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Industry Highlight: Revenue Cycle Management

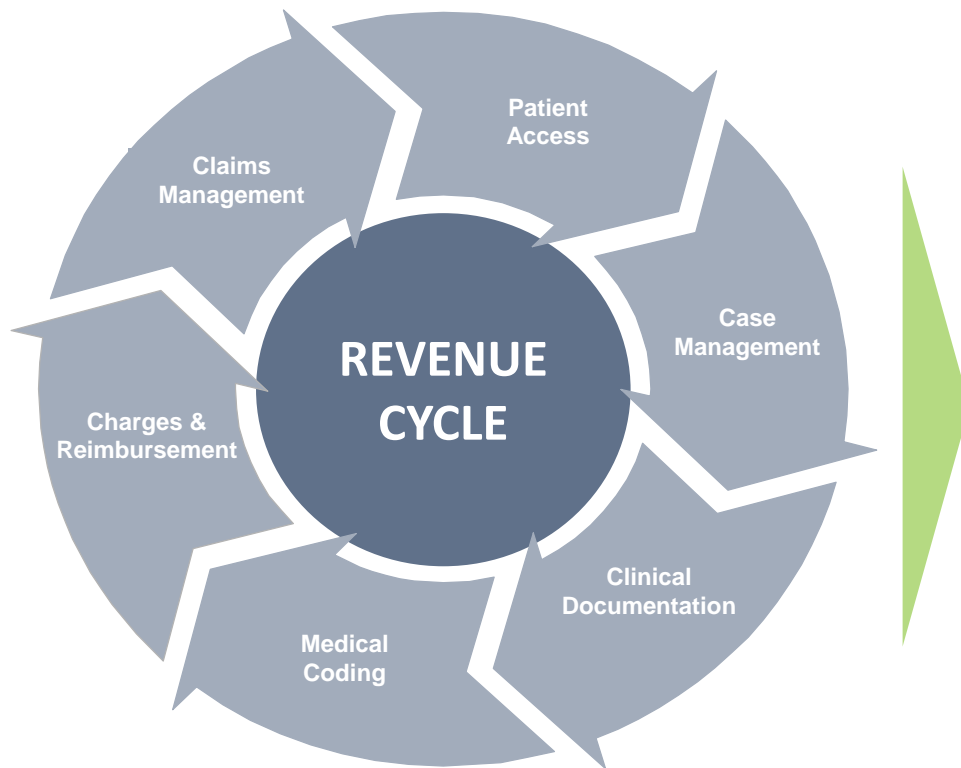
Q1 2019

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RCM Overview



Intelligent, Automated Workflow

RCM intelligently automates the complex tasks of the front and back office, optimizing:

- ✓ Patient encounters and consolidation of records
- ✓ Participation in value-based programs to generate maximum revenue
- ✓ Claims management, accounts receivable and claim resubmission
- ✓ Medical practice workflow, reducing redundant staff effort

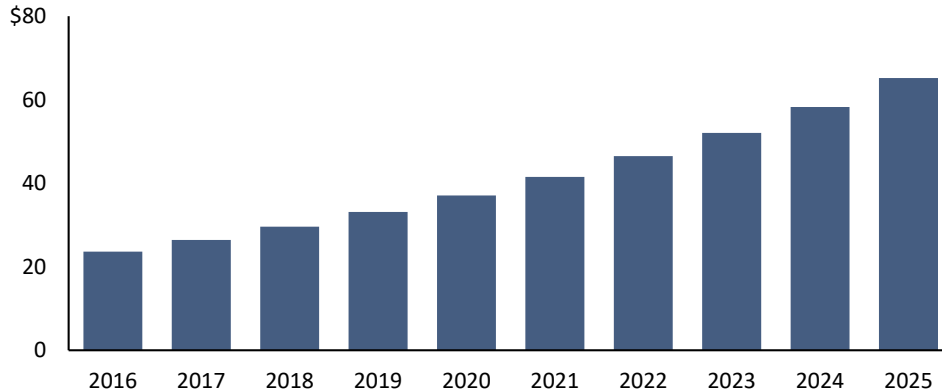
Increasing complexity in medical coding and rising healthcare costs make RCM an essential tool to maintain cash flow and stay solvent

RCM Market Size and Outlook

The global RCM market is projected to grow to \$65.2BN by 2025 from \$23.6BN in 2016, a nine-year CAGR of 12.0%

Value of Global RCM Market

(\$USD in BN)

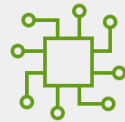


Facing tight margins, time-consuming regulation and enormous waste in the healthcare system, medical practices are looking for adaptable solutions to streamline workflow, generating significant drive in the RCM market



\$23.6BN

Value of global RCM market in 2016



\$16.5BN

Estimated hospital spend on external RCM by 2020



40%

Percentage of RCM end-user market constituted by physicians' offices



12.0%

CAGR through 2025



\$6.7BN

Annual provider spend on RCM



3-5%

Hospitals' lost revenues due to RCM errors

Inefficiencies RCM Can Help Solve

Key Industry Trends:

