looking for solutions to save money while improving patient care.

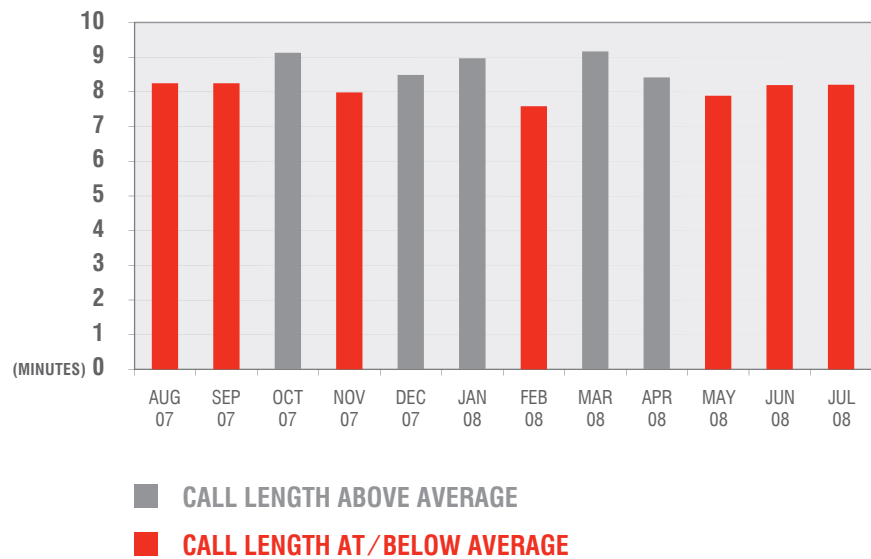
In this analysis, MediFlag evaluated the use of the MediFlag booklet for conducting assessments of patients who do not speak English against the use of a language line service. The scope of this study is limited to language line usage only and does not cover the costs associated with call-out interpreters or lost productivity by existing staff used as interpreters in other parts of the hospital.

The numbers confirmed that the MediFlag booklet provides substantial savings to hospitals by effectively supplementing interpretation services already in operation. MediFlag enables medical staff to respond to patient needs without further draining hospital resources. Durable and reusable, MediFlag can be sterilized so the hospital continues to save time and money with every use.

2 methodology

Language line usage was analyzed over 12 months for a hospital in an outlying suburb of a major city (see CHART 1). The average call lasted 8.32 minutes and the number of incidents averaged a fee of \$2,968.03 per month for a total cost of \$35,616.40 per year.

CHART 1:
AVERAGE LENGTH OF
LANGUAGE LINE CALLS

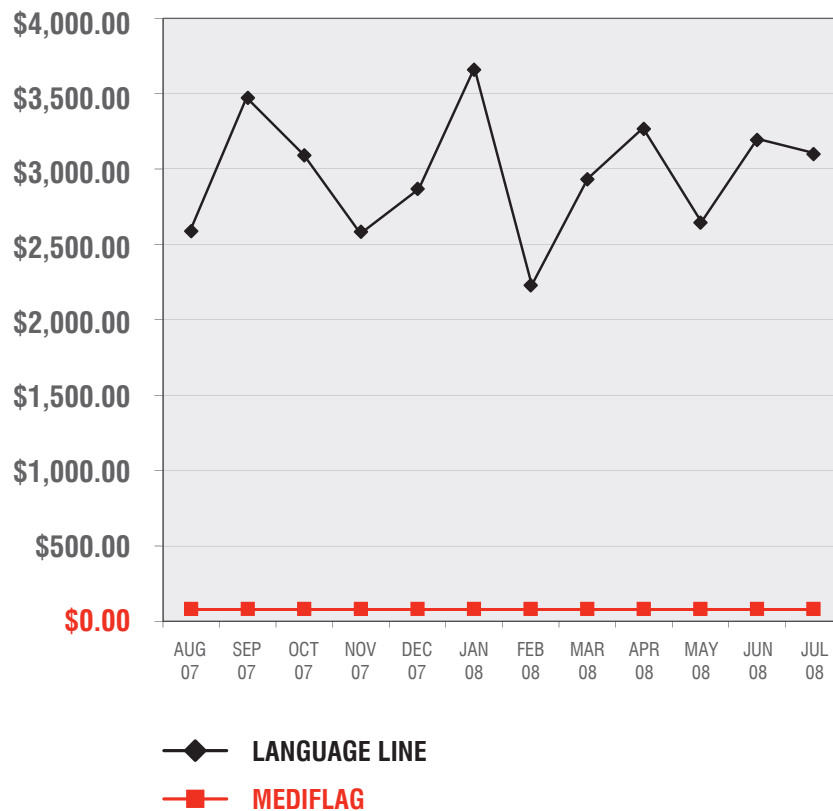


Working closely with the hospital, MediFlag determined that a period of 8 to 9 minutes will cover the basic patient information addressed by the MediFlag booklet. Using a YES/NO format or numerical answers to questions, the booklet is designed to be used swiftly and easily. This could reduce the number of phone calls to the hospital language line by 25% to 50%. Specifically, MediFlag can decrease costs by \$8,904 to \$17,808 per year for the hospital in this analysis.

The average one-time cost to a hospital for the MediFlag booklets is \$1,000, which includes 60 books available in 12 languages (equivalent to 5 sets of 12 books kept in the ER and throughout the hospital). MediFlag is a durable product meant to be sterilized and reused. This translates to a static average monthly cost of \$83.33 for a period of one year (see CHART 2).

