

# DISCLAIMER

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# KEY THESIS POINTS

**1**

**AMBULATORY STABILIZATION**

**2**

**INPATIENT ACCELERATION**

**3**

**NEAR THE END OF A NEGATIVE REVISION CYCLE**

# FINANCIAL VALUATION SUMMARY

athenahealth, Inc.

\$ 93.83

Financial and Valuation Summary												
FY16 ends Dec '16	1Q16:E	2Q16:A	3Q16:A	4Q16:E	1Q17:E	2Q17:E	3Q17:E	4Q17:E	2015:A	2016:E	2017:E	2018:E
<b>Hedgeye EPS (\$)</b>	<b>0.34</b>	<b>0.34</b>	<b>0.60</b>	<b>0.64</b>	<b>0.40</b>	<b>0.48</b>	<b>0.58</b>	<b>0.83</b>	<b>1.37</b>	<b>1.93</b>	<b>2.29</b>	<b>3.01</b>
Consensus (\$)	0.34	0.34	0.60	0.50	0.37	0.44	0.62	0.74	1.37	1.79	2.17	2.71
Variance %	0.7%	1.3%	0.3%	26.2%	7.6%	10.1%	-6.2%	12.1%	---	7.4%	5.5%	11.2%
<b>Hedgeye Sales (\$MM)</b>	<b>256.1</b>	<b>261.9</b>	<b>276.7</b>	<b>303.8</b>	<b>296.5</b>	<b>310.8</b>	<b>325.6</b>	<b>352.2</b>	<b>924.7</b>	<b>1,098.5</b>	<b>1,285.1</b>	<b>1,507.1</b>
Consensus (\$MM)	256.1	261.9	276.7	303.3	298.2	313.3	324.7	354.6	924.7	1,098.1	1,286.6	1,485.1
Business Services*	234.6	242.5	252.7	277.6	275.4	291.9	302.2	326.6	833.8	1,007.4	1,243.7	1,341.9
Implementation and other	5.6	4.9	6.6	6.1	5.6	4.9	6.6	6.1	23.1	23.1	23.1	23.1
Epocrates	13.0	11.6	14.4	17.0	13.0	11.6	14.4	17.0	52.3	56.0	56.0	56.0
Arsenal	3.0	3.0	3.0	3.0	2.5	2.5	2.5	2.5	15.6	12.0	10.0	8.0
<b>Net Physician Additions</b>												
athenaCollector	1,816	1,528	3,829	2,145	1,684	1,647	3,951	1,959	9,854	9,318	9,242	9,415
athenaClinical	1,302	1,180	2,090	1,373	1,301	1,301	2,669	1,574	6,056	5,945	6,845	6,633
athenaCommunicator	1,643	1,489	3,416	1,587	1,470	1,384	3,865	1,734	8,472	8,135	8,454	8,046
<b>Margins</b>												
Gross Margin	62.0%	62.7%	65.0%	65.3%	62.5%	63.2%	64.5%	65.8%	63.5%	63.8%	64.1%	64.6%
EBIT Margin	9.5%	8.9%	15.0%	14.6%	9.4%	10.8%	12.5%	16.6%	10.3%	12.1%	12.5%	14.2%
EBITDA (\$MM)	51.0	51.8	73.9	78.5	61.9	69.4	78.2	98.9	189.1	255.2	308.3	379.4
<b>Multiples</b>												
P/E	---	---	---	---	---	---	---	---	68.5	48.7	41.0	31.2
EV/EBITDA	---	---	---	---	---	---	---	---	20.7	15.3	12.7	10.3
EV/Sales	---	---	---	---	---	---	---	---	4.2	3.6	3.0	2.6

