



Q1-2014 HEALTHCARE IT INDUSTRY UPDATE

Market Overview

During the first quarter of 2014, transaction activity in the healthcare IT sector remained robust, both in terms of deal size and diversity. Most notably during the quarter, General Electric Company (NYSE: GE) announced the acquisition of data analytics solutions provider, API Healthcare Corporation, a former portfolio company of the private equity firm, Francisco Partners. Similar to previous transactional trends, the acquisition exemplifies an on going theme of large diversified corporations making strategic acquisitions of prominent healthcare software companies. As providers search for cost effective clinical resource optimization solutions, we expect an uptick of both strategic and private equity investment in data mining solutions and analytics software companies similar to API Healthcare.

News Update: Senate approves bill to delay implementation of ICD-10-CM/PCS by at least one year. The bill was passed 64-35 on Monday, March 31st.

SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
March 2014	AMN Healthcare Services	PipelineRX	AMN Healthcare Services announced it has invested \$5 million in PipelineRX. PipelineRX provides telepharmacy and software designed to help hospitals provide 24/7 pharmacist coverage. AMN Healthcare plans to use its pharmacy industry connections and staffing services to create operational synergies with PipelineRX.
March 2014	Main Line Equity Partners	InfoMC	InfoMC, a leading provider of clinical and financial management software for chronic illness care coordination and wellness, announced it has received a significant investment from Main Line Equity Partners, a middle market private investment firm focused on growing and profitable organizations. The financing will help InfoMC expand its suite of products available to commercial and public sector healthcare organizations.
March 2014	Varian Medical Systems	Velocity Medical Solutions	Varian Medical Systems, announced it has signed a definitive agreement to acquire certain assets of Velocity Medical Solutions, an Atlanta-based software solutions provider for cancer clinics. The acquisition will bolster Varian's software, which currently services over 4400 cancer centers nationwide.
March 2014	Thoma Bravo	GHX	Thoma Bravo announced it has completed the Acquisition of GHX. GHX is a leader in software solutions that automate healthcare's medical-surgical supply chain, as well as implantable device supply chain applications. As a result of the partnership, GHX is confident they now have the resources to significantly improve the efficiency and automation of healthcare services within multiple verticals in the industry.
March 2014	TELUS Health Solutions	Med Access	TELUS Health announced it has acquired Med Access, a leading British Columbia-based company providing electronic medical record (EMR) services to specialty and general practice physicians. The acquisition brings the total TELUS Health EMR clients to more than 12,500 physicians, resulting in over 45 million patient interactions each year.
February 2014	North Bridge Growth Equity	Clarity Software Solutions	Clarity Software Solutions announced it has received a growth investment from North Bridge Growth Equity, a venture capital growth equity firm focused on investing in emerging and high-growth technology companies. The investment will be used to capitalize on growth opportunities through the addition of new executive talent, investing in strategic sales and marketing initiatives, and further expanding its product suite.
February 2014	Altaris Capital	HealthTronics	Endo Health Solutions has divested its HealthTronics division to Altaris Capital Partners for \$85 million in cash at close with up to \$45 million in future earnouts. HealthTronics was first acquired by Endo in 2010 and provides management services, medical supplies, and equipment to urology practices across the U.S. With the transaction, Endo will focus on its core business of pharmaceuticals, medical devices, and related services.
February 2014	Ocuco Limited	EMRlogic Systems	Ocuco Limited, a global software company, announced it has acquired EMRlogic Systems, a provider of the ODPro Practice Management System and the activeEHR electronic health records platform. The acquisition will complement Ocuco's existing healthcare software product lines, and expand its internal development team.
January 2014	General Electric Company (NYSE: GE)	API Healthcare Corporation	GE Electric Company announced it has agreed to acquire API Healthcare Corporation from the private equity firm, Francisco Partners. Headquartered in Hartford, Wisconsin, API Healthcare is a healthcare workforce management software and analytics solutions provider. The API Healthcare acquisition closely aligns with GE's strategy of investing in strong, innovative businesses that enhance GE's portfolio in software, data and analytics.
January 2014	Etransmedia Technology	Medigistics	Etransmedia Technology announced it has acquired Medigistics, an Ohio-based organization that provides a range of Revenue Cycle Management (RCM) and accounts receivable management services to the healthcare industry. The acquisition will further enhance Etransmedia's robust RCM services offerings, ultimately improving client cash flow generation.
January 2014	Sterling Partners	Q-Centrix	Sterling Partners announced it has acquired Q-Centrix for an undisclosed sum. Q-Centrix provides core measure and registry abstraction services to healthcare facilities that are looking to more accurately understand and improve their quality measures. With the transaction, Q-Centrix will gain additional resources, including Sterling Partners' experience in the healthcare sector, to quickly scale its business.
January 2014	Health Enterprise Partners & Heritage Group	AllyAlign Health	Health Enterprise Partners (HEP) and Heritage Group have invested into AllyAlign Health. AllyAlign is a care management organization that helps long-term care providers efficiently manage care for patients with chronic and complex medical conditions. With the transaction, AllyAlign will gain additional capital resources as well as HEP's connections within the hospital system & health plan sectors to accelerate the growth of the business.
January 2014	Bain Capital & Spectrum Equity	MedHOK	Bain Ventures and Spectrum Equity announced they acquired minority stakes in MedHOK for \$77.5 million. MedHOK provides a single service, web-based platform that provides case management and compliance information to health plans, ACOs, PBMs, and specialty pharmacy companies.