Denial Management

Declining Reimbursement

Waste in HC Value Chain

Medical Coding

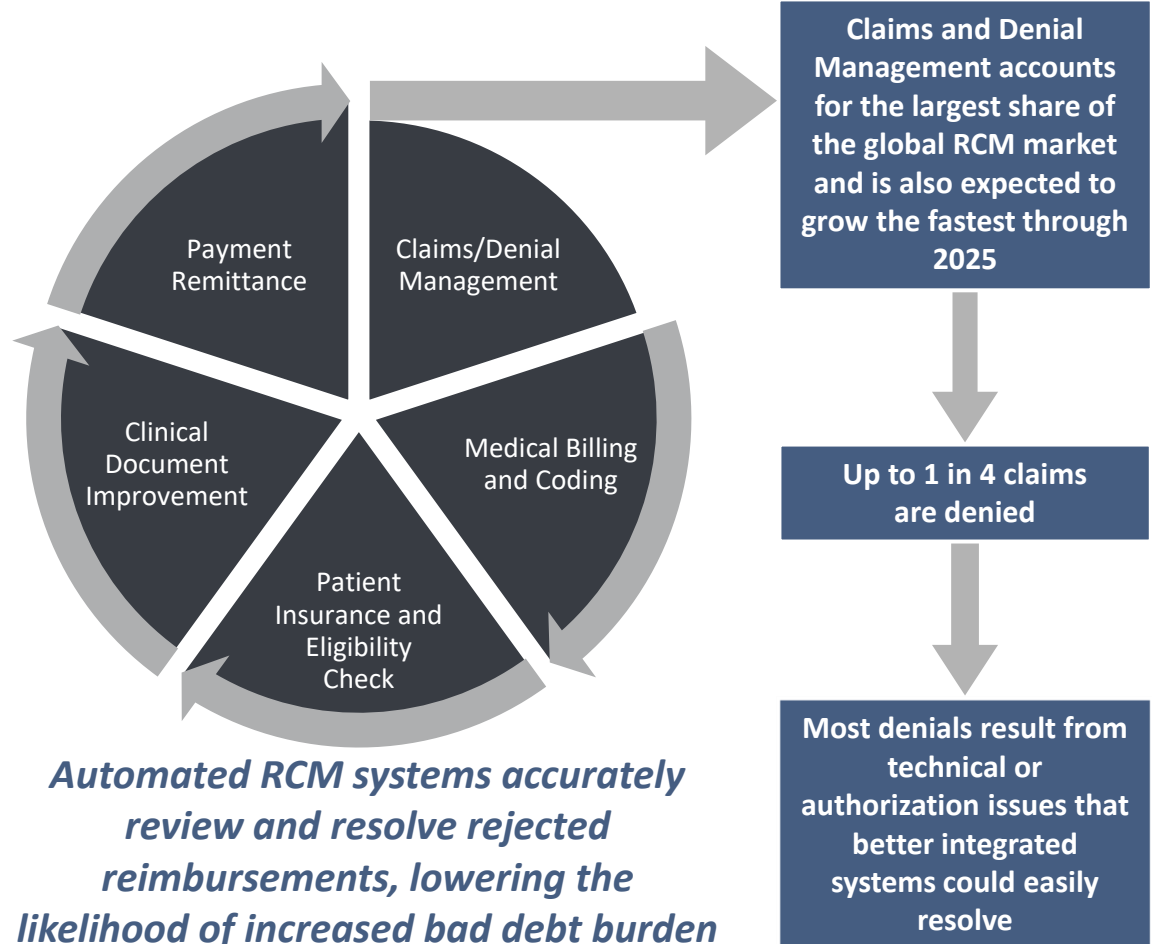
Back Office Optimization

Integration

Consumerization

Value-Based Care

RCM Market Segmented by Function



Inefficiencies RCM Can Help Solve (cont.)

Key Industry Trends:

Denial Management

Declining Reimbursement

Waste in HC Value Chain

Medical Coding

Back Office Optimization

Integration

Consumerization

Value-Based Care

Claims management and bad debt are among providers' greatest challenges

RCM solutions solve providers' challenges related to declining reimbursement:

- Navigate changes in health benefit plan design
- Understand complicated reimbursement models
- Update on changes to federally mandated transaction standards
- Identify and manage payor rules
- Collect payments from uninsured, underinsured and high deductible health plan patients

ACHE has ranked Financial Challenges as the top concern for hospital CEOs three consecutive years

Financial Challenges

Medicaid Reimbursement

Reducing Operating Costs

Bad debt



Large medical bills...

70%

Americans struggling with medical debt are insured

62%

Don't have savings to cover a \$1,000 ER visit

63%

Can't meet the higher range of out-of-pocket health cost limits

...mean more bad debt

Inefficiencies RCM Can Help Solve (cont.)

Key Industry Trends:

