

Q3-2017 Healthcare IT Update



Market Overview

Consolidators were even more active in the third quarter of 2017 than they were in the second quarter, with data analytics and EHR systems being specifically sought out by acquirers. Several notable transactions demonstrate the increased demand for data and analytics solutions in healthcare. Navicure's acquisition of ZirMed will combine medical claims management and patient payment solutions with predictive analytics, helping organizations to capture as much revenue as possible in a reimbursement and compliance environment that is constantly squeezing margins. PRA Health Sciences' acquisition of Symphony Health is another transaction that signals the necessity of analyzing data to navigate the complex, value-based healthcare landscape.

This July, Waud Capital Partners completed the acquisition of ChiroTouch, a provider of practice management and EHR solutions for chiropractors. This transaction parallels Warburg Pincus' investment earlier this year in Modernizing Medicine, the top provider of six specialty-specific EHR systems. Moving forward, Provident expects private equity-backed platforms to continue consolidating the highly-fragmented specialty-specific EHR market.

SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
September 2017	Navicure, Inc.	ZirMed, Inc.	ZirMed and Navicure, two of the leaders in the revenue cycle management sector, announced they will merge into one company. The combined entity will provide a comprehensive suite of analytics-driven financial solutions for more than 400,000 hospitals, health systems, and services organizations. Navicure, backed by Bain Capital in 2016, will pay \$750 million to ZirMed's approximately 300 shareholders to acquire 100% of the company.
September 2017	Constellation Software, Inc.	Amazing Charts, LLC.	Constellation Software, through its wholly-owned subsidiary N. Harris Computer Corporation, acquired Amazing Charts, LLC. The company provides Electronic Health Records, Practice Management, and Medical Billing solutions to primary care and specialty outpatient practices.
August 2017	SilverVue	Ergo Sum Health	SilverVue, a healthcare software company, acquired Ergo Sum Health. The Ergo Sum Health software is a platform that assists providers with MACRA compliance and reporting objectives, improving MIPS Composite Performance Scores.
August 2017	Allscripts Healthcare Solutions, Inc.	McKesson Enterprise Information Solutions, Inc.	Allscripts Healthcare Solutions announced its acquisition of McKesson Enterprise Information Solutions, Inc. for \$185 million. The healthcare IT arm of McKesson includes the company's electronic health records, revenue cycle management, and laboratory analytics platforms. The deal is expected to close in the fourth quarter of 2017.
August 2017	PRA Health Sciences, Inc.	Symphony Health Services, Inc.	PRA Health Sciences, a global contract research organization, has announced the acquisition of Symphony Health Services, Inc. for \$530 million. Pennsylvania-based Symphony Health is a healthcare IT company that integrates health data and analytics as cloud-based solutions.
July 2017	Internet Brands	WebMD Health Corporation (NASDAQ: WBMD)	Internet Brands, a KKR portfolio company, has entered into a definitive agreement to acquire WebMD Health Corporation (WebMD) in a transaction valued at approximately \$2.8 billion. WebMD is an online provider of health information services. The \$66.50 per share purchase price represents about a 20% premium.
July 2017	TelaDoc, Inc. (NYSE: TDOC)	Best Doctors, Inc.	Telemedicine giant TelaDoc acquired Best Doctors, a virtual medical consultation company that connects patients with the appropriate medical expert to review diagnoses and treatment plans.
July 2017	Waud Capital Partners, LLC.	ChiroTouch	Waud Capital Partners acquired ChiroTouch, a portfolio company of K1. ChiroTouch is the world's largest provider of electronic healthcare records and practice management software to the chiropractic vertical.
July 2017	Med Tech Solutions	Constellation, Inc.	Constellation, Inc., a partnership of mutual liability insurers, announced the sale of its healthcare IT business unit to Med Tech Solutions, (MTS). MTS is a healthcare cloud computing company that works exclusively with payors and providers to provide simple and cost-effective solutions.