

Q3-2015 Healthcare IT Update



Market Overview

A few key transactions highlighted what was a hub of activity in the third quarter of 2015 within the healthcare IT sector. Pure private equity deals continue to lag to the number of strategic and venture backed deals, due in large part to the generous valuations these organizations are able to pay.

Two notable deals for the quarter were IBM's purchase of Merge Healthcare and Emdeon's acquisition of Altegra Health. Merge Healthcare marks IBM's third acquisition this year intended to bolster their Watson Health unit. Both transactions continue the expansion of the healthcare analytics market, itself attributable to the migration toward value-based payments. Provident Healthcare Partners expects strong merger and acquisition activity to continue into the final quarter of the year, particularly for related healthcare analytic based companies.

SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
September 2015	GetWellNetwork	Skylight Healthcare Systems	GetWellNetwork successfully acquired Skylight Healthcare Systems, merging the top two interactive patient care companies within the United States. The combination of the two company's will deliver interactive patient care to over 80,000 hospital beds and clinics. Financial details of the transaction were not disclosed.
September 2015	WuXi Healthcare Ventures	Ivenix	Ivenix closed on a \$42 million round of equity financing led by WuXi Healthcare Ventures, the venture capital arm of WuXi PharmaTech. The financing is to support the Ivenix Infusion Management System's entrance into the global infusion market.
August 2015	Emdeon	Altegra Health	Emdeon successfully completed an acquisition of Altegra Health for \$910 million. The combination of Emdeon, a revenue cycle company, and Altegra, a data aggregation and analytics firm, will place Emdeon in a strong position to support healthcare organizations as industry consolidation pushes the market towards a value-based model.
August 2015	Premier	CECity	Premier announced the planned acquisition of CECity, a privately-held, SaaS-based healthcare solutions provider, for \$400 million. CECity serves more than 1.2 million individual healthcare professionals through 5,000 practices.
August 2015	IBM	Merge Healthcare	IBM agreed to purchase Merge Healthcare for \$1 billion. The acquisition is intended to partner Merge Healthcare with the IBM Watson data analytics tool, allowing IBM's Watson Health Cloud access to over 7,500 U.S. healthcare sites.
July 2015	Health Catalyst	Health Care DataWorks	Health Catalyst, a healthcare data warehousing and analytics firm, announced the acquisition of Health Care DataWorks, a privately held, Columbus, OH based provider of business intelligence for health systems. Financial terms of the deal were not disclosed.
July 2015	Premier	Healthcare Insights	Premier completed acquisition of Healthcare Insights in an all cash deal for \$65 million. The acquisition of a budgeting, forecasting, labor productivity and cost analytic capability provider will allow Premier to further assist its clients with effective cost containment strategies.
July 2015	Arivale	ARCH Venture Partners/ Polaris Partners	Arivale announced that it has successfully raised \$36 million in funding by ARCH Venture Partners and Polaris Partners. The scientific wellness startup will use the financing to further its genome research to more accurately identify specific actions for their clients.