Denial Management

Declining Reimbursement

Waste in HC Value Chain

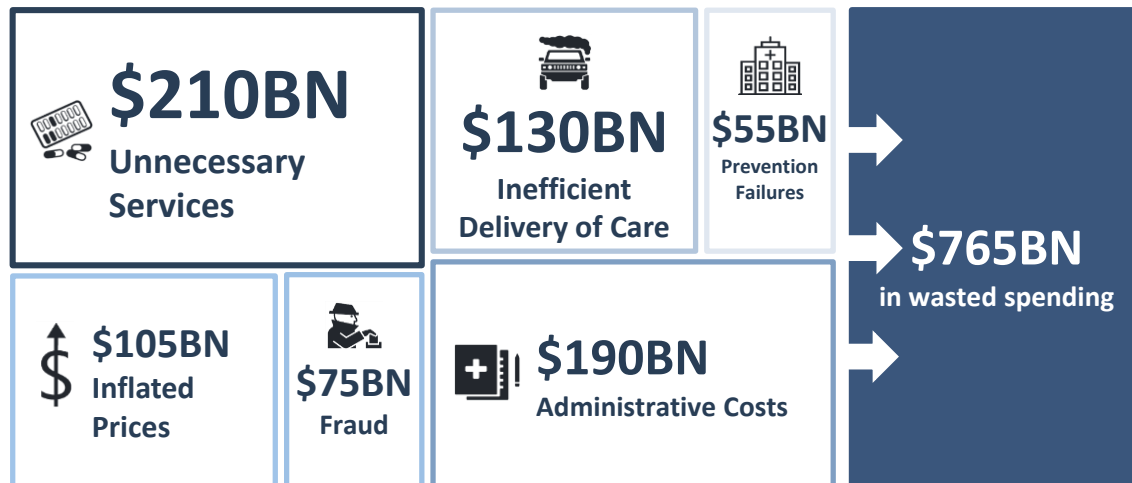
Medical Coding

Back Office Optimization

Integration

Consumerization

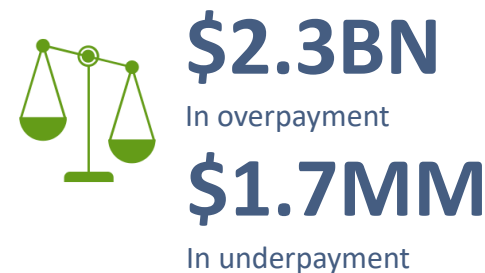
Value-Based Care



Little impact on quality improvement & cost reduction despite a high-level of spending



CMS recovery auditors have found payment inaccuracies



Inefficiencies RCM Can Help Solve (cont.)

Key Industry Trends:

- Denial Management
- Declining Reimbursement
- Waste in HC Value Chain

Medical Coding

- Back Office Optimization
- Integration
- Consumerization
- Value-Based Care

The shift in medical coding from ICD-9 to ICD-10 has increased the number of diagnoses and provider codes from 18,000 to 155,000; however emerging RCM solutions have the ability to mitigate high costs



Demand for RCM technology has increased exponentially with the emergence of complex medical codes, and medical technology teams are expected to grow by 15% by 2024



Computer-assisted coding technology help identify correct codes for medical professionals, increasing accuracy and productivity



AI and machine learning technology help computers quickly identify manual coding errors upon entry, preventing costly claim denials

As medical coding continues to evolve, RCM solutions can help hospitals avoid costly errors through new technologies and outsourced solutions

The shift from ICD-9 to ICD-10 in 2015 created costs amounting to:



\$57K-\$226K
for small firms



\$213K-\$825K
for medium firms



\$2MM-\$8MM
for large firms

Costs drivers include:

- The new system required extensive training for employees to learn the ICD-10 codes
- Highly manual code revision process decreased IT departments' productivity
- Incorrect coding caused by the changes led to increased claim denials

Process and Staff Optimization

Key Industry Trends:

Denial Management

Declining Reimbursement

Waste in HC Value Chain

Medical Coding

Back Office Optimization

Integration

Consumerization

Value-Based Care



54%

Physicians report negative professional morale



12

Hours each week spent on non-clinical paperwork



63%

Physicians say EHR has detracted from efficiency & patient interaction



33%

Turnover rate for medical receptionists



27%

Time spent by physicians in clinical encounters



49%

Time spent tending to EHR and desk work

Time-consuming administrative challenges:

- ✓ Reporting to government quality performance programs
- ✓ Processing a practice's incoming paper documents
- ✓ Managing payor rules
- ✓ Collecting payments from underinsured/high-deductible health plan patients
- ✓ Having a live operator answer patient phone calls after a practice closes for the day and communicating physician orders and referrals to others

Demand Driver: Data Platform Integration

Key Industry Trends:

- Denial Management
- Declining Reimbursement
- Waste in HC Value Chain
- Medical Coding
- Back Office Optimization

Integration

- Consumerization
- Value-Based Care



Collecting comprehensive data at the beginning of the revenue cycle makes the claims process more efficient, reduces denials and reduces time replication of effort



Drive to integrate patient information from disparate systems: a comprehensive medical record for each patient



RCM will be a tool for data analytics as well as for improving clinical and financial outcomes

Hospitals that implement RCM systems enjoy a very high ROI, but the integration of RCM technology is very difficult

Due to the extensive medical records held by providers, implementation of a new system requires an immense amount of work

As a result, RCM companies that can offer a broad offering of services that minimize the complexity of integration are often most attractive to health care providers

Firms with a wide offering of population health tools, revenue cycle management services, patient portals, dashboards and analytics will emerge as the next wave of health IT leaders

Demand Driver: Patient Consumerization

Key Industry Trends:

- Denial Management
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- Medical Coding
- Back Office Optimization
- Integration

Consumerization

Value-Based Care

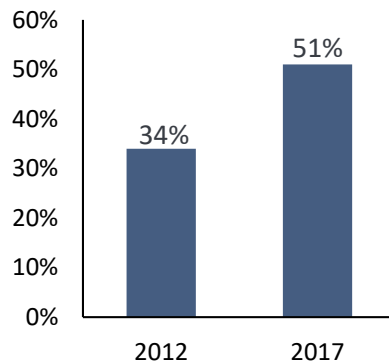
Changes in regulation and policy are leading patients to take a more active role in healthcare costs

- Demand for
- Real cost information upfront
 - Online portals for statements and payments

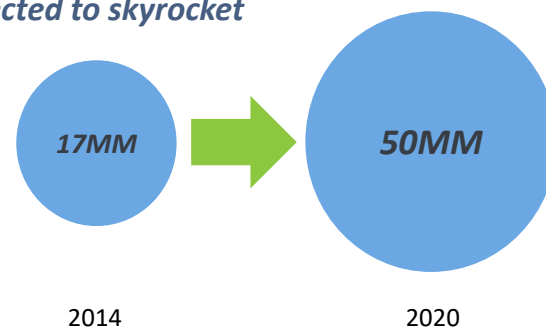
“Patients are more likely to pay if they understand how much they will owe out of pocket upfront, reducing the amount of uncompensated care the system must swallow.”

