New Study Shows Nuance Clinical Documentation Improvement Significantly Increases Case Mix Index during ICD-10 Transition

Benchmark data shows Nuance helps hospitals and health systems outperform in key financial, quality and productivity metrics

BURLINGTON, Mass., – May 24, 2016 – Despite widespread industry concerns regarding the transition to ICD-10, today <u>Nuance Communications</u>, <u>Inc</u>. (Nasdaq: NUAN) announced that its <u>clinical documentation improvement</u> (<u>CDI</u>) clients have not only sustained financial performance and quality through the transition to ICD-10, but actually improved performance metrics over ICD-9.

Highlights from the study include:

- An average 2.33% increase in CMI post-ICD-10 across all Nuance CDI clients
- Up to 3% improvement in documentation of comorbid conditions/major comorbid conditions (CC/MCC) that are often missed in patient charts and important for quality of care
- Average 88% review rate on Medicare cases, exceeding the 80% benchmark considered success in the Nuance CDI curriculum
- 93% physician response rate and an agreement rate of 81%, exceeding benchmarks
- Exceeded the 15% impact clarification benchmark, with four groups demonstrating an increase of 2.1%, highlighting teams were keeping up on activities that drive precision in documentation

This is a notable accomplishment since many provider organizations expected revenue integrity challenges from the initial coding transition and the incremental 5,500 codes from the Centers for Medicare & Medicaid Services (CMS) coming in October 2016. Hospital and health system leaders anticipate increasing pressures on the clinical documentation process as new codes continue to be introduced and their physicians face everincreasing demands on their time.

Benchmarking Data Shows Nuance's Clinical CDI Approach Delivers Superior Outcomes

More than 350 healthcare organizations nationwide demonstrated that Nuance's comprehensive clinical approach to CDI resulted in a successful ICD-10 transition with sustained positive impact in the first quarter following October 1, 2015 when compared to April-September 2015 under ICD-9.

Specifically, Nuance clients saw the following:

- Improved Case Mix Index Case Mix Index (CMI) directly impacts how providers are paid and gives
 healthcare organizations valuable insights into all the Medicare patients treated at the hospital. As a
 result of specialized ICD-10 education, advanced technology and direct physician-to-physician
 engagement, providers using Nuance's CDI program documented more accurately and completely,
 leading to an average 2.33% increase in CMI post-ICD-10 across all Nuance CDI clients.
- Better documentation of existing clinical conditions Nuance's entire CDI client base saw an average of
 up to 3% improvement in documentation of comorbid conditions/major comorbid conditions (CC/MCC)
 that are often missed in patient charts and are important for quality of care. This data shows Nuance
 client sites are more accurately documenting underlying conditions that reflect the severity of a
 patient's illness and underlying medical conditions, such as anemia, heart failure, opioid dependence
 and protein calorie malnutrition, which may warrant clinical interventions in some cases.

• Sustained productivity – Despite the increased specificity and number of codes in ICD-10, chart reviews, clinical clarifications by staff and physician response rates continued without delays or bottlenecks following the ICD-10 transition, all without the need for additional CDI staff.

"Our benchmark data shows that despite the increased complexity of, and fears about ICD-10, our CDI clients are actually improving their performance on average. As healthcare provider organizations struggle under the weight of increasing financial pressures and the accelerating shift to value-based care, a best-in-class CDI solution becomes vitally important to generate the appropriate level of reimbursement, the highest quality scores and the correct risk adjustment factor," said Satish Maripuri, executive vice president and general manager, Nuance Healthcare Division.

Using Nuance's unique clinical CDI program, powered by the JATA Compliant Documentation Management Program® and associated speech recognition and clinical language understanding technologies, physicians are able to document a more accurate and complete view of a patient's true clinical story. These drive better clinical and financial outcomes while simultaneously helping physicians use their EHR more efficiently. As part of Nuance's technology-enhanced CDI approach, clients are also leveraging next-generation, computer-assisted physician documentation (CAPD) solutions to provide real-time CDI clarifications directly within their normal EHR-centric documentation workflows.

Nuance's fully-managed, compliant CDI program has a leadership history as the No. 1 CDI program in the industry as ranked by hospital administrators, most recently reported by the <u>2015 Black Book Clinical Documentation Improvement Solutions survey</u>. The program touches all aspects of an institution's clinical documentation process through technology and professional services.

For more information on Nuance CDI, visit <u>Nuance booth #609 at The Association of Clinical Documentation</u>
<u>Specialists conference (ACDIS)</u> in Atlanta May 24-26.

About Nuance Communications, Inc.

Nuance Communications, Inc. (NASDAQ: NUAN) is a leading provider of voice and language solutions for businesses and consumers around the world. Its technologies, applications and services make the user experience more compelling by transforming the way people interact with devices and systems. Every day, millions of users and thousands of businesses experience Nuance's proven applications. For more information, please visit www.nuance.com. Connect with Nuance on social media through the healthcare blog, What's next, as well as LinkedIn, and Twitter.

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