\*Does not include Epocrates

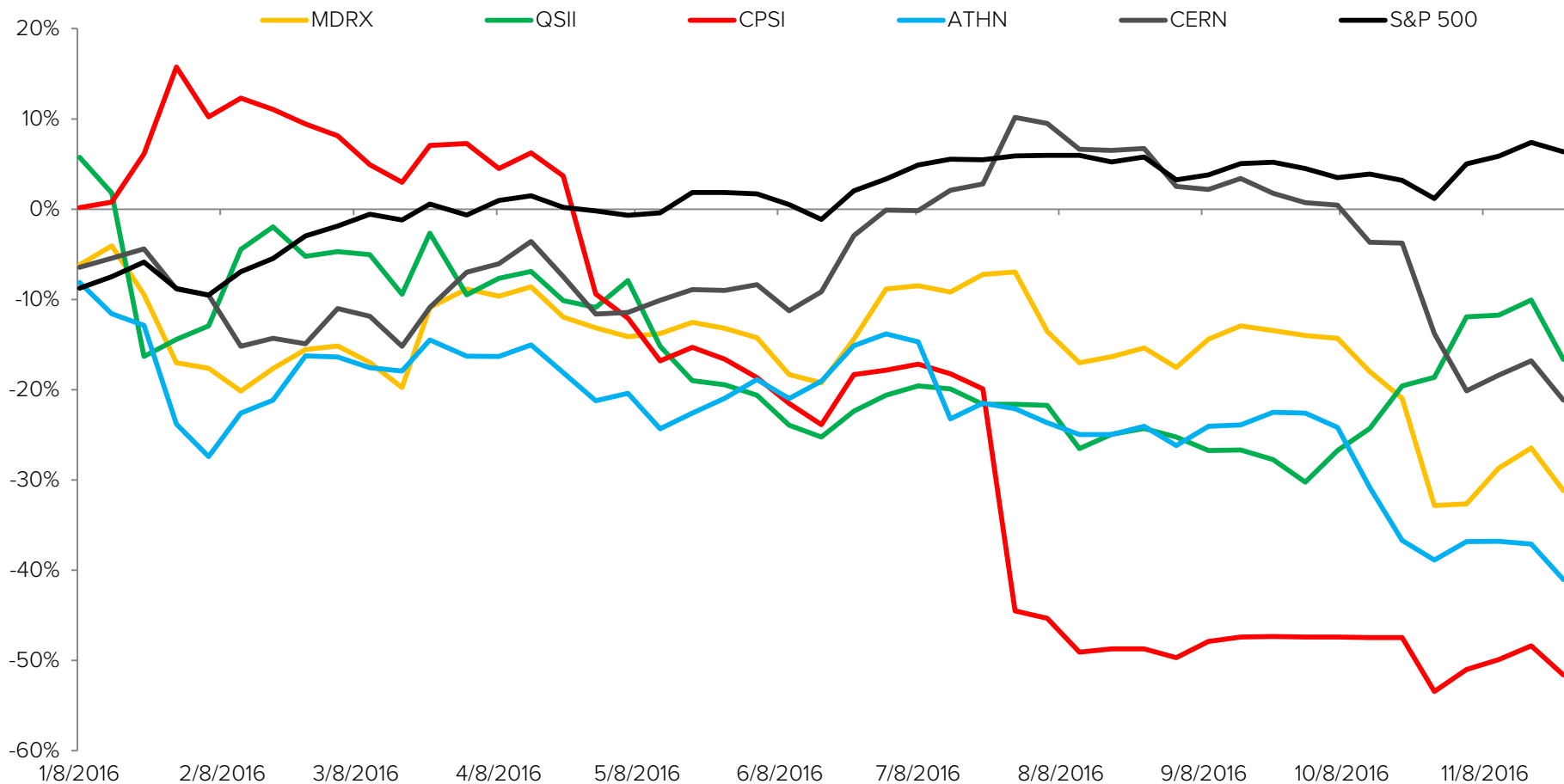
# HEALTHCARE POSITION MONITOR

Sentiment	Investment Ideas - Longs			Trade	Trend	Tail	Sentiment	Investment Ideas - Shorts			Trade	Trend	Tail
Score <sup>1</sup>	<b>LONG</b>						Score <sup>1</sup>	<b>SHORT</b>					
6	<b>ATHN</b>	athenahealth, Inc.		---	---	✓	89	<b>CERN</b>	Cerner Corporation		x	x	x
6	<b>EXAS</b>	Exact Sciences Corporation		✓	✓	✓	81	<b>HOLX</b>	Hologic, Inc.		x	x	x
							59	<b>AMN</b>	AMN Healthcare Services, Inc.		x	x	x
							53	<b>ZBH</b>	Zimmer Biomet Holdings, Inc.		---	x	x
							41	<b>HCA</b>	HCA Holdings, Inc.		x	x	x
							33	<b>MD</b>	MEDNAX, Inc.		x	x	x
							22	<b>QSII</b>	Quality Systems, Inc.		---	---	x
							17	<b>MDRX</b>	Allscripts Healthcare Solutions, Inc.		x	x	x
							1	<b>CPSI</b>	Computer Programs and Systems, Inc.		---	---	x
Sentiment	Long Bench						Sentiment	Short Bench					
Score <sup>1</sup>	<b>LONG</b>						Score <sup>1</sup>	<b>SHORT</b>					
41	<b>ILMN</b>	Illumina, Inc.		---	---	---	97	<b>WOOF</b>	VCA Inc.		---	---	---
56	<b>EVH</b>	Evolent Health Inc Class A		---	---	---	79	<b>LH</b>	Laboratory Corporation of America Holdings		---	---	---
78	<b>ABCO</b>	Advisory Board Company		---	---	---	71	<b>ICLR</b>	ICON Plc		---	---	---
							53	<b>CRL</b>	Charles River Laboratories International, Inc.		---	---	---
							44	<b>MDSO</b>	Medidata Solutions, Inc.		---	---	---
							36	<b>LPNT</b>	LifePoint Health, Inc.		---	---	---
							24	<b>PRXL</b>	PAREXEL International Corporation		---	---	---
							18	<b>Q</b>	Quintiles IMS Holdings, Inc.		---	---	---
							5	<b>DGX</b>	Quest Diagnostics Incorporated		---	---	---
							1	<b>CYH</b>	Community Health Systems, Inc.		---	---	---

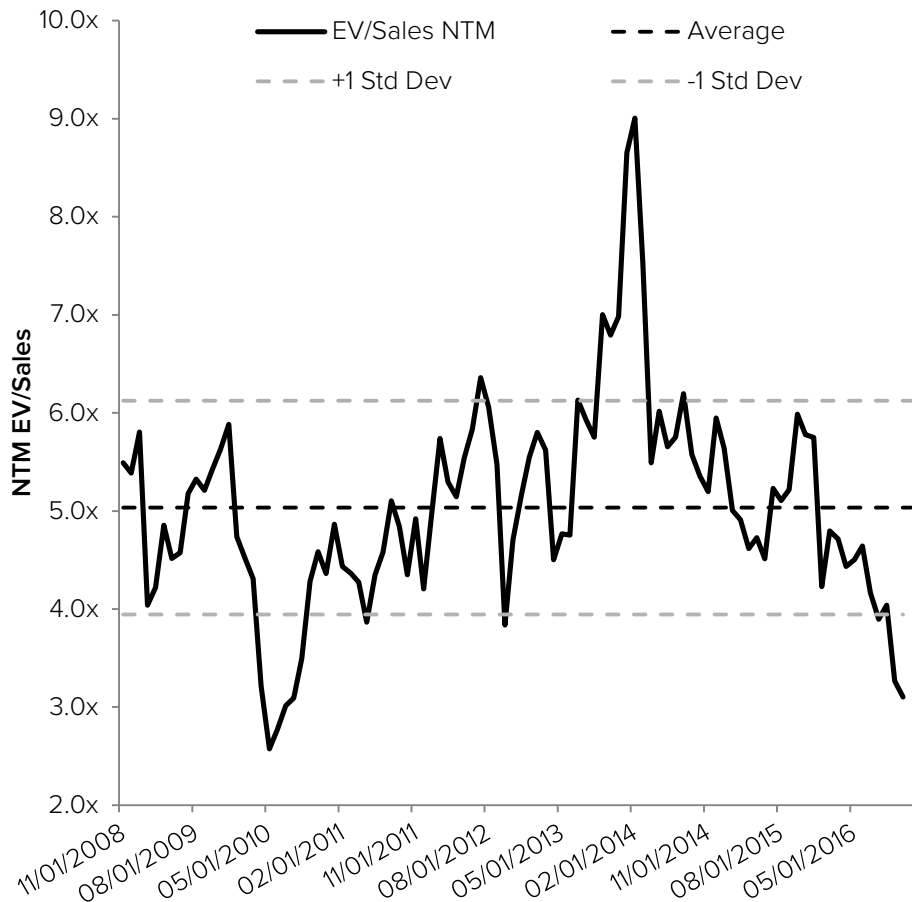
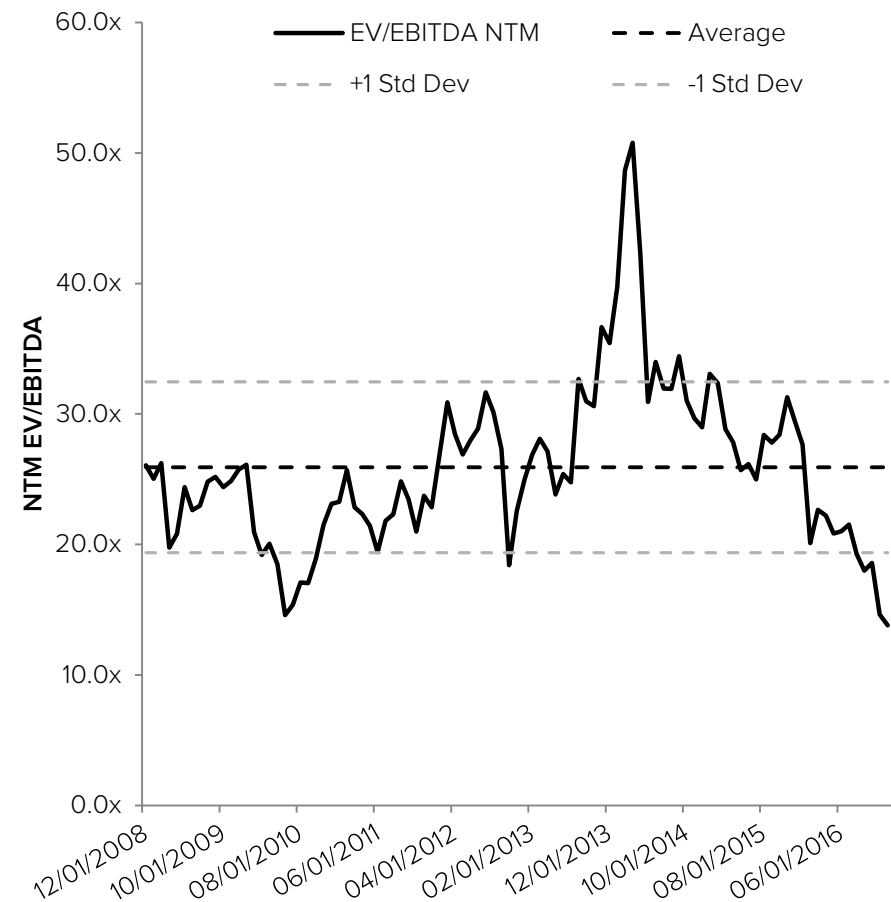
<sup>1</sup>Percentile rank within sub-sector (1 = High Short Interest, Negative Sell Side / 100 = Low Short Interest, Positive Sell Side)

Bench = Timing is not right, or research in progress.

