



## REVENUE CYCLE MANAGEMENT INDUSTRY UPDATE Q2-2009

Data at Market Close July. 1, 2009 (in millions)			Operating Statistics		Valuation Statistics	
Company	Ticker	EV	LTM Rev.	LTM EBITDA	EV/ Rev.	EV/ EBITDA
Athenahealth, Inc.	ATHN	1160.0	151.9	19.4	7.6x	59.9x
Cerner Co.	CERN	4810.0	1680.0	405.8	2.8x	11.8x
Eclipsys, Inc.	ECLP	992.8	521.5	42.5	1.9x	23.4x
Quality Systems, Inc.	QSII	1550.0	245.5	76.4	6.3x	20.4x

Source: YAHOO! Finance

### TOP STRATEGIC PLAYERS TO WATCH

- **Athenahealth, Inc.** (NASDAQ: ATHN)
- **Allscripts-Misys Healthcare Solutions, Inc.** (NASDAQ: MDRX)
- **Cerner Corp.** (NASDAQ:CERN)
- **Eclipsys Corp.** (NASDAQ: ECLP)
- **McKesson Corp.** (NYSE: MCK)
- **Quality Systems, Inc.** (NASDAQ: QSII)

### GE OFFERS INTEREST FREE EMR LOANS

GE has taken President Obama's stance on EMRs seriously and is now offering interest-free loans to hospitals and doctors buying its GE Centricity EMR and enterprise technology. The program coincides with the Company's recent "Healthymagination" initiative. Additionally, the loans allow providers to postpone payments on their purchases in order to help facilitate the adoption of healthcare IT. GE Healthcare and GE Capital are financing these loans.

The HITECH Act of the American Recovery and Reinvestment Act of 2009 has garnered tremendous interest of late in regard to its potential for EMRs. However, under this Act, the federal stimulus funds will not be available for EMRs until 2011, and there is still ambiguity of which systems will qualify under the "meaningful use" standards. In an attempt to overcome this lingering issue, GE will offer a HITECH Warranty for the Centricity EMR and Centricity Enterprise in order to help customers meet the "meaningful use" standards.

GE has announced that they will reserve \$100 million for the project. The Hazard Clinic in the Eastern Kentucky has already signed on to use the loan and will purchase the Centricity EMR solution.

### NOTEWORTHY TRANSACTIONS

Month	Acquirer	Company Acquired	Details
June 2009	Ingenix, Inc.	AIM Healthcare Services, Inc.	Ingenix has acquired AIM Healthcare Services, Inc, a Franklin, TN-based leading provider of claims management services for government and commercial payers of health care benefits and health care providers in the United States.. Terms of the all cash transaction were not disclosed. The acquisition of AIM provides Ingenix with one of the nations leading cost containment and claims management technology companies serving the healthcare industry.
June 2009	Document Storage Systems, Inc.	Informatix Laboratories Corporation	Document Storage Systems Inc. (DSS) has acquired Informatix Laboratories Corporation (ILC). Financial terms of the transaction were not disclosed. ILC's Patient Account Management System (PAMS) is the leading revenue cycle solution for the Indian Health Service's (IHS) and Tribal Health Center's RPMS. The acquisition will provide DSS with many IT and technical tools to increase efficiencies throughout their business.
June 2009	MD On-Line, Inc.	Medical Claim Corp.	MD On-Line, Inc. has acquired Medical Claim Corp. (MCC) of Bristol, CT. MCC is an EHNAC-accredited company that process healthcare transactions electronically and focus on accelerating provider revenue cycles. The financial terms of the transaction were not disclosed. The acquisition gives MD On-Line direct access to more than 30,000 healthcare providers nationally.
May 2009	iVolution Medical Systems	Continental Collection Services	Universal Capital Management, Inc., through one of its holding companies, iVolution Medical Systems, has acquired Continental Collection Services located in New York City. The financial terms of the transaction were not disclosed. This acquisition will allow iVolution to offer customers an electronic medical record, medical billing and medical collection solution. The transaction is also expected to be immediately accretive to earnings.
April 2009	Urgent Care America	The Lohman Group	Urgent Care America, a network providing outsourced services to urgent care centers, has announced a merger with The Lohman Group. Further terms of the deal were not disclosed. The Lohman Group is a healthcare management firm, specializing in urgent care. This marks the second deal for Urgent Care America in 60 days and brings the total affiliated centers to 41 facilities in 20 states.
April 2009	Portico Systems	Kryptiq's Choreo Suite	Portico Systems has acquired Kryptiq's powerful Choreo Suite of provider contracting solutions for health plans. Terms of the transaction were not disclosed. This transaction expands Portico's customer base from 17 to 33 healthcare customers who serve 30 million members nationally. Additionally, the Choreo Suite will enable Portico to offer contracting solutions that range from turnkey, stand-alone solutions, to configurable, integrated solutions.