- *Sarah Knodel, VP of Revenue Cycle, Baylor Scott & White Health*

Covered Workers with a Deductible Higher than \$1,000



The number of Americans with an HSA Account is expected to skyrocket



Patients are becoming price-sensitive...

77%

Large employers now offer a price transparency tool

Patients report using home remedies instead of seeking medical attention

33%

15%

Forgoing care when sick or injured because of cost

...and more likely to shop

Demand Driver: Move to Value-Based Care

Key Industry Trends:

- Denial Management
- Declining Reimbursement
- Waste in HC Value Chain
- Medical Coding
- Back Office Optimization
- Integration
- Consumerization

Value-Based Care

\$260BN

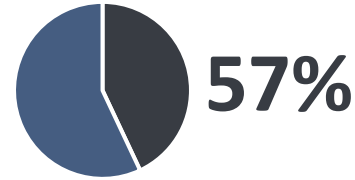
Hospital payment rate cuts (2013-2022)

\$415BN

Total Fee-For-Service ("FFS") rate cuts (2013-2022)

50%

Medicare alternative payment target (2018)



57% of physicians self-report at least some unfamiliarity with the Medicare Access and Chip Reauthorization Act ("MACRA")

Key RCM Role:

Accurately determine how much revenue will result from value-based sources

Anticipate that some percentage of potential revenue will not be realized due to either internal error or inaccurate payment



Practices that outperform under new models could see revenue increase by ~19%, whereas those that don't could see revenue fall by ~9%

Successful RCM products will provide flexibility to accommodate changing regulations and revenue projections and help users to adapt to MACRA

RCM Ecosystem

Integrated with EHR / Practice Management



Point-Focus Solutions for Multiple Specialties



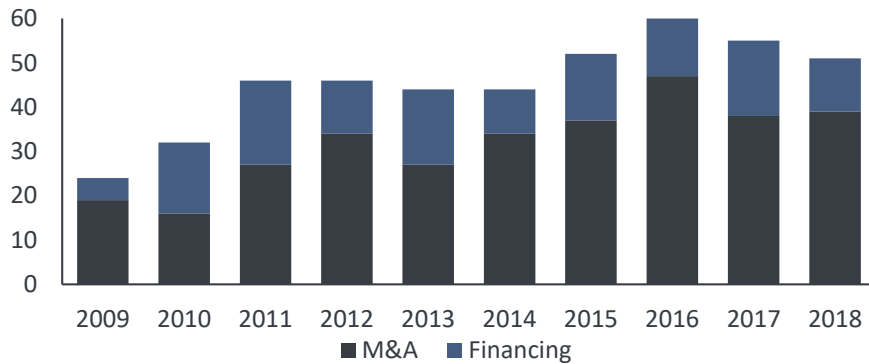
RCM Services for Specialties (Vertically Focused)



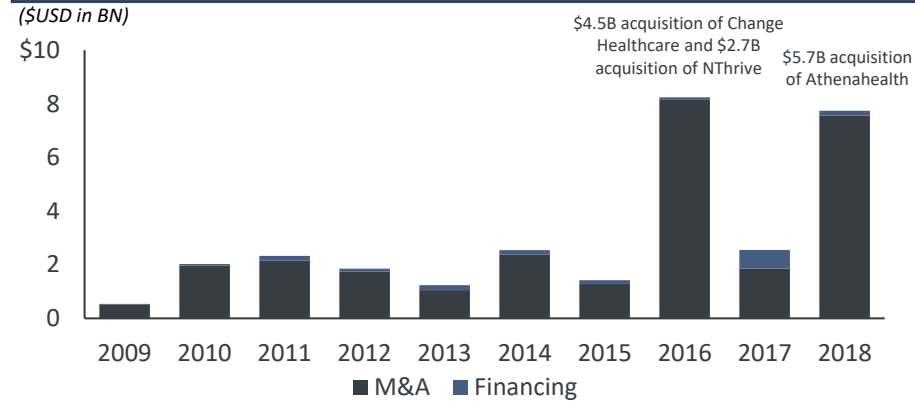
RCM Industry Deal Activity

RCM is a mature industry, with increasing consolidation accounting for its expanding deal activity

