

# Q1-2015 Healthcare IT Update



## Market Overview

The first quarter of 2015 saw a continuation of the healthy transaction volume that was exhibited during the prior year. While private equity and private equity backed companies accounted for a significant portion of deal activity, the majority of deals occurring in the first quarter remained strategic in nature, notably from public acquirers. Of note in the first quarter, \$17B Roper Industries (NYSE: ROP) announced several acquisitions – three of which included Data Innovations, SoftWriters Holdings, and Strata Decision Technology. Data Innovations was backed by Battery Ventures, while SoftWriters had the backing of TA Associates. The acquisitions cost Roper a combined \$590 million, and are expected to add \$100 million in annual revenues. We expect the trend of strategic acquisitions to largely continue through 2015, with particular focus on information security and software that has the ability to connect across medical locations – a requirement being pushed by the U.S. Office of the National Coordinator.

## SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
March 2015	HealthStream (NASDAQ: HSTM)	HealthLine Systems	HealthStream has acquired HealthLine Systems, a healthcare solutions software. The Company was acquired for \$88 million in cash. HealthLine Systems provides software to assist healthcare organizations with credentialing, contact center management, and quality management.
February 2015	Navigant Consulting (NYSE: NCI)	RevenueMed	Navigant Consulting has acquired RevenueMed, a Georgia-based healthcare IT company. RevenueMed provides coding, revenue cycle management, and business process management services to healthcare companies. Navigant has acquired RevenueMed as another investment in business process management services. Financial terms of the transaction were not disclosed.
February 2015	Audax Group	Corepoint Health	Private equity firm Audax Group has made an investment in Corepoint Health, a Texas-based firm that provides health data integration to a variety of healthcare facilities. Corepoint Health helps facilities such as hospitals, radiology centers, laboratories, and other clinics exchange and integrate data, both internally and externally. Financial terms of the transaction were not disclosed.
February 2015	Roper Industries (NYSE: ROP)	Data Innovations & SoftWriters Holdings	Roper Industries has announced that it will acquire Data Innovations and SoftWriters Holdings, two medical software companies for a combined \$450 million. Data Innovations focuses solely on data management for clinical laboratories and blood banks. SoftWriters provides operating software and solutions to long-term care pharmacies.
January 2015	The Corridor Group	HMS Healthcare Management Solutions	The Corridor Group, a portfolio company of HealthEdge Investment Partners, has acquired Connecticut-based HMS Healthcare Management Solutions. HMS Healthcare Management Solutions provides revenue cycle management and consulting services to clients of all sizes in sectors such as home healthcare, long-term care facilities, and acute care hospitals. Financial terms were not disclosed.
January 2015	Excellere Partners	TrialCard	Excellere Partners, a Denver-based private equity firm announced that it has made an investment in TrialCard, a provider of patient access and adherence services in the pharmaceutical and biopharmaceutical markets. TrialCard provides solutions to pharmaceutical companies to overcome adherence, compliance, and brand extension challenges. Financial terms were not disclosed.
January 2015	Athenahealth (NASDAQ: ATHN)	RazorInsights	Athenahealth has acquired Georgia-based RazorInsights, a portfolio company of Connecticut-based Bluff Point Associates. RazorInsights provides cloud-based electronic health records and financial solutions for hospitals. Financial terms were not disclosed.