



Media Release on 1 July 2009

A big leap forward - Integrated Medicare Easyclaim

Tyro Payments, the first new entrant into the EFTPOS market in 12 years, launched the first EFTPOS based integrated electronic Medicare claiming solution in Australia.

“I can remember the first visit to early nascent Tyro and Mahatma Gandhi’s quote on the wall: First they ignore you, then they ridicule you, then they fight you, then you win,” said Jost Stollmann, CEO of Tyro Payments. “It is not easy to compete as a new entrant. But our integrated Medicare Easyclaim brings a lot of Australian innovation together. We launched on 1 April targeting 3,500 general practices, of which 450 have already signed up. That is a big leap forward.”

In December 2006, Medicare and Tyro signed the Medicare Easyclaim service contract. It was exemplary industry policy, since the Department of Human Services decided not to tender the service, but to run it like an open scheme with accreditation and certification criteria creating a level playing field. The providence of the service was thus kept open to competition for the best solution. A new entrant like Tyro got a fair go that a traditional tender process would never have allowed.

The decision to implement an electronic Medicare claiming system on the basis of the Australian EFTPOS network also supports the Reserve Bank’s efforts to incent the banking community to develop and promote this efficient domestic payment scheme that is under siege from the international payment card operators Visa and MasterCard.

That Tyro, the new entrant, resolved the challenge of providing practices with a fully automated, seamless and comprehensive claiming solution has to do with three particular strengths that are united under this one roof:

- A banking authority that allowed Tyro to become a member of Visa and MasterCard and a tier one member of the Australian clearing and settlement streams
- An in-house developed technology providing a very secure, efficient and fast acquiring platform for electronic payments and claims
- A partnership capability with software vendors offering an integration platform (API) and a revenue sharing model

In April 2007, Tyro signed a development and marketing agreement with Health Communication Network (HCN), the leading supplier of practice management software to general and specialist practices. Over the following two years, Tyro benefited from HCN’s expertise and insistence on the comprehensiveness and

MoneySwitch Ltd
t/a tyro payments
abn 49 103 575 042

125 york street
sydney nsw 2000
p+61 2 8907 1700
f+61 2 8907 1777
h+1 300 966 639
www.tyro.com



automation of the claiming and reconciliation process. The solution was designed with the practices' realities in mind.

Tyro lost the race to launch first, because big banks introduced a stand-alone Easyclaim product early. The acceptance was extremely poor and the Easyclaim project about to fail, since the medical community rightly baulked at the cumbersome manual process imposed on them, especially considering the Medicare claiming process was not really their work, but the patient's or the government's.

This is now a thing of the past, since practices using the Tyro solution process the original patient payment, the claim and the rebate for all claim types at a mouse click in seconds.

The patient swipes the card, enters the PIN and receives the rebate in his account in seconds. The practice streamlines it's claiming, processing patient paid claims on the spot and bulk bill claims either batched for review or real-time. The reconciliation of claims is supported through an automated online process. Practices have one comprehensive solution and do not need to care whether claims have to be routed via Medicare Online or Medicare Easyclaim. The practice staff can concentrate on the patient service.

In May 2009, responding to the persuasiveness of Tyro's integrated Easyclaim approach, Medicare offered a \$6m subsidy for the design, development and rollout of integrated Easyclaim with the intention to entice the rest of the industry to follow. Tyro submitted an application for an accelerated rollout and was awarded a significant share to fund the ramp-up of the deployment into the practice community.

As a first step, Tyro launched another break-through innovation in the Australian payment space. Medical practices can now register, sign-up and contract for the integrated EFTPOS and Easyclaim service online, totally paperless. EFTPOS application forms and direct debit requests have been replaced with digital signatures. Being all online and real-time, the entire process shrinks from days to minutes.

Currently, the boarding of practices and the deployment and management of the terminal fleet is being fully automated. Again, it is Tyro engineers who develop the technology fully in-house.

While Tyro is focusing currently on the Easyclaim opportunity, it has been growing its acquiring share in the general retail market. While still small in the context of the overall market, Tyro has more than quadrupled its volume of Visa, MasterCard and EFTPOS transactions processed from \$116m in fiscal year 2007/2008 to \$509m in 2008/2009.

MoneySwitch Ltd
t/a tyro payments
abn 49 103 575 042

125 york street
sydney nsw 2000
p+61 2 8907 1700
f+61 2 8907 1777
h+1 300 966 639
www.tyro.com



With essentially a fixed cost infrastructure business model, Tyro will continue to build the transaction volume by growing its practices and retailers community. "While in the current environment with big banks credit rationing, bundling and aggressively pricing, inroads have become even harder to achieve for a new entrant, we are convinced that ultimately innovation, richer functions and features and greater efficiency will prevail. The Medicare integrated Easyclaim solution is an encouraging example of that."

For further information
Joanne Hallis
Tyro Payments
T: 02 8907 1710
M: 0409 428449
joanneh@tyro.com

About Tyro and Tyro Payments

Tyro is Australia's EFTPOS innovation institution and is the first new entrant into the EFTPOS business in over 12 years. Tyro holds an authority under the Banking Act to carry on banking business as a Specialist Credit Card Institution (SCCI) and operates under the supervision of the Australian Prudential Regulation Authority (APRA). Under this authority Tyro provides credit, debit, EFTPOS, gift and loyalty card acquiring and Medicare claiming and rebating services, but may not take money on deposit.

Tyro's transparent payment solutions offer a uniquely merchant focused view of the cards business in Australia, enabling reduced fees, greater productivity, better cost management and a better transaction experience for consumers.

Tyro is accredited by Medicare Australia to facilitate the electronic claiming of Medicare benefits through the Medicare Easyclaim service. In partnership with Health Communication Network (HCN), Tyro offers integrated EFTPOS and Easyclaim for PracSoft and integrated EFTPOS for Blue Chip, HCN's practice management systems.

Tyro is a wholly Australian owned company with no external venture capital. The company has been fully funded by the Executives, Directors, independent and strategic investors with the mission to create Australia's first and only fully independent EFTPOS merchant facility, and cut the cost of EFTPOS for Australian business

MoneySwitch Ltd
t/a tyro payments
abn 49 103 575 042

125 york street
sydney nsw 2000
p+61 2 8907 1700
f+61 2 8907 1777
h+1 300 966 639
www.tyro.com