Once that cost is recouped, there is no variable or ongoing fee unlike the language line which has variable monthly fees. Phone costs will continue while the MediFlag purchase is a one-time fixed charge for the hospital. In the hospital used in this analysis, this means a complete return on investment (ROI) on the \$1,000 cost in the first month after the MediFlag booklet has been purchased.

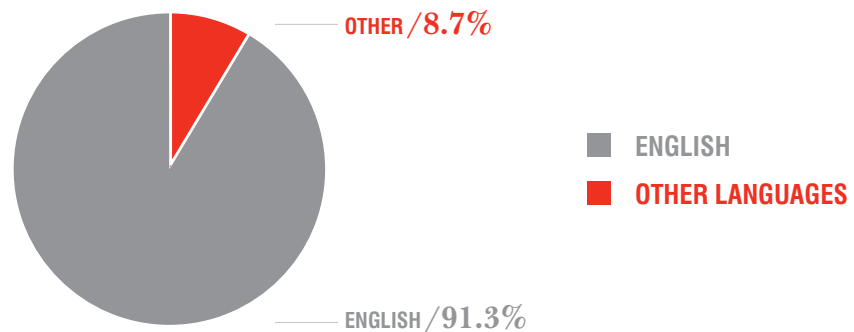
CHART 2:
 AVERAGE ONGOING
 MONTHLY COST OF
 HOSPITAL LANGUAGE
 LINE VS. ONE-TIME
 PURCHASE OF MEDIFLAG
 REUSABLE BOOKLETS



3 diversity of population

MediFlag conducted this analysis of a hospital located in a small county with lower numbers of diversity. According to the 2006 United States Census Bureau (Source: US Census website), this outlying suburb of a major city has a non-English speaking population of 8.7% or 19,395 citizens (see CHART 3).

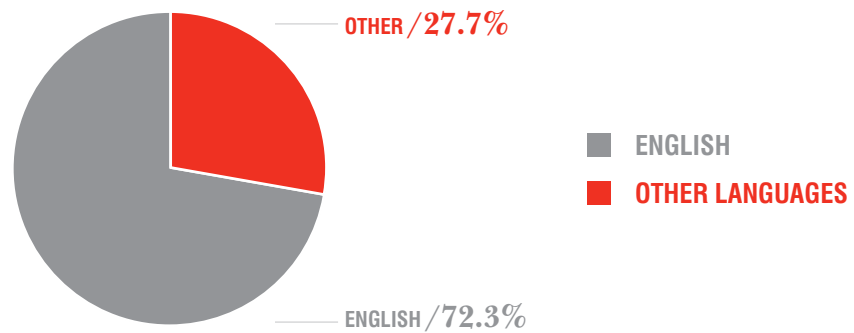
CHART 3:
ENGLISH PROFICIENCY
IN COUNTY OF STUDY



The Director of Marketing and Communications for the hospital stated that they have seen a 17% annual increase in the Latino population as well as an increase in Asian patients. The need for quick, consistent and reliable translation services in the health care industry will continue to rise as communities change and grow.

Hospitals serving a more diverse area will realize enhanced cost savings. For the purpose of comparison, MediFlag analyzed data from a much larger county that borders the same major city. The analysis determined that 27.7% of the population does not speak English as a first language (see CHART 4).

CHART 4:
ENGLISH PROFICIENCY
IN NEIGHBORING COUNTY
OF COUNTY STUDIED



In the comparison county, this represents 258,200 citizens and will continue to rise. According to the US Census Bureau, the projected Hispanic population alone will increase to 15.5% nationwide by 2010 and 17.8% by 2020. Hospitals in areas such as these could see dramatic cost savings by using MediFlag.

4 conclusions

MediFlag is a durable, reusable booklet which dramatically reduces the cost for interpretation services in hospitals. As a one-time purchase, it is a permanent and cost-effective way for medical professionals to directly serve diverse communities. Language line usage can be reduced by 25% to 50%, allowing hospital staff to respond quickly to non-English speaking patients without straining hospital budgets. Additional savings can also be realized by reducing call-out costs associated with having interpreters respond to the hospital.

Language line usage can be reduced by 25% to 50%, allowing hospital staff to respond quickly.

In addition to the cost savings, communication can be standardized with this user-friendly booklet. Problems associated with poor interpretations by family members or non-qualified speakers

can be alleviated by using MediFlag. Furthermore, hospital staff will not lose productivity by being taken from their regular job to provide on-site interpretation.

As the United States continues to grow and change, the health care industry will need to keep the lines of communication open while keeping costs down. MediFlag is uniquely situated to help hospitals save money while increasing the consistency and quality of patient care. Together with certified on-site interpreters and language line access, MediFlag completes a hospital's ability to serve a diverse non-English speaking population.

5 about MediFlag

MediFlag was founded in 2002 in response to the demand for quick and effective translation tools in the medical industry. Headquartered in Frederick, Maryland, the company's name is derived from its flagship product: the Foreign Language Assessment Guide (FLAG). MediFlag expanded through outside investors and developed a unique booklet in 14 languages to ensure that diverse communities receive immediate and consistent health care. The durable, reusable MediFlag booklet enables health professionals to conduct initial medical assessments of non-English speaking patients and to provide critical care when seconds count.

For more information about MediFlag's solutions for hospitals, contact us toll free at 866-352-4215, or visit our website: <http://www.MediFlag.com>.

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