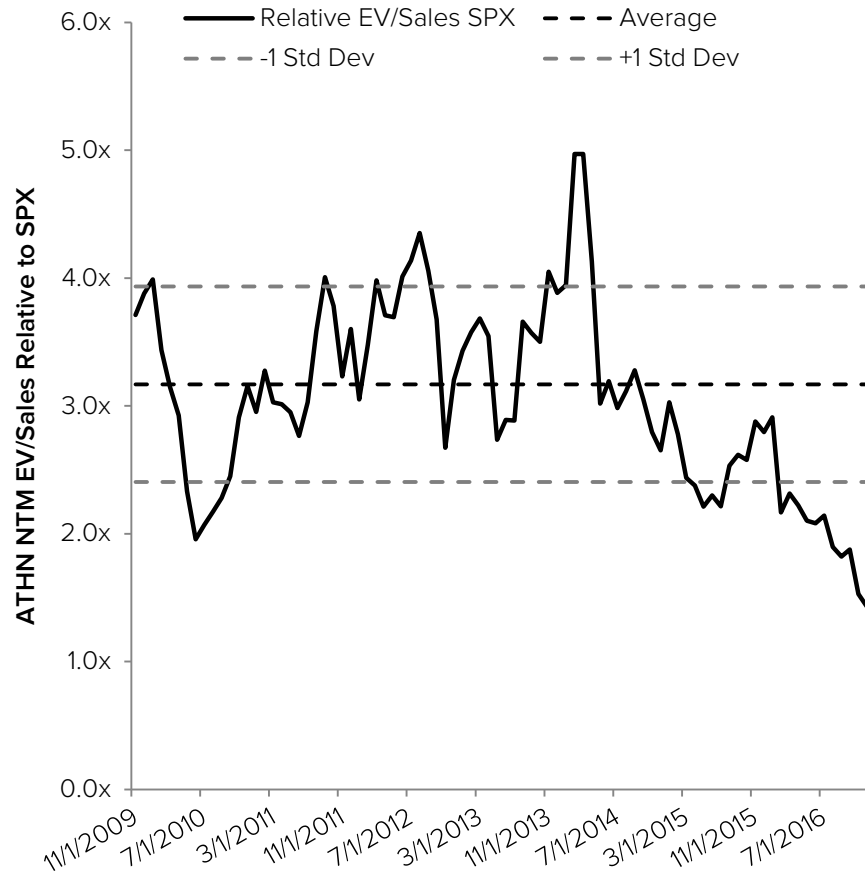
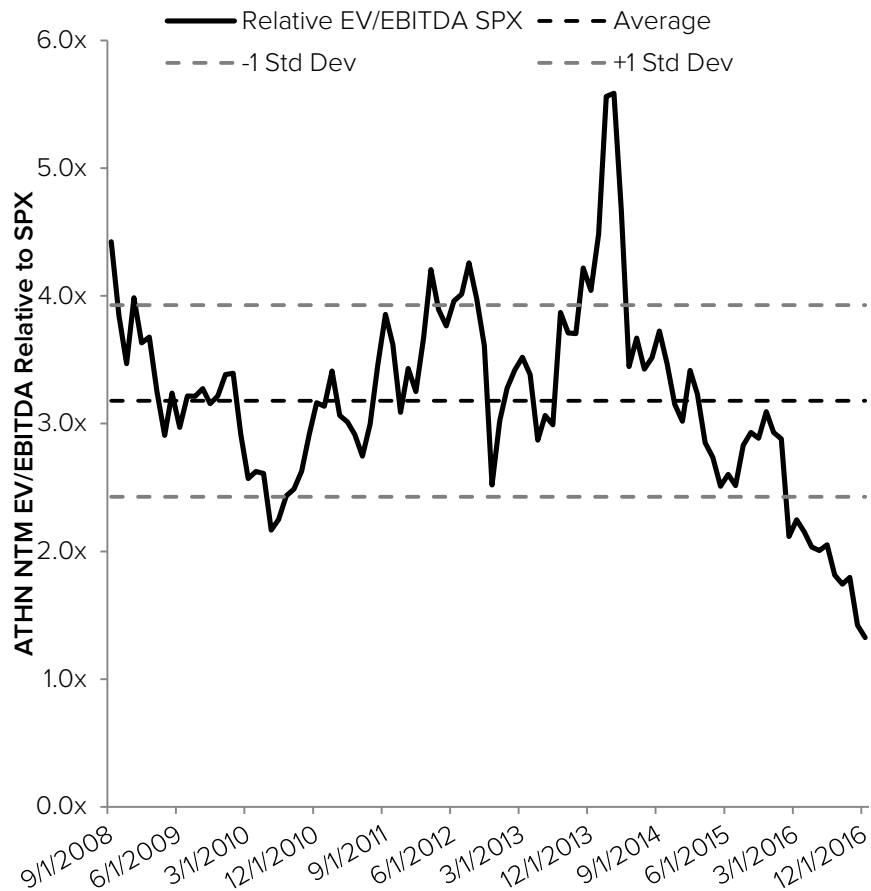
# 2016 TOUGH YEAR FOR HEALTHCARE IT



# VALUATION HITTING NEW LOWS

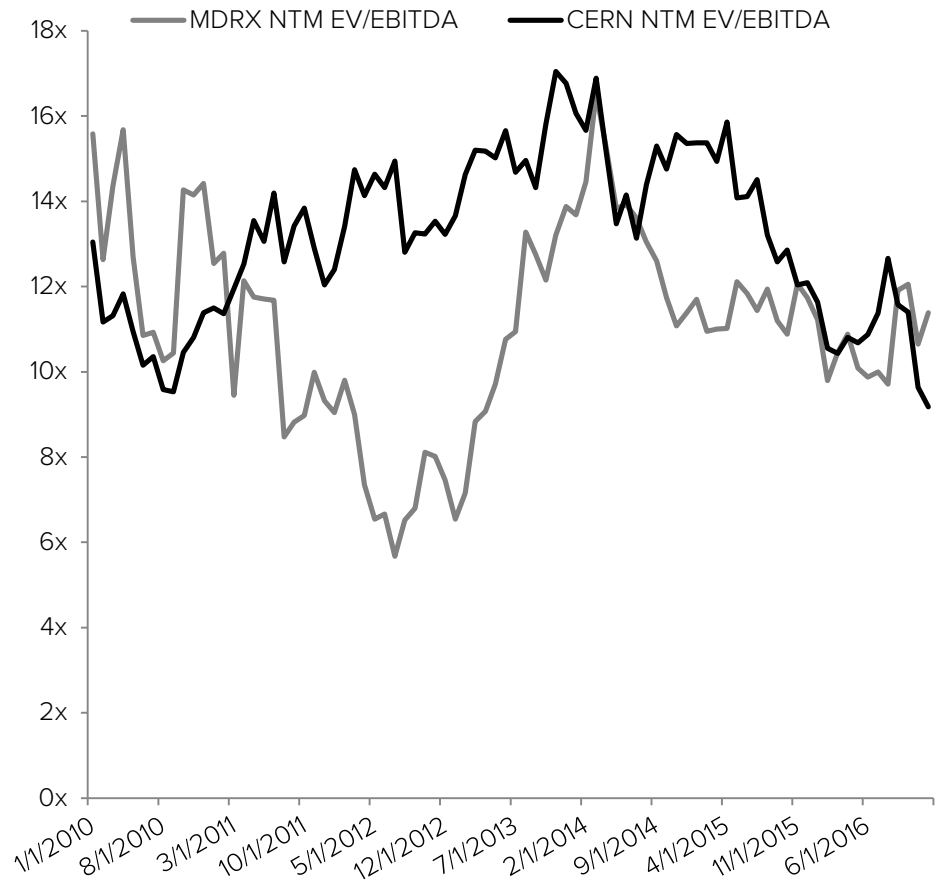
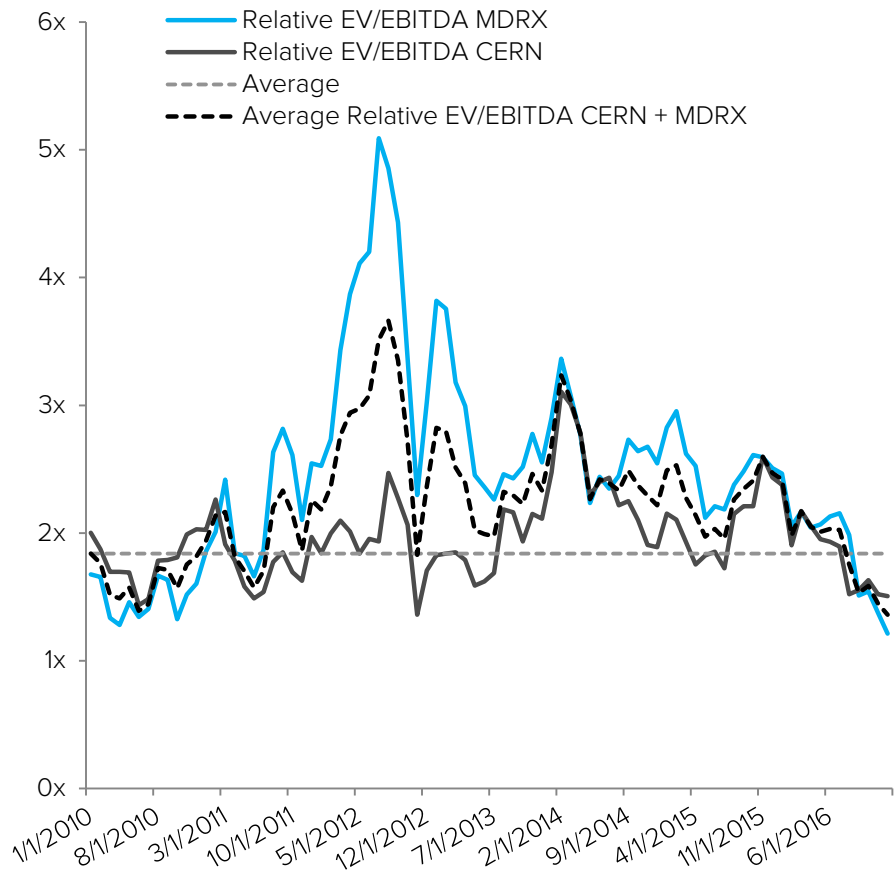