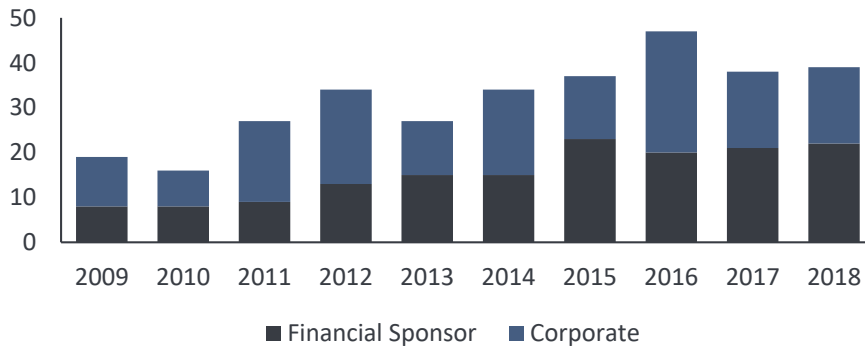
Total Deal Volume



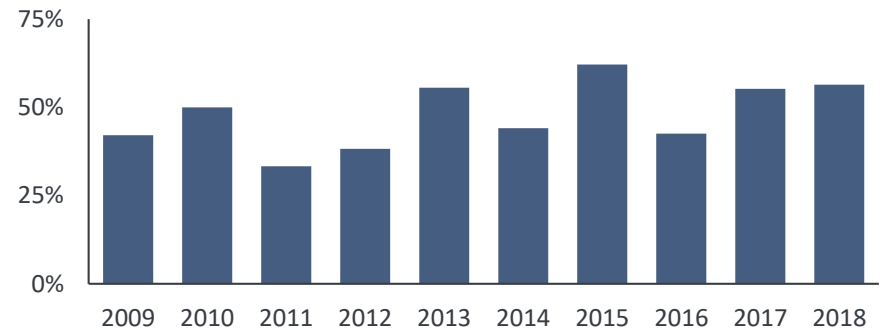
Total Reported Deal Value



Total M&A Activity (Financial versus Strategic)



Increasing Percentage of Targets Sold to Financial Buyers



Growing percentage of financial buyers taking interest in the RCM industry

M&A and Financing Landscape

Most Financing 2015-2018

Company	Invested
 MODERNIZING MEDICINE	\$289MM
 PointClickCare	\$259MM
 Availity	\$200MM
 essence	\$100MM
 kareo Go Practice	\$65MM
 InstaMed Healthcare Payments Get paid	\$50MM
 CareCloud	\$48MM
 ACCUITY DELIVERY SYSTEMS	\$40MM
 RECONDO	\$16MM
 dr chrono	\$14MM

Most Active Private Equity Investors 2015-2018

Firm	# of Deals
 FRANCISCO PARTNERS	4
 JZ PARTNERS	4
 PAMPLONA CAPITAL MANAGEMENT	4
 the edgewater funds	4
 THOMPSON STREET CAPITAL PARTNERS	4
 TRIVEST PRIVATE EQUITY FOR FOUNDERS	4
 WEST VIEW CAPITAL PARTNERS	4
 MARLIN EQUITY PARTNERS	3
 SUMMIT PARTNERS	3
 WINDROSE HEALTH INVESTORS	3

Most Active Strategic Acquirers 2015-2018

Company	# of Deals
 MTBC A Unique Healthcare IT Company	5
 HARRIS / CONSTELLATION SOFTWARE INC.	3
 BOLDER Healthcare Solutions	3
 CHT Connected Health Technologies	3
 nTHRIVE	3
 ADVANTUM HEALTH	2
 Atos / anthelio	2
 Corridor	2
 iMedX	2
 QUICK MED CLAIMS Company Medical Transportation Billing Services • Healthcare Consulting	2

Importance of Consolidation in a Fragmented Market



80%

Hospitals outsource RCM to external vendors



69%

Hospitals outsource to multiple vendors for RCM



28%

Hospitals outsource to more than three vendors for RCM

Propelled by the desire to present a cohesive, all-in-one solution to customers, large vendors such as MTBC and Constellation Healthcare Technologies are leading the consolidation charge

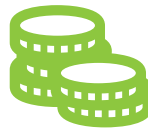
In a market where almost a third of hospitals use three or more RCM services, efficiency will be maximized through consolidation and integration



Demand for outsourced RCM services has increased by 86% since 2015. Consolidation among RCM providers will drive down the costs of integration and improve usability, leading to greater efficiency



Increased integration through vendor consolidation leads to greater revenue cycle automation, increasing medical staff productivity and cutting corporate costs



Greater vendor utilization highly correlates with increased claim denials. Consolidation reduces claim denials by reducing the number of different vendors used throughout the cycle













When hospitals outsource different parts of the revenue cycle to different vendors, they frequently don't use several of the services offered by each vendor. Increased integration leads to more efficient use of resources and creates a better user experience for patients and medical professionals

Consolidation Strategies in a Fragmented Market

As leading EHR and PM vendors look to diversify and grow their revenue streams, many are leveraging their scale to acquire smaller RCM companies and integrating the target's technology to provide a full suite solution



Margin compression and cost cutting will fuel consolidation as providers replace multiple vendors with fully integrated EHR solutions that offer RCM capabilities, driving up demand and increasing the ROI of RCM acquisitions

