



## Q2-2014 HEALTHCARE IT INDUSTRY UPDATE

### Market Overview

Healthcare IT consolidation continued in the second quarter of 2014, as broad-based IT and revenue cycle management entities aggressively acquired niche focused providers to augment services. Two notable announced deals included Emdeon's agreement to acquire Capario for \$115 million in cash, and WEX Inc.'s acquisition of Evolution1 for \$532.5 million in cash. An influx of providers similar to Capario and Evolution1 that focus on claims integrity and performance analytics has sparked increased mergers and acquisition activity in the sector. Provident expects this consolidation to continue, as well as amongst similar organizations that offer viable software solutions that address the millions of healthcare dollars that are lost to fraud, waste and billing errors every day.

**News Update: HCIT providers compete for coveted DoD contract: A number of HCIT powerhouses vie for the 10-year Defense Department's Healthcare Management Systems Modernization contract. Multiple groups have formed joint partnerships with larger IT conglomerates to improve their odds, including Epic's announced partnership with IBM and Allscripts with HP. The total value of the contract is estimated at \$11 billion.**

### SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
June 2014	Battery Ventures	WebPT	WebPT, a web-based electronic medical record (EMR) solutions provider for rehabilitation therapists, has received a significant investment from Battery Ventures. Battery invests in cutting-edge, category-defining businesses in markets including software and services, Web infrastructure, e-commerce, digital media and industrial technologies. WebPT will bolster their proprietary software and seek add-on acquisitions with the additional capital.
June 2014	Emdeon	Capario	Emdeon has entered into a definitive agreement to acquire Capario, a provider of healthcare technology solutions. Capario will extend Emdeon's ability to help healthcare providers get reimbursed quickly, accurately and cost effectively. Emdeon provides revenue and payment cycle management and clinical information exchange solutions by connecting payers, providers, pharmacies and patients in the U.S. healthcare system.
June 2014	WEX Inc. (NYSE:WEX)	Evolution1	WEX Inc. (NYSE: WEX) announced it has acquired Evolution1, a technology firm that facilitates patient payments, a move that positions WEX within a growing billion-dollar market. Evolution1 develops software that employers can use to make and track payments to health care providers, such as from an employee's flexible spending account. The planned acquisition marks another step in WEX's ongoing diversification efforts.
June 2014	Cumberland Consulting Group	Cipe Consulting Group	Cumberland Consulting Group, a national healthcare technology implementation and project management firm, has acquired Seattle-based Cipe Consulting Group, a growing healthcare technology consulting firm specializing in electronic health records and revenue cycle system implementation and support, including workflow and business analytics.
June 2014	VertitechIT	Health Technology Solutions	VertitechIT, a healthcare information technology support company, has acquired Health Technology Solutions, a developer of personalized, custom technology solutions and services for healthcare providers and academic institutions throughout the United States.
June 2014	Availity	RevPoint Healthcare Technologies	The health information network company, Availity, has acquired Nashville, Tennessee-based RevPoint Healthcare Technologies. RevPoint is a provider of revenue cycle tools that increase patient collections at the beginning of the revenue cycle process.
May 2014	Mosaik Partners	PatientPay	PatientPay, a provider of cloud-based patient billing and payment services, has secured a \$2.5 million investment. The investment was led by Mosaik Partners, a venture capital firm focused on commerce-enabling technology companies. With the closing of this round of fundraising, PatientPay has attained a total of \$6 million in invested capital.
May 2014	Carrick Capital Partners	Procura	Carrick Capital Partners, an investment firm that utilizes ABV (Approach to Building Value) to operationally scale fast-growing businesses that provide software and technology-enabled services, has made a majority investment in the Procura Group of Companies, a multinational organization specializing in healthcare software and solutions. Procura is the software vendor of choice for home care, hospice, community, aged, disability and residential care organizations across the United States, Canada and Australia.
May 2014	The Advisory Board Company (NasdaqGS:ABCO)	HealthPost	HealthPost, a provider of cloud-based software that enables seamless appointment scheduling across multiple care settings, has been acquired by The Advisory Board Company (NasdaqGS:ABCO), a membership-based organization that works with health care institutions to help them operate more effectively and deliver more value to their communities.
May 2014	WestView Capital Partners	Park Place International	Park Place Technologies, a provider of third-party hardware maintenance services to small and medium enterprises, has partnered with WestView Capital Partners, a Boston-based private equity firm focused exclusively on lower middle market companies. Park Place provides hardware maintenance services, specializing in post-warranty server, storage and network devices to over 1,500 customers primarily across North America.
April 2014	Accolade	DocVue	Accolade, a consumer healthcare engagement company that helps individuals and their families get the right care by giving them access to health benefits or healthcare information, has acquired Docvue, a developer of cloud-based software that allows consumers to manage their health and engage with healthcare providers.
April 2014	Health Insight Capital	Intelligent InSites	Health Insight Capital, a venture capital investment subsidiary of HCA with a focus on concepts that can be deployed in hospitals, has made an equity investment in Intelligent InSites, a provider of operational intelligence for healthcare.
April 2014	Great Point Partners	Orange Health Solutions	Orange Health Solutions, a technology enabled health care services company, has procured an investment from Great Point Partners, a healthcare focused private equity firm. The primary use of the proceeds are to finance Orange's acquisition of MZI HealthCare ("MZI"), and to assist in further expansion strategies.