# ATHN PREMIUM RELATIVE TO SPX EVAPORATED

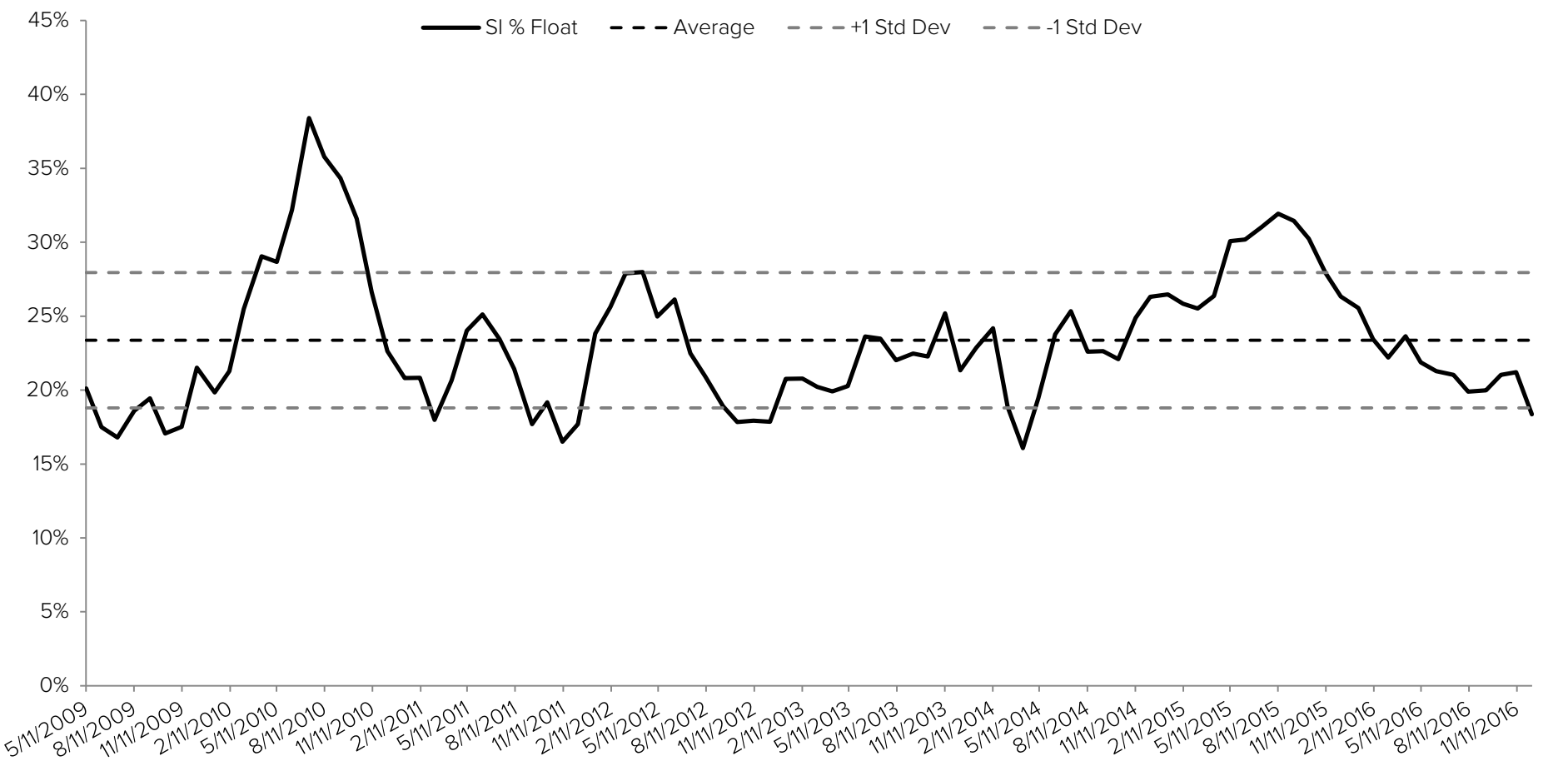




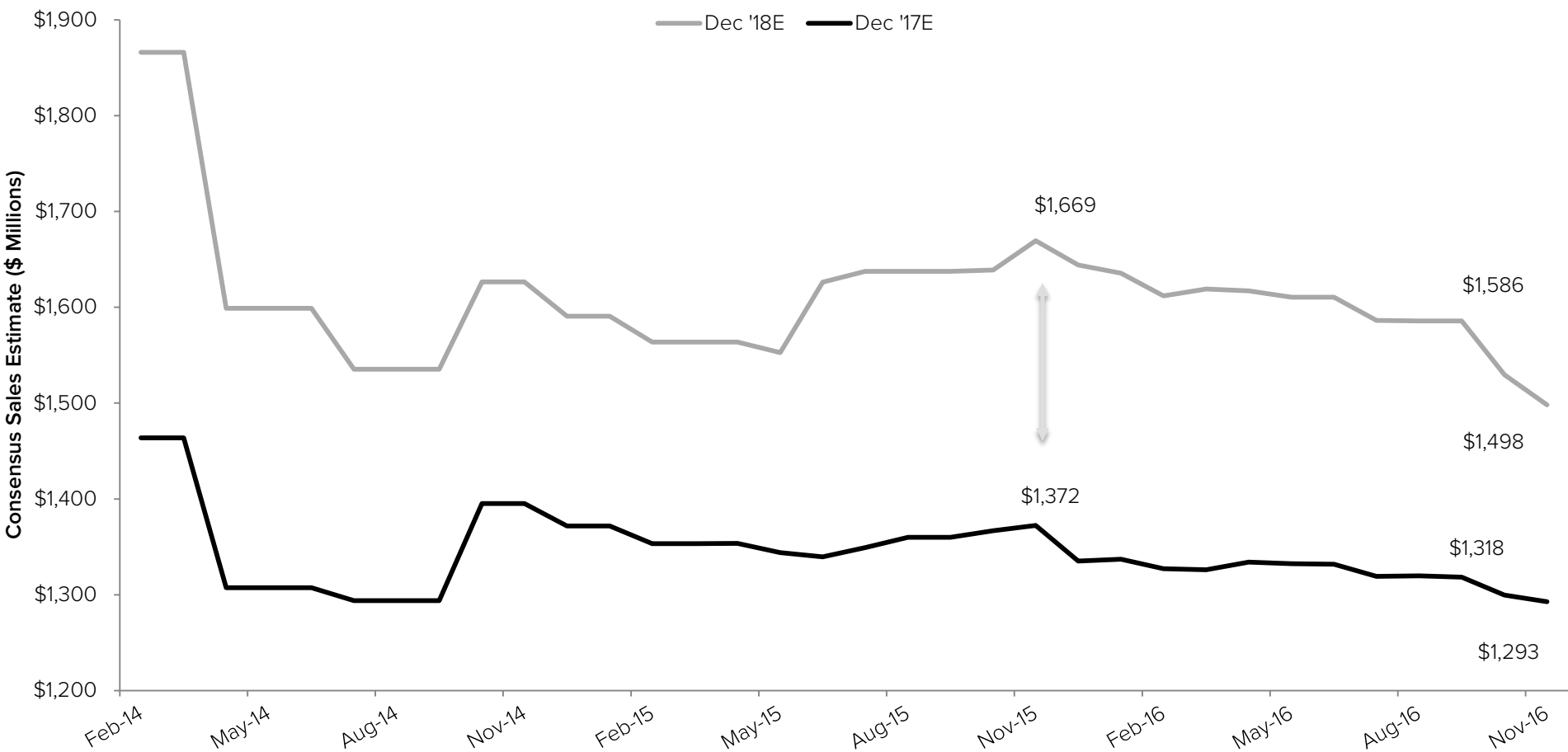
# ATHN PREMIUM RELATIVE TO PEERS EVAPORATING