Date	Target	Buyer	Deal Size (\$MM)	Underlying Strategy
Aug 2018	 AdvancedMD	 globalpayments	\$700.0	Expanded Global Payments' software platform and aligned with its strategy of adding SaaS revenue while enabling them to expand into a new, attractive market with strong payment fundamentals
Apr 2018	 ABILITY	 inovalon	1,200.0	Combined to establish a vertically integrated cloud-based platform offering a variety of solutions uniquely equipped to confront the shift to value-based care in the healthcare industry
Feb 2018	 intermedix	 R1	460.0	RI sought to establish itself as a leader in innovative and integrated RCM services by integrating Intermedix's technology into its own, offering a more connected RCM product
Aug 2017	 MCKESSON Empowering Healthcare	 Allscripts	185.0	Allowed for Allscripts to globally expand the presence of its EHR and RCM platform, integrating McKesson's technology into its own to meet the demands of increased healthcare provider verticals
Feb 2015	 SIEMENS Healthcare	 Cerner	1,300.0	Looked to grow revenues by expanding its solution footprint and increasing the number of Cerner EHR clients that implement its RCM technology

The Future of RCM

Industry Outlook

- The RCM market remains fairly underdeveloped and highly fragmented as a result of vertical integration, disparate point-solution technologies, arranged partnerships and bundled services, thus adding unnecessary burden to the healthcare back office
- The industry is ripe for consolidation but there are significant opportunities for innovative companies aiming to provide integrated products capable of supporting vertical markets that demonstrate measurable ROI
- Given how acquisitive large hospital systems have been in recent years with physician offices and independent practices, the outpatient care setting will continue to be a large market opportunity for RCM vendors
- EHR vendors will continue to seek expansion opportunities by either building in-house RCM solutions or acquiring vendors to gain market share for an all-encompassing enterprise solution play
- Large software companies that previously operated outside of healthcare are entering the space via RCM, as it gives access to provider networks, physician practices, data and analytics from insurance providers, such as claims, denial write-offs and underpayment, and provides a steady form of revenue for the acquirer
 - Examples include Global Payments' acquisition of AdvancedMD, TransUnion's acquisition of Rubixis and N. Harris Computer's acquisition of Integrated Medical Delivery
 - Going forward, we will continue to see solutions providers in diversified markets and business process outsourcing solution providers act as consolidators as a new wave of buyers enter RCM from tangential markets

Through Q4 - 2018



Inception



Growth



Maturity



Consolidation

RCM / Medical Billing Public Comparables

(\$ in MM, except per share data)

Company	Ticker	Price 02/12/19	Shares Outstanding	Market Cap.	Total Debt	Cash	Net Debt	Net Debt/ EBITDA	Enterprise Value
McKesson Corporation	MCK	\$ 134.00	191.8	\$ 25,705	\$ 9,849	\$ 1,849	\$ 8,000	2.0x	\$ 33,705
Cerner Corporation	CERN	58.82	324.4	19,079	444	374	70	0.1x	19,148
MEDNAX RCM, Inc.	MD	34.47	88.4	3,046	1,975	37	1,938	3.5x	4,984
Allscripts Healthcare Solutions, Inc.	MDRX	12.00	174.7	2,097	1,828	112	1,716	19.0x	3,813
HMS Holdings Corp.	HMSY	31.63	83.9	2,654	240	124	116	0.9x	2,770
R1 RCM Inc.	RCM	9.18	110.2	1,012	360	52	307	16.2x	1,319
Quality Systems, Inc. / NextGen	NXGN	18.52	64.7	1,198	28	30	(2)	(0.0x)	1,196
Model N, Inc.	MODN	16.99	31.5	536	54	52	1	(0.1x)	537
MTBC, Inc.	MTBC	4.48	11.8	53	1	1	(1)	(0.7x)	52

Company	LTM Revenue	3-Year CAGR	Gross Margin	LTM EBITDA	EBITDA Margin	EV / Revenue		EV / EBITDA	
						LTM	NTM	LTM	NTM
McKesson Corporation	\$ 213,518	4.1%	5.4%	\$ 4,099	1.9%	NA	0.2x	8.2x	7.7x
Cerner Corporation	5,366	7.2%	82.5%	1,207	22.5%	3.6x	3.3x	15.9x	11.3x
MEDNAX RCM, Inc.	3,647	9.5%	27.1%	554	15.2%	1.4x	1.3x	9.0x	8.9x
Allscripts Healthcare Solutions, Inc.	2,079	14.6%	48.1%	90	4.4%	1.8x	1.8x	NM	9.4x
HMS Holdings Corp.	591	8.9%	38.6%	123	20.8%	4.7x	4.4x	22.6x	18.2x
R1 RCM Inc.	746	97.8%	9.5%	19	2.5%	1.8x	1.1x	NM	10.3x
Quality Systems, Inc. / NextGen	530	2.5%	54.4%	39	7.3%	2.3x	2.2x	NM	13.5x
Model N, Inc.	151	16.1%	56.8%	(12)	(8.0%)	3.6x	3.8x	NM	NM
MTBC, Inc.	42	19.5%	40.9%	1	2.0%	NA	1.5x	NM	26.2x
Mean	\$25,186	20.0%	40.4%		7.6%	2.7x	2.2x	13.9x	13.2x
Median	\$746	9.5%	40.9%		4.4%	2.3x	1.8x	12.4x	10.8x

⁽¹⁾ "NA" denotes Enterprise Value / Revenue multiples that are not applicable due to diversified operations

⁽²⁾ "NM" denotes Enterprise Value / EBITDA multiples greater than 30.0x or less than (5.0x)

RCM / Medical Billing Precedent Transactions

(\$USD in MM)

