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### Ingenix: Four Recent Acquisitions to Watch

If you were reading the news about healthcare information technology mergers and acquisitions over the past few months, you were probably reading about Ingenix. The company, consistent with its history of building its product portfolio via acquisition, acquired four companies that serve the provider health IT market. According to Ingenix, the company now obtains approximately 50% of its revenue from the provider market, making it a significant provider vendor, despite its historical positioning in the payer space and its ownership by UnitedHealth Group. The Ingenix acquisitions during the summer and early fall of 2010 included A-Life Medical, Picis, Axolotl and Executive Health Resources.

These three most recent acquisitions add to the Ingenix solution portfolio and begin to pull together a suite of provider solutions for the company, which historically has been perceived as mainly serving payers as its primary target market. The acquired companies include:

- **Picis.** The acquisition of Wakefield, Massachusetts-based Picis was announced in July, 2010. The Picis acquisition adds a high-acuity electronic medical record (EMR) solution used in hospital emergency departments, surgical suites, and intensive care units to Ingenix's solution portfolio.
- **Axolotl.** The acquisition of San Jose, California-based Axolotl Corp. was completed on August 16, 2010. Founded in 1995, Axolotl is one of the early pioneers of clinical messaging technology and targets health information exchange (HIE) initiatives ranging from 100-bed hospitals with ambulatory physicians to statewide HIEs.
- **Executive Health Resources.** The acquisition of Newtown Square, Pennsylvania-based Executive Health Resources was announced on August 4, 2010. Executive Health Resources provides medical necessity compliance and physician medical management solutions to hospitals.
- **A-Life Medical.** The acquisition of San Diego, California-based A-Life Medical was announced on September 21, 2010. A-Life Medical is a provider of computer-assisted coding solutions for billing providers, practices and other providers, and its products are expected to complement Ingenix's existing coding products, and ease the transition from ICD-9 to the ICD-10 codeset for medical documentation. The transition from ICD-9 to ICD-10 will be required for providers by October 2013.

The four most recent acquisitions add to others by Ingenix over the course of the past 12 months including QualityMetric, a patient reported outcomes consultancy that serves the life science market and which was acquired in March 2010, and CareMedic, a provider of revenue cycle management solutions to hospitals and health systems which was acquired in November 2009. The 2007 acquisition of LighthouseMD was also an important milestone for Ingenix, as it marked Ingenix's entry into the provider applications market with the SaaS-based ambulatory EMR that is now marketed as CareTracker. Other acquisitions since 2007 and the recent surge have served to enhance and build a position for Ingenix across the spectrum of provider applications and care settings, and to position the company well to leverage opportunities from healthcare reform and accountable care organizations in particular. According to Ingenix, most of the provider customers of the newly acquired companies, as well



as the existing Ingenix applications in the provider space, will count its parent company, UnitedHealth Group, among their payer base.

How important will Ingenix products be to your provider applications portfolio? For a full discussion of the Ingenix acquisitions and analyst commentary on their implications, an IDC Health Insights Perspective is available at [www.idc-hi.com/getdoc.jsp?containerId=HI224901](http://www.idc-hi.com/getdoc.jsp?containerId=HI224901). Please feel free to contact me at [jhanover@idc.com](mailto:jhanover@idc.com) with any questions.