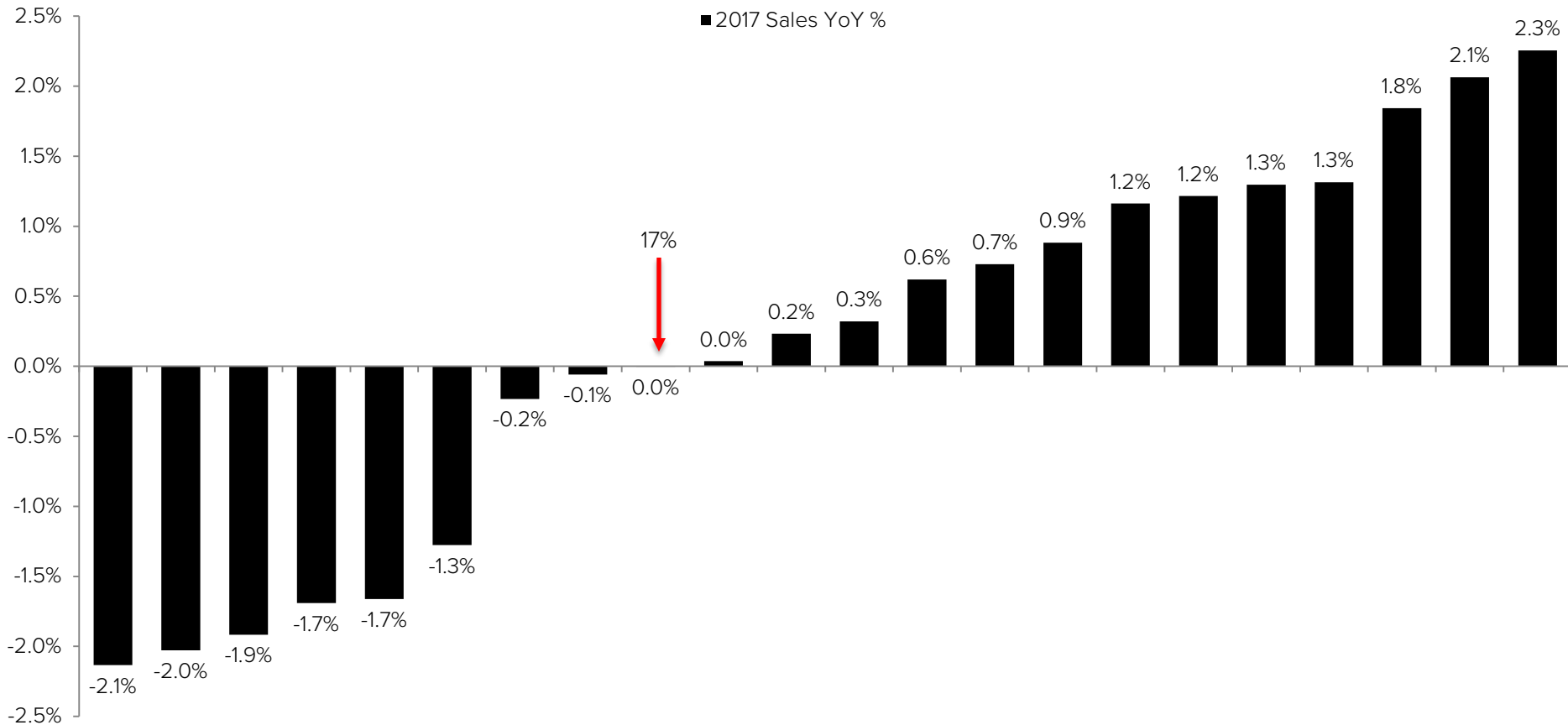
# SHORT INTEREST STILL ELEVATED



# SALES ESTIMATE REVISIONS NEGATIVE



# VARIANCE OF SELL SIDE 2017 GROWTH ESTIMATES



# FISHING FOR 30% UPSIDE IN 2017

2018 EV/EBITDA

2018 EBITDA Growth		11.0x	12.0x	13.0x	14.0x	15.0x	16.0x
	10.0%	\$ 89.5	\$ 98.3	\$ 107.1	\$ 115.9	\$ 124.7	\$ 133.5
	15.0%	93.9	103.1	112.3	121.5	130.7	139.9
	20.0%	98.3	107.9	117.5	127.1	136.7	146.3
	25.0%	102.7	112.7	122.7	132.7	142.7	152.7
	30.0%	107.1	117.5	127.9	138.3	148.7	159.0
	35.0%	111.5	122.3	133.1	143.9	154.6	165.4

**Bear**

-4%

**Base**

34%

**Bull**

78%

2019 EV/EBITDA

2019 EBITDA Growth		11.0x	12.0x	13.0x	14.0x	15.0x	16.0x
	10.0%	\$ 111.7	\$ 122.5	\$ 133.3	\$ 144.1	\$ 154.9	\$ 165.7
	15.0%	117.1	128.4	139.7	151.0	162.3	173.6
	20.0%	122.5	134.3	146.1	157.9	169.7	181.4
	25.0%	127.9	140.2	152.5	164.7	177.0	189.3
	30.0%	133.3	146.1	158.9	171.6	184.4	197.2
	35.0%	138.7	152.0	165.2	178.5	191.8	205.0

