

Zix Corporation Selected by Kaleida Health for Secure e-Messaging

Western New York's largest healthcare system signs three-year contract for full suite of encryption services to 4,500 users

DALLAS — Sept. 27, 2004 — Zix Corporation (ZixCorp®), (Nasdaq: ZIXI), a global provider of secure e-messaging, e-prescribing, and e-transaction applications and services, today announced that Kaleida Health, the largest healthcare system in western New York, has signed a three-year contract for ZixCorp secure e-messaging services to help meet the security guidelines of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Kaleida Health will deploy the full suite of ZixCorp encryption solutions to meet the secure email needs of more than 4,500 users. ZixVPM® (Virtual Private Messenger) will enable Kaleida to encrypt confidential emails system-wide, and includes a built-in filter that automatically encrypts emails containing Protected Health Information (PHI). ZixPort® will provide custom branding and encrypted messaging functionality through a secure Web portal. In addition, ZixCorp's ZixMail® desktop encryption program will be distributed to several select Kaleida partners and other out-of-network teams.

"Securing our email to comply with HIPAA was important, but we had to ensure that the system we chose was a turnkey solution that worked with our existing infrastructure," said Tom McDonald, director, IS&T Security Services for Kaleida. "The HIPAA lexicon filter, the send-to-anyone capability, and the transparency of the technology made our selection of ZixCorp an easy one. The quality and quantity of respected healthcare organizations that are already ZixCorp clients was also a consideration in our choice."

Kaleida operates five acute care hospitals, four long-term care facilities, numerous community-based primary care centers, 12 school-based health centers, and two home care agencies across eight western New York counties. The not-for profit system was formed in 1998 through the merger of Buffalo General Health System, The Children's Hospital of Buffalo, DeGraff Memorial Hospital, and Millard Fillmore Health System. It is currently the largest non-governmental employer in the region with 1,800 physicians, 3,000 nurses, and approximately 4,800 frontline employees.

As a member of the Greater New York Hospital Association (GNYHA), Kaleida was able to purchase its ZixCorp solutions through a group purchasing program. In May, ZixCorp became a preferred vendor for GNYHA Ventures, Inc, the business arm of GNYHA.

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"GNYHA believes that ZixCorp offers an excellent solution for healthcare organizations to secure their email in order to comply with the HIPAA Security Rule, which takes effect April 2005," said Lee H. Perlman, president, GNYHA Ventures, Inc.

"ZixCorp's dominance in the Northeast continues to grow even stronger," said Rick Spurr, president and chief operating officer for ZixCorp. "Kaleida joins other ZixCorp clients in the state including GHI, Excellus BlueCross Blue Shield, MVP Health Care, Ellis Hospital, Davis Vision and BlueCross BlueShield of Western New York. As the deadline for the HIPAA Security Rule gets ever closer, we expect to see more prominent organizations like Kaleida choose us as their secure e-messaging provider."

About Kaleida Health

Kaleida Health is the largest healthcare provider in Western New York. More than one million patients are seen annually at Buffalo General Hospital, DeGraff Memorial Hospital, Millard Fillmore Gates Circle Hospital, Millard Fillmore Suburban Hospital, Women and Children's Hospital of Buffalo, and numerous community healthcare centers. The not-for-profit system includes long-term care facilities, as well as visiting nurse, behavioral health, and home care services. For more information, visit www.kaleidahealth.org.

About Zix Corporation

Zix Corporation (ZixCorp®) is a global provider of secure e-messaging, e-prescribing, and e-transaction applications and services. ZixCorp offers a range of solutions to protect organizations from viruses, spam, and electronic attack, as well as enabling secure electronic communications, such as email encryption, e-prescribing, on-line doctor visits, and electronic lab results. ZixCorp helps organizations of any size to streamline operations, reduce risks, and leverage the efficiencies of e-messaging. For more information, visit www.zixcorp.com.

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