

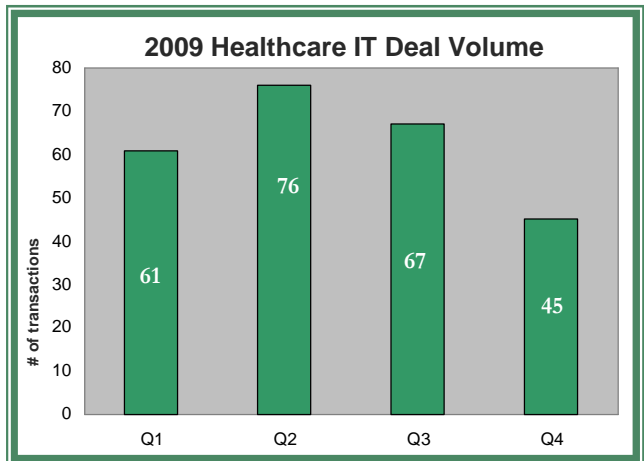


Q4-2009 HEALTHCARE IT INDUSTRY UPDATE

CMS DELIVERS MEANINGFUL USE OF EHR

On December 30th, the government delivered the long-awaited definition of "meaningful use" of electronic health record technology. The package, which included about 700 pages of regulation, outlines the ability to exchange health data among providers, security of that data, standard formats for clinical summaries and prescriptions and standard terms to describe clinical problems, procedures and tests.

In order to meet the demands of "meaningful use" in 2010, CMS advocates phasing in the process in three stages. Of the three stages proposed, only Stage 1 has been addressed and clarified. The Stage 1 "meaningful use" criteria focuses on electronically capturing health information in a coded format. This information will be used to track key clinical conditions and communicate the information for care coordination purposes. Both Stage 2 and 3 are expected to be defined by the end of 2011 and 2013, respectively.



Source: Capital IQ

RECENT TRANSACTIONS

Month	Acquirer	Target Company	Details
December 2009	Thoma Bravo	AMICAS	AMICAS, Inc. has entered into a definitive agreement to be acquired by an affiliate of Thoma Bravo, LLC, in a transaction valued at approximately \$217 million. The AMICAS Board of Directors unanimously approved the agreement and resolved to recommend that the shareholders of AMICAS adopt the agreement. The deal provides a premium value to current shareholders, valued at 24% over AMICAS' average closing share price during the 30 trading days prior to the deal announcement.
December 2009	Pharmaceutical Institute	GeneEd	Pharmaceutical Institute has acquired e-learning assets from GeneEd, Inc. These assets include 155 highly advanced e-courses. The terms of the deal were not disclosed. The acquired assets are comprehensive and highly technical, and add to the scope and scale of Pharmaceutical Institute's distance learning catalog.
December 2009	Mediware Information Systems	Healthcare Automation Advantage Reimbursement	Mediware Information Systems Inc. finalized its acquisitions of Healthcare Automation Inc. and Advantage Reimbursement Inc., which provide software and outsourcing solutions for home health providers. The two companies were owned by a single ownership group based in Cranston, Rhode Island and Andover, Massachusetts. The purchase included a cash payment of \$5.5 million and an additional earn-out payment of up to \$1.5 million is contingent upon annual performance plans.
December 2009	Hospira	Theradoc	Hospira Inc. (NYSE: HSP) has acquired TheraDoc, Inc. The financial terms of the transaction were not disclosed. As part of the agreement, Hospira acquired additional assets related to the TheraDoc business, including the headquarters in Salt Lake City.
November 2009	Ingenix	CareMedic Systems	Ingenix, a healthcare IT company part of UnitedHealth Group, has acquired CareMedic Systems in a cash transaction. Further terms were not disclosed. The acquisition is expected to create a number of synergies between the two companies, notably Ingenix's expertise in reimbursement and health IT management, and CareMedic's focus in enterprise-wide RCM solutions. The combined services of the two companies will provide their clients with a more comprehensive solution for RCM.
November 2009	Harris Corporation	Patriot Technologies	Harris Corporation, an international communications and information technology company has acquired privately held Patriot Technologies, LLC. The terms of the deal were not disclosed. With this acquisition, Harris is expanding its position as a leading provider of integrated, interoperable healthcare information technology solutions for the federal government market.
November 2009	Fresenius National Medical Care	Health IT Services Group	Fresenius Medical Care has acquired Health IT Services Group (HITSG). The financial terms were not disclosed. The acquisition of HITSG is a step towards solidifying the companies leadership position in their market through the utilization of a superior supporting IT infrastructure. It will also provide the means to expand the availability of Acumen nEHR.
November 2009	Initiate Systems	Accenx Technologies	Initiate Systems has acquired the health information exchange provider Accenx Technologies. The financial terms of the deal were not disclosed. The acquisition of Accenx Technologies and their software platforms should allow Initiate systems to expand its healthcare solution operations and increase its customer base.
October 2009	athenahealth	Anodyne Health Partner	athenahealth, Inc. (NASDAQ: ATHN), a leading provider of internet-based business services for physician practices, has acquired Anodyne Health Partners, Inc., a provider of Software-as-a-Service (SaaS) business intelligence (BI) solutions for healthcare providers. athena paid \$22.3 million with the potential for additional consideration of up to \$7.7 million, based on the achievement of certain business and financial milestones. The transaction multiple equates to 3x revenues. Anodyne Health Partners has a business process outsourcing unit which is excluded from the acquisition but will be spun off into a separate company prior to closing. Anodyne will continue to operate as a separate entity of athena.