**Bear**

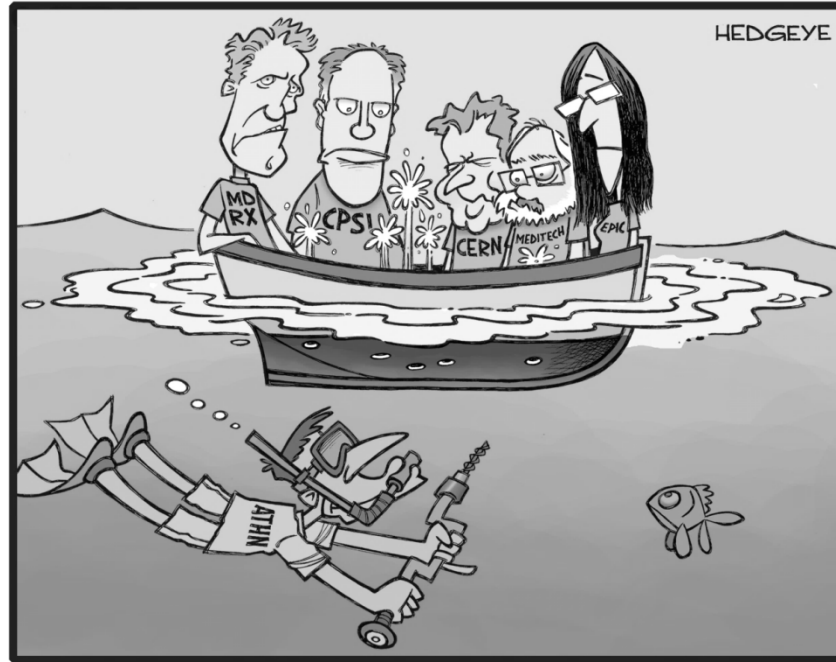
20%

**Base**

67%

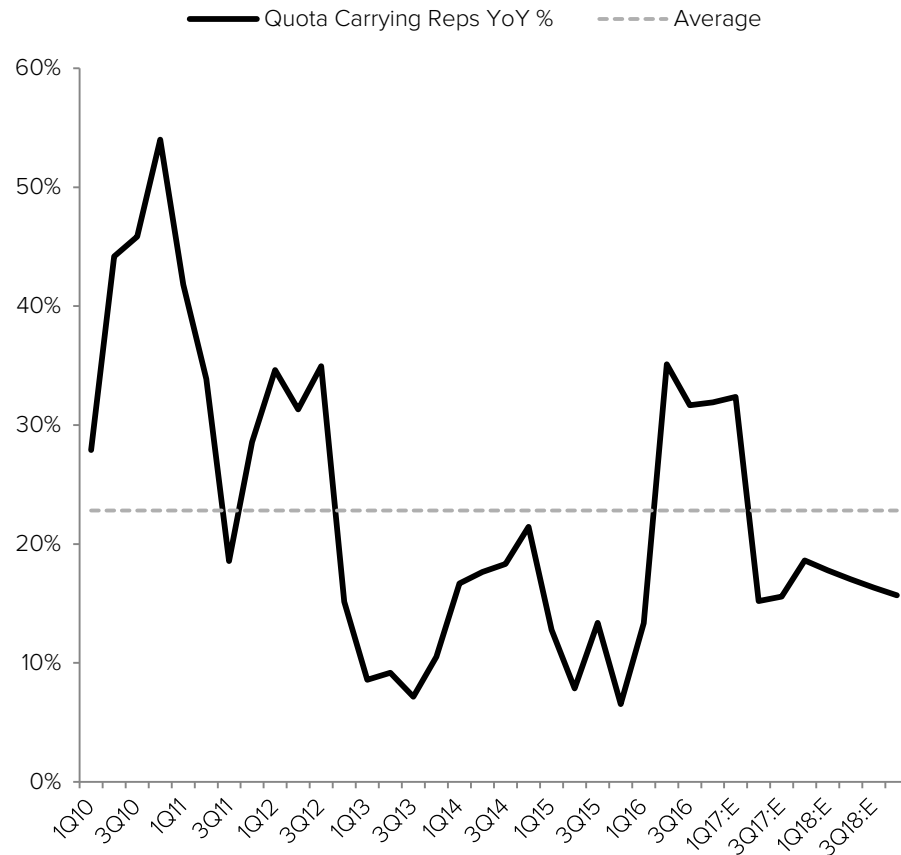
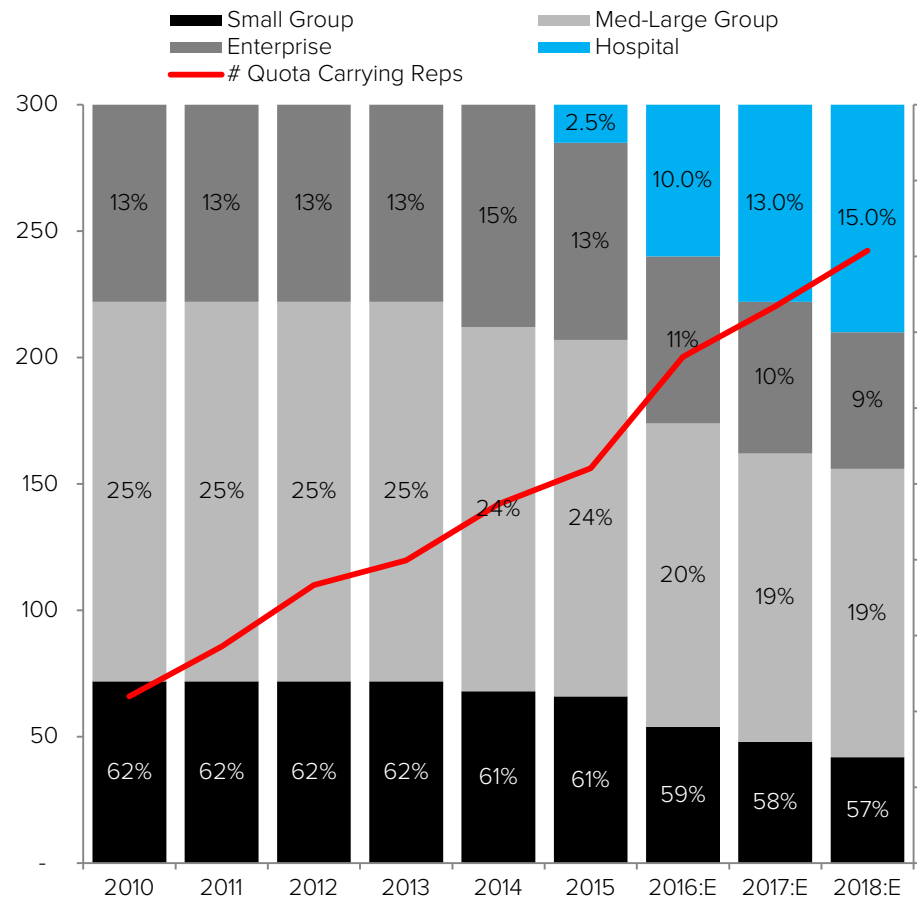
**Bull**

120%



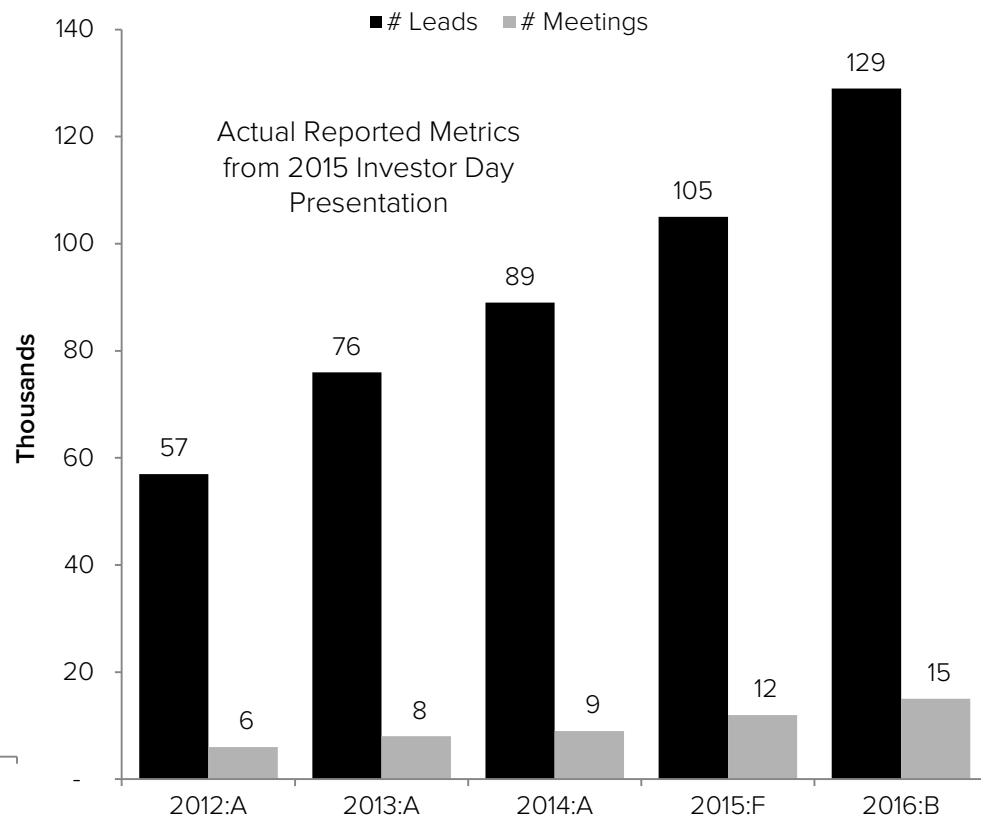
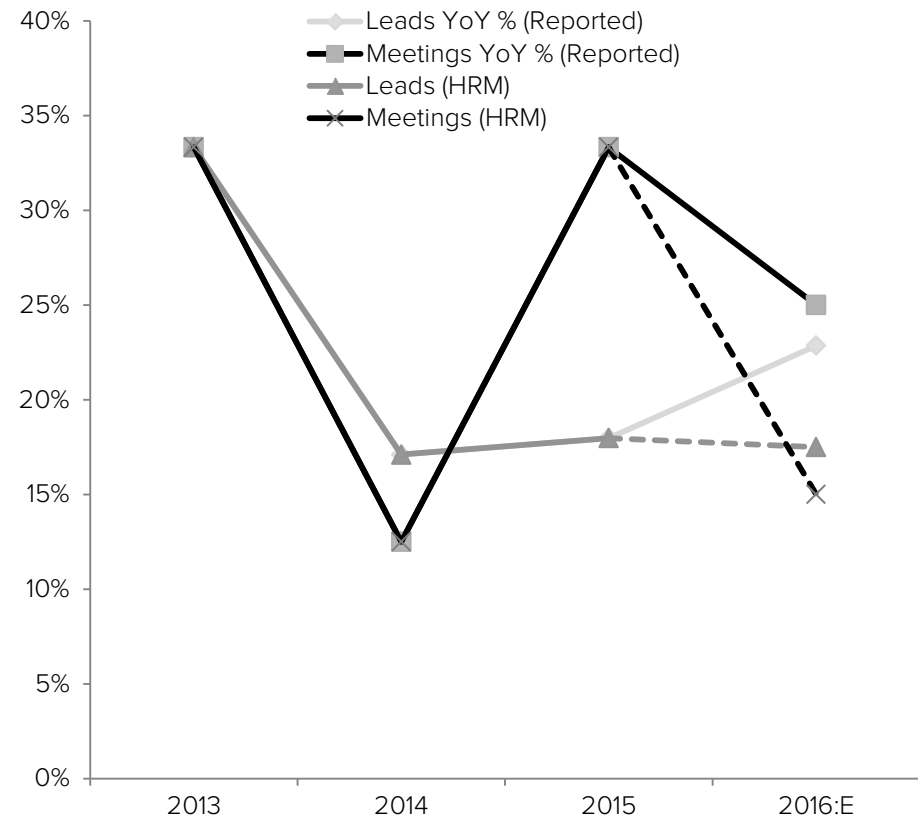
# BOOKINGS ANALYSIS

# QUOTA CARRYING SALES FORCE



# SMALL AND GROUP BOOKINGS DRIVEN BY LEADS

## LOWER LEAD GENERATION FROM CHANNEL PARTNERS





# "LEAD VOLUME AND RESOURCES ARE SCARCE"

Jun 16, 2016

Helpful (4



## "Inside Sales has gone downhill"



Former Employee - Massachusetts in Watertown, MA

☒ Doesn't Recommend

☐ Neutral Outlook

☐ Approves of CEO

I worked at athenahealth full-time (More than a year)

