

Q1-2017 Healthcare IT Update



Market Overview

The beginning of 2017 brought a wave of consolidation activity within the Healthcare Information Technology (HIT) sector, as large strategic acquirers were eager to expand their product offerings, taking advantage of highly demanded software platforms that offer cost-saving solutions to healthcare providers. The highly dynamic reimbursement, compliance, and administrative environment that is squeezing margins across the healthcare industry lends the opportunity for HIT companies who promote efficiency. Consolidation rationale is largely driven by companies seeking to gain access to large data sources and technological know-how that bolster product portfolios within an industry where obsolescence is one of the largest threats. For instance, Zelis Healthcare's acquisition of Strenuus allows for the swift integration of provider data and product portfolios, which deepens the dependency and loyalty among Zelis Healthcare's healthcare payer clients. Through the remainder of 2017, Provident anticipates that demand for HIT companies will continue to surge as healthcare providers garner the benefits of IT platforms that are aligned with the changing marketplace.

Select Transactions

Month	Acquirer	Target Company	Details
March 2017	iHealth Innovations	AllDocuments	iHealth Innovations, a healthcare software company, acquired AllDocuments. AllDocuments provides medical billing and collections to healthcare providers. With this acquisition, iHealth adds over 80 medical practices to its customer base across California and Pennsylvania. Financial terms of the transaction were not disclosed.
March 2017	Zelis Healthcare	Strenuus	Zelis Healthcare, a healthcare information technology company that provides end-to-end healthcare claims cost management and payments solutions, acquired Strenuus. Strenuus is a healthcare provider network analysis and data management company. They are the largest collector of managed health care data in the U.S., delivering actionable network insights to health plans, data analytics and healthcare provider data companies, healthcare exchange platforms and employee benefits consultants. Financial terms of the transaction were not disclosed.
February 2017	Blue Desert Software	Textra Healthcare	Blue Desert Software, a developer of cloud-based software products, and Textra Healthcare have partnered and integrated Blue Deserts' AgendaTrac with the TextConnect platform. Textra designs and markets digital communication tools for the healthcare industry. Through the use of their proprietary TextConnect platform, Textra provides hospitals, ambulatory centers and medical professionals with comprehensive tools that keep patients and professionals connected while improving health and wellness and lowering operational costs. Financial terms of the transaction were not disclosed.
February 2017	Riverside Partners, Inc.	Medical Reimbursements of America, LLC	Riverside Partners, a healthcare focused private equity firm, acquired Medical Reimbursements of America (MRA). MRA provides specialty reimbursement solutions that identify and recover additional revenue for more than 500 hospitals and health systems nationwide. With pressure on reimbursement levels accelerating from both government and managed care payers, hospital operating margins are under attack. MRA helps hospitals enhance billing compliance and improve financial performance in this difficult environment by focusing expert resources on often overlooked and undermanaged areas of the revenue cycle. Financial terms of the transaction were not disclosed.
February 2017	One Call Care Management	High Line Health	One Call Care Management, a provider of workers' compensation care management services, acquired High Line Health, a progressive value-based analytics and data visualization platform. High Line Health, provides health insurers, accountable care organizations, and large employer groups with web-based applications that facilitate the measurement and tracking of healthcare quality and efficiency. Financial terms of the transaction were not disclosed.
January 2017	Aviocode	Revant Solutions, Inc.	Aviocode, a provider of professional fee coding, acquired Revant Solutions. Revant provides facility coding services and consulting services to healthcare organizations and hospitals in Florida. This acquisition will help Aviocode serve medical facilities of all sizes with coding solutions to improve revenue, cash flow, and compliance as hospitals begin to increase focus on medical coding. Financial terms of the transaction were not disclosed.