Date Announced	Target	Acquirer	TEV	Enterprise Value to LTM		Target Product / Service Offerings
				Revenue	EBITDA	
01/30/2019	Aprima Medical Software	eMDs, Inc.	-	-	-	Provider of EHR, practice management and RCM solutions for medical practices
12/1/8/2018	RCM Division of Microwize Technology, Inc.	Encoda, LLC.	-	-	-	Provider of EHR, practice management and billing software to healthcare professionals
12/14/2018	Consolo Services Group, LLC	WellSky	-	-	-	Provides hospice-specific software services for EHR, billing services and care coordination
12/04/2018	GeBBS Healthcare Solutions, Inc.	ChrysCapital	\$ 142	-	-	Provides BPO services, including healthcare RCM solutions
10/10/2018	Rubixis, Inc.	TransUnion Healthcare, Inc.	-	-	-	Provider of RCM solutions
10/02/2018	Vantage Clinical Solutions	Optima Healthcare	-	-	-	Provider of RCM and digital marketing services for physical therapy practices
08/02/2018	AdvancedMD, Inc.	Global Payments Inc.	700	-	-	Provider of cloud-based practice management, EHR and RCM services for independent physician practices
07/09/2018	Nuesoft Technologies, Inc.	AdvancedMD, Inc.	-	-	-	Provider of cloud-based medical billing software
06/22/2018	AcuStream, Inc.	Revint Solutions	-	-	-	Provider of revenue benefits software solutions to healthcare providers
06/20/2018	Collect Rx Inc.	New Capital Partners	-	-	-	Provider of RCM services
06/04/2018	Integrated Medical Delivery LLC	N Harris Computer Corporation	-	-	-	Healthcare service provider company that offered outsourced revenue cycle management technology
05/29/2018	HEALTHCAREfirst Inc.	ResMed Inc.	126	-	-	Developer of software used to improve the functioning of in-home healthcare providers
05/11/2018	Altus Infusion, L.P.	-	-	-	-	Provider of billing, RCM, accounts receivable follow-up and reimbursement services
05/07/2018	Assets of Orion Healthcorp Inc.	MTBC	-	-	-	The assets acquired included services in RCM, practice management and group purchasing
05/07/2018	Athenahealth, Inc.	Elliott Management Corporation	6,572	5.2x	31.0x	Offers network based RCM services for medical groups and health systems
03/12/2018	Bolder Healthcare Solutions LLC	Cognizant Technology Solutions Corporation	477	-	-	Provider of RCM management solutions for healthcare professionals
03/07/2018	ABILITY Network Inc.	Inovalon Holdings, Inc	1200	8.6x	16.6x	Healthcare technology company that offers web-based solutions for administrative management
02/26/2018	Intermedix Corporation	R1 RCM Inc.	460	2.4x	9.6x	RCM service provider
12/21/2017	Visionary RCM	The Carlyle Group	70	-	-	Provides medical billing and coding, and RCM outsourcing services to healthcare organizations

RCM / Medical Billing Precedent Transactions (cont.)

(\$USD in MM)

Date Announced	Target	Acquirer	TEV	Enterprise Value to LTM		Target Product / Service Offerings
				Revenue	EBITDA	
11/13/2017	Adcorp Holdings	Value Capital Partners	-	-	-	Investment holding company, offering BPO services
10/19/2017	Smile Doctors, LLC	Linden Capital Partners	-	-	-	Orthodontic dental support organization providing operations, accounting, RCM etc. related services
10/18/2017	VHC, Inc	Revint Solutions (mCare)	-	-	-	Provider of RCM solutions
10/18/2017	Stockell Healthcare Systems, Inc	Medsphere Systems Corporation	-	-	-	Software solutions company offering RCM services
10/11/2017	Prognosis Innovation Healthcare	Azalea Health Innovations, Inc	-	-	-	RCM software company for rural and community hospitals
10/10/2017	Administer Partner	Administer Oy	-	-	-	Financial BPO services
09/28/2017	AGS Health Private Limited	MTS Health Investors; Altaris Capital Partners, LLC	-	-	-	RCM company that provides medical billing, medical coding and analytics services
09/20/2017	Compliance Specialists Inc; RCM and Compliance Services Business	Knack Global	-	-	-	RCM and compliance services
09/14/2017	ZirMed	Navicare	\$ 750	-	-	Cloud-based management solutions to healthcare providers and organizations
08/31/2017	RevStream Inc.	Aptitude Software Limited	12	4.5x	-	Cloud-based RCM and analytics tools
08/14/2017	ELIPSe, Inc	Xtend Healthcare LLC	-	-	-	Provider of RCM consulting services
08/11/2017	RemitDATA Inc.	eSolutions	-	-	-	Provider of RCM analytics and cloud-based workflow solutions
08/03/2017	McKesson Corporation (Enterprise Information Solutions)	Allscripts Healthcare Solutions	185	-	-	Healthcare information technology company, acquiring Information Solutions
07/31/2017	Citadel Outsource Group, LLC	Aergo Solutions, LLC	-	-	-	Outsourced billing and payment collection services
07/18/2017	Secure Bill Pay	Ability Network Inc	-	-	-	Healthcare payment software
07/17/2017	Encore Health Resources, LLC	eMids Technologies Inc	-	-	-	Offers IT services including RCM management
06/20/2017	eHealth Solutions	MatrixCare, Inc.	-	-	-	Provides clinical software solutions for the long-term and post-acute care market
06/13/2017	MedCo Data, RCM services division	Encoda	-	-	-	RCM services
05/22/2017	SPi Global Holdings, Inc.	Partners Group Holding AG (SWX:PGHN)	330	-	-	Business process outsourcing services

RCM / Medical Billing Precedent Transactions (cont.)

