# CASE SUMMARY
## (Revised)

## INFORMATION ON PROPOSED SETTLEMENT
(Claims Board Agenda for October 1, 2007; Item e)

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| CASE NAME | MedQuist Transcriptions, Ltd. |
| CASE NUMBER | Not Applicable |
| COURT | Not Applicable |
| DATE FILED | Not Applicable |
| COUNTY DEPARTMENT | Department of Health Services |
| PROPOSED SETTLEMENT AMOUNT | Credit of $126,412.20 |
| ATTORNEY FOR PLAINTIFF | Not Applicable |
| COUNTY COUNSEL ATTORNEY | Christina A. Salseda<br>Senior Deputy County Counsel<br>(213) 974-1925 |

NATURE OF CASE

This is a recommendation to settle a potential contract claim by the County of Los Angeles against MedQuist Transcriptions, Ltd. the provider of transcription services at County health facilities. MedQuist has offered the County a $126,412.20 credit to be applied toward future transcription services, on a pro-rated basis, over an eighteen-month period.

MedQuist began providing medical transcription services at Olive View Medical Center/High Desert Hospital (now High Desert Health System), on September 1, 1996. The contract has been extended on various occasions, and is currently set to expire on or before September 30, 2008.

From approximately 2001 through 2004, OVMC/HDH was billed under the American Association Medical Transcription ("AAMT") system, a 65 character industry-developed standard unit of measure including characters, functions, and macro keys that make up a transcribed line.

Due to challenges raised by other clients, MedQuist discontinued the use of the AAMT unit of measure in early 2005. MedQuist used an independent consultant to reconcile each customer's AAMT bills to its contract terms. The consultant determined that some of MedQuist's contracts were over-billed and some were under-billed based on the AAMT methodology. MedQuist proposed settlement agreements for the customers it determined had been over-billed. For those customers determined not to have been over-billed, MedQuist created the AAMT Accommodation Program, offering these customers a credit equal to approximately 6 percent of the total AAMT billings for the period of 2001-2004.

MedQuist's consultant determined that the County had not been over billed and, the County would have difficulty establishing any actual damages through records retained. However, under the AAMT Accommodation Program, it is offering the County a total of $126,412.20 as a settlement credit. In accepting the credit, the County would agree to relinquish its right to opt-out as a member of the putative class, if a class is certified, in the pending *South Broward Hospital District, et al. v. MedQuist Inc., et al.*