Zix Corporation Applauds Passage of Medicare e-Prescribing Requirement

e-Prescribing leader sees Medicare requirement as defining moment in the transformation of healthcare

DALLAS — July 16, 2008 — Zix Corporation (ZixCorp®), (Nasdaq: ZIXI), the leader in hosted services for email encryption and e-prescribing, today issued a statement applauding the leadership shown in the passage of the Medicare Improvements for Patients and Providers Act of 2008 (H.R. 6331). This Act which was passed into law yesterday, July 15, 2008 includes an increase in Medicare payments beginning in January, 2009 to physicians who make the switch to e-prescribing from handwritten prescriptions. In 2011, this incentive payment starts to decline, followed by a penalty which reduces Medicare payments for physicians who are still using the old handwritten method.

"This is a defining moment in modernizing healthcare in the United States by encouraging the widespread use of clinical information technology. ZixCorp looks forward to continued leadership in bringing this life-saving technology to physicians across the country. We have had unmatched success in getting adoption and utilization in the smaller practice segment, which represents 75 percent of the total market of high prescribers," said Rick Spurr, chief executive officer for ZixCorp. "Because the vast majority of physicians see Medicare patients, Medicare is and has been an effective vehicle for introducing new technologies, which can then be applied to all patients. This law will provide the electronic platform for these doctors to write electronic prescriptions across all patients and we believe will be the catalyst to make e-prescribing the standard of care in medicine. We look forward to doing our part to translate the government's leadership into physician adoption of this life- and cost-saving technology which has proven results."

"With passage of the Medicare Improvements for Patients and Providers Act of 2008, Congress has demonstrated an in-depth understanding of the power of introducing an electronic channel at the point of care and the practicality and affordability of e-Prescribing as the right first step. We believe this legislation validates our persistent, focused pursuit of the e-prescribing market," continued Spurr. "Payors, on whom ZixCorp's go-to-market strategy is based, have already begun to leverage this channel, and Medicare, the largest payor in the country, will drive the deployment of this technology across the healthcare

system. Electronic prescribing will now become a foundational platform for all payors interested in optimizing information delivery at the point of care."

"e-Prescribing saves lives, saves money, and saves time," said Spurr. In addition to the benefits that come from the automation of any paper-based process, which in this case include such safety benefits as improved legibility and drop-down menus to prevent excessive dosing, e-prescribing provides real-time information to physicians and patients to improve the quality of decisions. For instance, the system can check a proposed prescription against other previously prescribed drugs to identify a potential adverse interaction or against known allergies to alert the physician to a potential allergic reaction. In Massachusetts in 2007, the approximately 1,800 active prescribers changed a total of 104,000 prescriptions after receiving such safety alerts, or on average more than one per week per physician. The Institute of Medicine estimated that over 7,000 patients die each year and 1.5 million are injured from medication errors, and called for universal e-prescribing by 2010 to address this crisis. The application can also identify generic substitutes or lower-cost therapeutic alternatives, which can significantly reduce the co-pay for patients and the overall drug spend for payors, including Medicare. Finally, the real-time checks lower the pharmacy callbacks to the physician's office, and the system also streamlines the renewal process, both of which save doctors and their staffs a substantial amount of time each day. ZixCorp's case studies of its users demonstrated 1 to 2 hours per physician saved each day from the use of e-prescribing.

ZixCorp's PocketScript® e-prescribing service enables physicians to order prescriptions through a secure wireless mobile PDA or secure Web site and deliver them electronically to the patient's preferred pharmacy. Mobility enables PocketScript to provide clinical decision support at the point-of-care with real-time access to a drug reference guide as well as patient-level eligibility, formulary, and co-pay information to aid the prescriber in selecting the most cost-effective prescription based on the patient's benefits. The application also provides comprehensive drug-to-drug and drug-to-allergy interaction alerts based on patient-specific dispensed drug history. Through our partnership with SureScripts/RxHub, PocketScript delivers end-to-end connectivity within the healthcare system to reduce unnecessary costs, improve patient safety and convenience, and enhance practice efficiency.

About Zix Corporation
ZixCorp is the leading provider of easy-to-use-and-deploy email encryption and e-prescribing services that Connect entities with their customers and partners to Protect and Deliver sensitive information in the healthcare, finance, insurance and government industries. ZixCorp's hosted Email Encryption Service provides an easy and cost-effective

way to ensure customer privacy and regulatory compliance for corporate email. Its PocketScript® e-prescribing service saves lives and saves money by automating the prescription process between payors, doctors and pharmacies. For more information, visit www.zixcorp.com.

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