(\$USD in MM)

Date Announced	Target	Acquirer	TEV	Enterprise Value to LTM		Target Product / Service Offerings
				Revenue	EBITDA	
05/10/2017	Leeyo Software, Inc.	Zuora, Inc.	-	-	-	Manages RCM processing
04/25/2017	SourceMed	Surgical Information Systems, LLC				Outpatient information solutions and RCM services
04/25/2017	FQHC Associates, LLC	Germain & Co., Inc	-	-	-	Healthcare consulting company
04/04/2017	Connexions, Inc.	TeleTech Healthcare Solutions, Inc.	\$ 80			Technology and business process outsourcing company for the healthcare industry
04/04/2017	WPC Healthcare	Intermedix Corporation	-	-	-	Developer of data services for the healthcare industry, including reimbursement and RCM tools
04/04/2017	Patient Account Services	The Sirrus Group	-	-	-	RCM and AR management services
03/08/2017	e4e, Inc	nThrive	-	-	-	Healthcare services outsourcing company providing IT-enabled business process management services
02/07/2017	Human Arc Corporation	Centauri Health Solutions	-	-	-	Healthcare enrollment, outreach, and revenue cycle services
01/12/2017	Etransmedia Technology, Inc.	Formativ Health	-	-	-	Provider of medical billing and coding and RCM
01/11/2017	Transpirus LLC	The Corridor Group	-	-	-	BPO and consulting firm specializing in the home health and hospice industry
01/09/2017	Revenue Management Solutions, LLC	Thompson Street Capital Partners LP	-	-	-	RCM solutions
11/25/2016	Constellation Healthcare Technologies, Inc.	CC Capital Management, LLC	301	3.0x	8.5x	Outsourced RCM, practice management, physician group purchasing services
11/17/2016	Andreima, Inc.	nThrive	-	-	-	Patient-centered, clinically-integrated RCM services
11/07/2016	RevSpring, Inc.	GTCR, LLC	400	-	-	Revenue acceleration and AR management software
10/27/2016	HealthMEDX	Netsmart Technologies	39	-	-	Provider of home care, long-term care and rehab software solutions
10/06/2016	Convey Health Solutions	New Mountain Capital, LLC; Eir Partners	-	-	-	Healthcare technology and business process outsourcing
10/03/2016	MediGain	Medical Transcription Billing, Corp. (NasdaqCM: MTBC)	7	0.7x	-	RCM services and analytics for the healthcare industry
09/23/2016	VEGA Medical	Constellation Healthcare Technologies, Inc.	24	1.5x	30.0x	RCM business focused on hospital and practicing physician groups
09/12/2016	Anthelio Healthcare Solutions Inc.	Atos SE (ENXTPA:ATO)	275	1.4x	-	Application management, IT infrastructure and RCM services

RCM / Medical Billing Precedent Transactions (cont.)

(\$USD in MM)

Date Announced	Target	Acquirer	TEV	Enterprise Value to LTM		Target Product / Service Offerings
				Revenue	EBITDA	
07/27/2016	Physician Billing Partners	MedStreaming LLC	-	-	-	RCM services
07/01/2016	WFS Medical Professionals	Medical Transcription Billing, Corp. (NasdaqCM: MTBC)	-	-	-	RCM services for hospitals
06/28/2016	Change Healthcare (Except pharmacy switch and prescription routing business)	McKesson Corporation/ Change Healthcare	\$ 6,360	4.0x	15.7x	Healthcare information technology company engaged in RCM and clinical communication solutions to payers
06/15/2016	Navicare, Inc.	Bain Capital LLC	-	-	-	Provider of claims management and RCM solutions
06/13/2016	Cardon Outreach, LLC	MEDNAX Inc.	400	-	11.1x	Third party eligibility and patient account management services for hospitals
06/01/2016	Expert Global Solutions, Inc.	Alorica Inc.	-	-	-	Business process outsourcing to a variety of industries
05/16/2016	Ensemble Health Partners	Mercy Health	60	-	-	RCM management and consulting services
05/02/2016	Renaissance Physician Services	Medical Transcription Billing, Corp. (NasdaqCM: MTBC)	-	-	-	RCM services
03/25/2016	NAPA Management Services Corporation	North American Partners in Anesthesia	-	-	-	Practice management and administrative services
03/21/2016	Billing Solutions	Syncordia Technologies and Healthcare Solutions	10	1.4x	-	Behavioral health billing services
03/18/2016	Healthcare Billing Systems, Inc.	Ancor Capital Partners; Yukon Partners Management, LLC	-	-	-	Provides emergency billing, coding, AR management and data analytics solutions
03/03/2016	Bottom Line Systems, Inc.	Riverside Partners, LLC	-	-	-	RCM technology and related services
03/02/2016	ClaimRemedi, Inc.	eSolutions, Inc	-	-	-	Provider of billing system and clearinghouse services
02/25/2016	G4 Health Systems	Ability Network Inc	-	-	-	RCM applications, API services, SaaS solutions
02/15/2016	Gulf Coast Billing	Medical Transcription Billing, Corp. (NasdaqCM: MTBC)	2	-	-	Medical billing services

	TEV	Enterprise Value to LTM	
		Revenue	EBITDA
Mean	\$730	3.3x	17.5x
Median	\$164	2.7x	15.7x