



Q2-2011 HEALTHCARE IT INDUSTRY UPDATE

EHR Stage 1 Incentives Reach \$37M

The Medicare and Medicaid EHR Incentive Programs were recently set up by the Centers for Medicare and Medicaid to deliver incentive payment options to eligible hospitals and professionals while they use EHR technology. Already by mid-2011, it has been noted that CMS has paid over \$37 million to providers. Already more than 14,000 qualified providers have registered since the beginning of this fiscal year and more is expected to join. The criteria set for the qualification of the Stage 2 phase of the program has come under fire as various providers have voiced that the expectations are too difficult to meet given the timeframe. Options have been discussed regarding how these measures may be possibly alleviated and at a March 29 Health IT standards Committee meeting. It is expected that the proposed measures for the qualification for Stage 2 incentives will be released by the end of 2011.

SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
June 2011	Experian plc	Medical Present Value Incorporated	Experian, the global information services company, has signed a definitive agreement to acquire Medical Present Value, Inc. (MPV), a leading provider of data, analytics and software in the US healthcare payments market for US\$185M. The acquired assets will join Experian's North American Credit Services division and be paid for with existing cash resources. The acquisition of MPV broadens Experian's addressable market to now include large physician practices and create product synergies across the full healthcare payments lifecycle.
June 2011	Parthenon Capital	Eliza Corporation	Eliza Corp., a provider of integrated healthcare communication strategies, analytics and business intelligence, has completed an undisclosed amount of financing from private equity firm Parthenon Capital Partners. Parthenon Capital Partners has provided Eliza Corp. with their first round of institutional financing. This round allows previous growth capital investors and other shareholders to gain liquidity while the founders and senior management team continue to own a majority of the company.
June 2011	Enterprise Ventures Corporation	Coremotive	Enterprise Ventures Corporation, an affiliate of Concurrent Technologies Corporation and noted as one of the Top 100 Government Contractors, acquired the assets of Coremotive. Financial terms of the deal were not released. The transaction will increase Enterprise Venture's healthcare expertise and client relationships. The acquisition also falls in line with CTC's plans to penetrate the healthcare industry.
June 2011	Dowden Health Media	Priority Integrated Marketing	High Road Capital Partners backed, Dowden Health Media, has acquired Priority Integrated Marketing. Financial terms of the deal were not disclosed. The transaction will provide more products and services to clients from both firms.
June 2011	McKesson Corporation	Portico Systems	McKesson Corporation, a global provider of distribution and technology solutions, has signed a definitive agreement to acquire Portico Systems for \$90 million in cash. The deal translates to roughly 7x revenues. This new addition gives McKesson roughly 33 payer and provider networks that represent 42 million covered individuals.
May 2011	Waud Capital Partners	Revenue Cycle Solutions Inc.	Waud Capital Partners has acquired Revenue Cycle Solutions, Inc. The specific financial terms of the deal were not disclosed. Revenue Cycle Solutions will serve as the platform investment in Waud's effort to build a best-in-class patient account resolution company serving hospitals, hospital-based physician groups and other healthcare facilities nationwide.
May 2011	Cerner Corporation	Resource Systems	Cerner Corporation completed its previously announced acquisition of Resource Systems. The specific financial terms of the deal were not disclosed. Resource Systems is the developer of the CareTracker®, a point-of-care electronic documentation system currently utilized by more than 3,000 organizations, primarily within skilled nursing and assisted living facilities.
May 2011	PRA International	Kinship Technologies	PRA International has acquired Kinship Technologies. The financial terms of the deal were not disclosed. Through this acquisition, PRA will obtain Kinship's industry changing system, EXACT, and is integrating the Kinship team to accelerate the development of technology solutions that will enhance PRA's service delivery and reshape how the industry manages trials and delivers trial data.
May 2011	PerkinElmer Inc.	Labtronics Inc.	PerkinElmer, Inc. has completed the acquisition of Labtronics, Inc. The purchase price of the deal was not disclosed. Through this acquisition, PerkinElmer is able to extend its ELN and data integration software offerings into laboratories following strict routine procedures.
May 2011	IOD Incorporated	Confidential Copiers, Inc.	IOD Incorporated, a leading provider of integrated HIM solutions, has completed the acquisition of Confidential Copiers Inc. The specific financial terms of the deal were not disclosed. The combination of IOD Incorporated and Confidential Copiers Inc. brings a full suite of end-to-end HIM service solutions to a greatly expanded Colorado market place.
April 2011	Awarepoint Corporation	Patient Care Technology Systems	Awarepoint Corporation, a San Diego-based provider of real-time location system (RTLS) solutions for hospitals, acquired Patient Care Technology Systems. Financial terms of the deal were not disclosed. The transactions combines Awarepoint's ZigBee technology with Patient Care's software platforms and applications. Corporate headquarters will remain in San Diego and Patients Care will continue in to operate in Charlotte with its executive team intact.
April 2011	Symphony Technology Group	ImpactRx Inc.	Symphony Technology Group, a California based private equity firm focused on technology related investments, announced its completed acquisition of a majority ownership of ImpactRx. The details of the transaction were undisclosed. Richard Altus will continue to lead ImpactRx as an independent portfolio company. ImpactRx is going to be utilizing STG's data analytics to evaluate and interpret the key drivers of physician behavior and to better meet the demand of their clients. By leveraging STG's data modeling expertise, ImpactRx will be able to deliver more comprehensive multi-channel solutions to their clients as the competitive marketplace becomes more and more complicated.
April 2011	MD-IT	Mdnetwork, Inc.	MD-IT, a provider of medical documentation software to ambulatory clinics and physician offices among others, has merged with MDnetwork, Inc. Financial terms were not disclosed. MDnetwork will continue as a division of MD-IT specializing in optimizing EMR systems. Bard Betz, CEO of MDnetwork, will join MD-IT as Vice President of Channel Development.