### Pros

Great office, CEO whose passion is infectious, incredible product that offers a lot of benefits to its customers

### Cons

Upper management is out of touch. Decisions are made without understanding what is really going on. Impossible to get promoted unless you are a yes man and follow orders no matter how ridiculous they may seem. Culture is non existent. The inside sales team is driven like a call center. The goals are very unrealistic and are based on what the company "needs" to sell to hit lofty growth goals **even though the necessary lead volume and resources are scarce.**

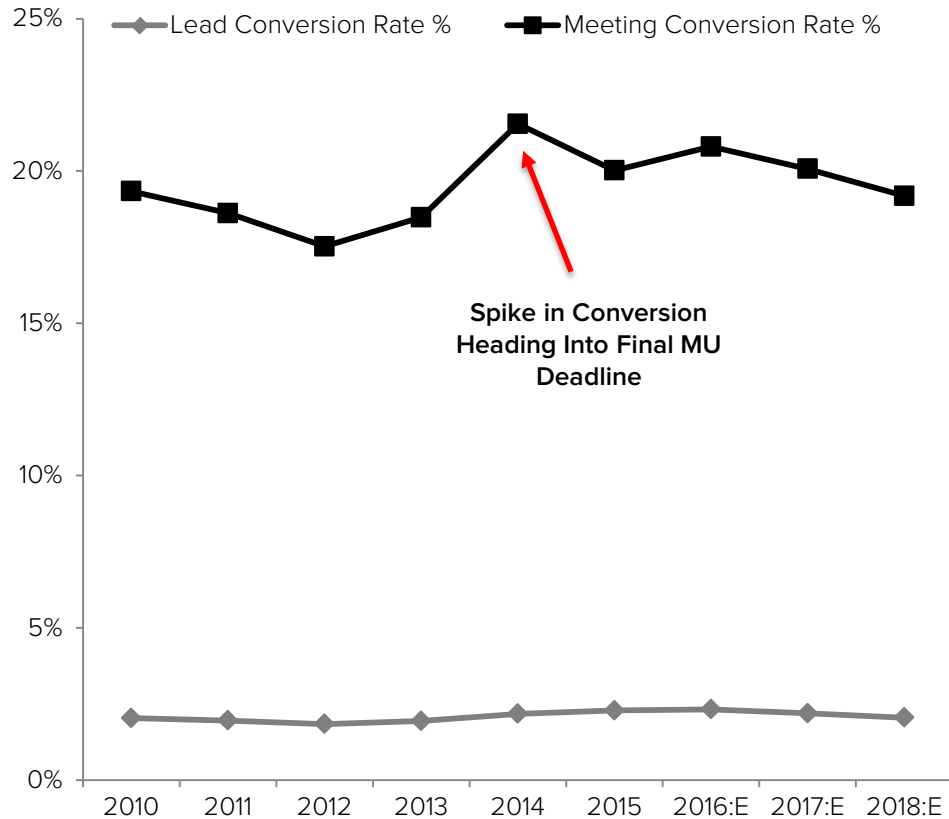
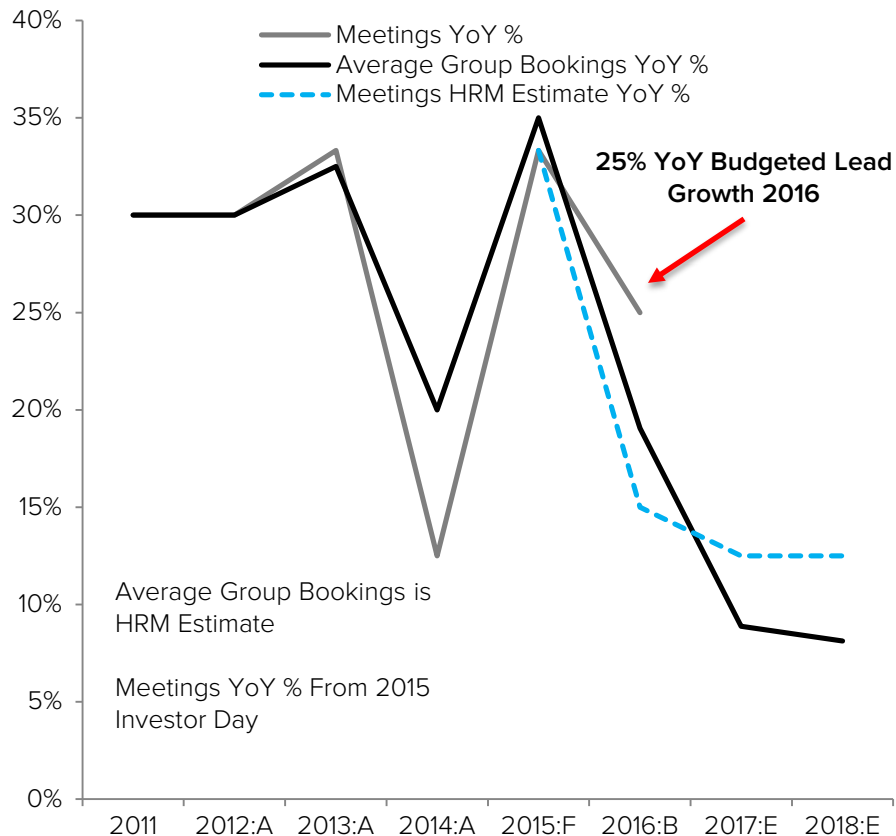
Show Less

### Advice to Management

Give your managers more power. They are essentially puppets to senior management and have zero authority or decision making power. Create a promotion plan to help managers continue to move up the ladder.

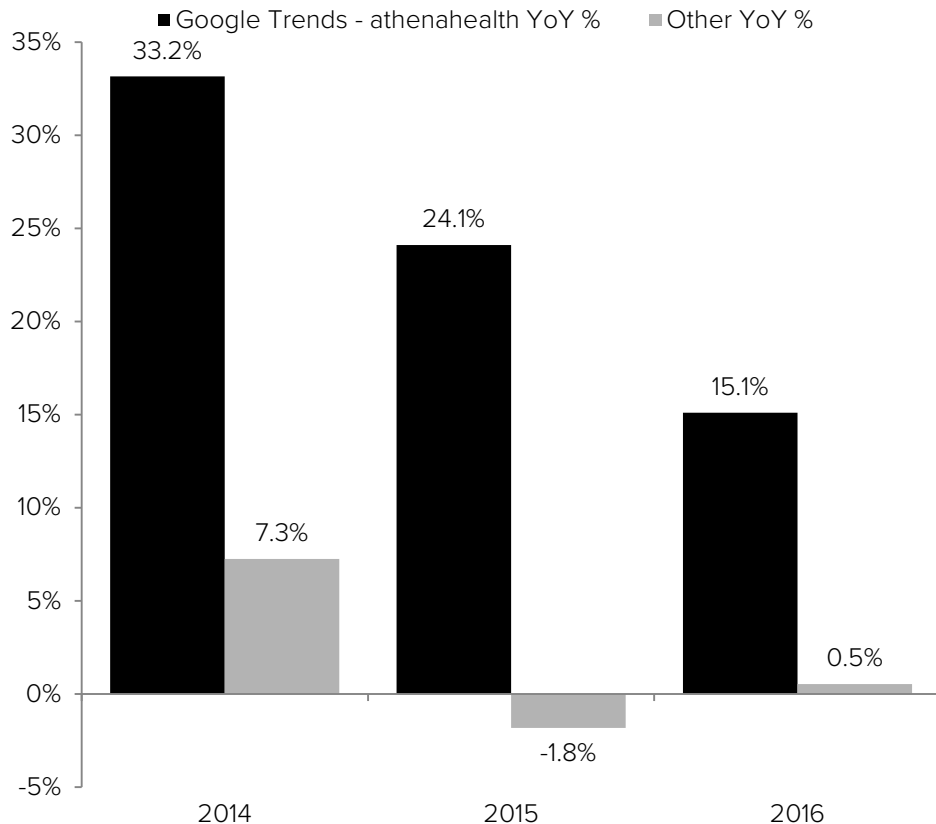
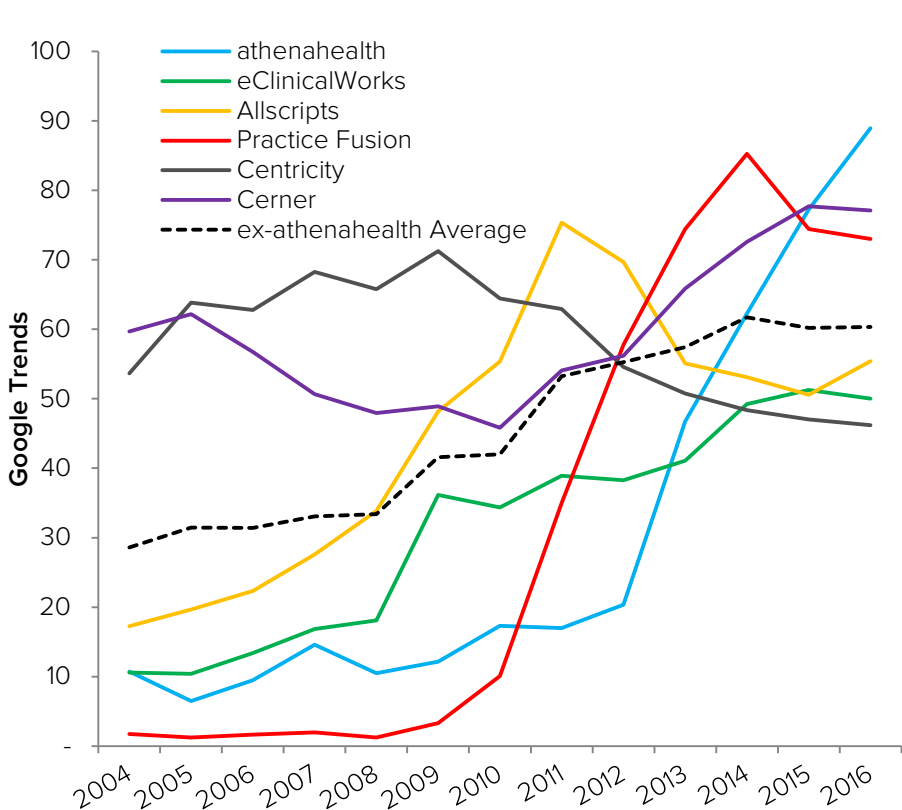
# MEETINGS ARE KEY TO SMALL AND GROUP BOOKINGS

## LACK OF GOVERNMENT MANDATE DRAG ON CONVERSION RATES

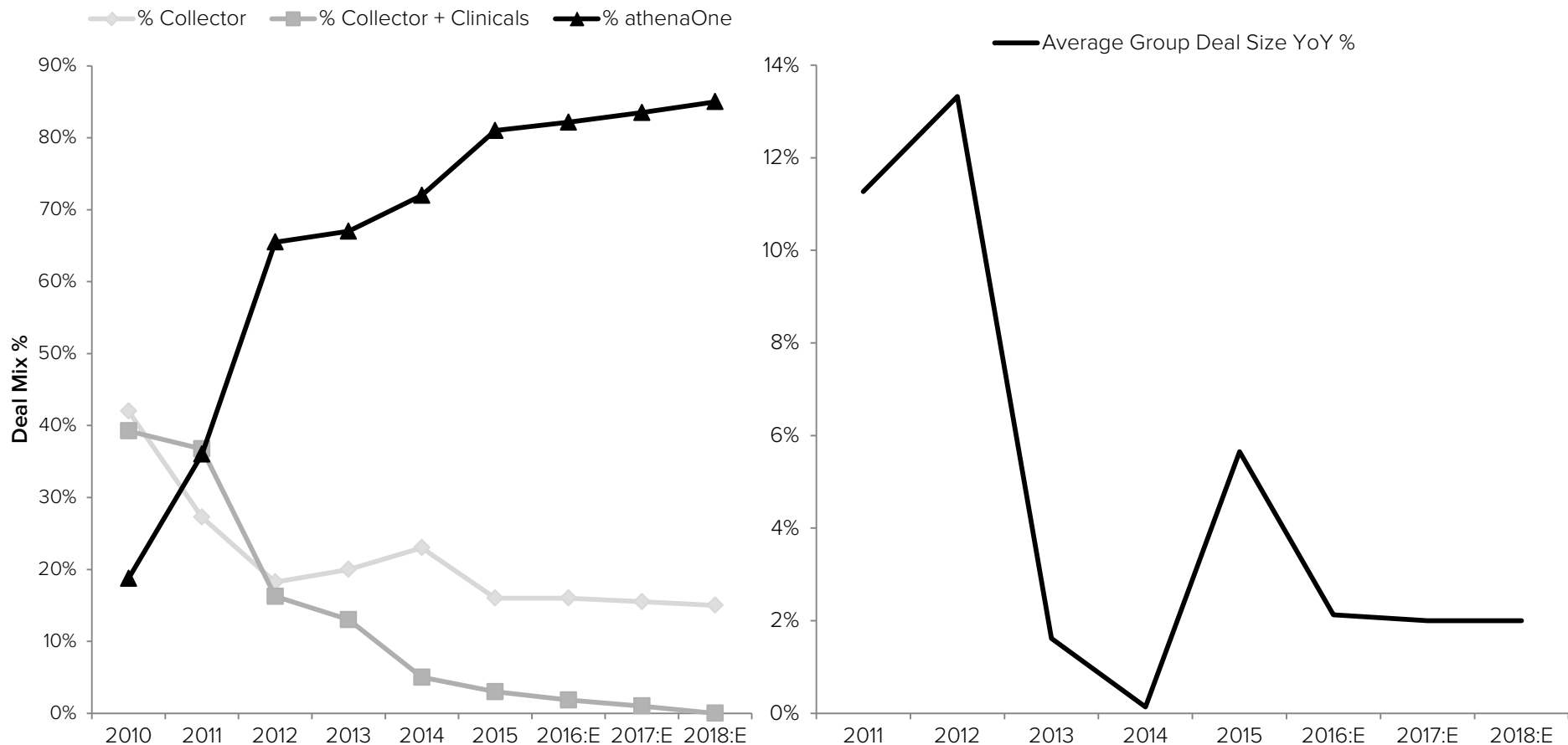


# SUCCESSFUL AT GENERATING AWARENESS

## 2013 WAS A SIGNIFICANT INFLECTION POINT FOR ATHENAHEALTH

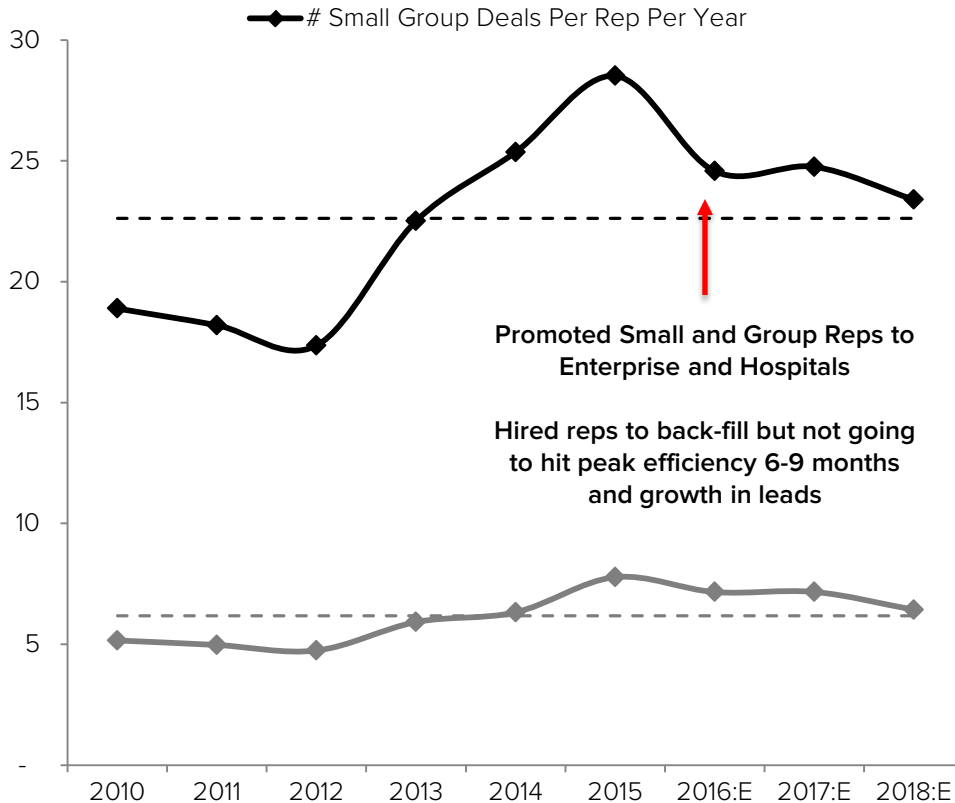
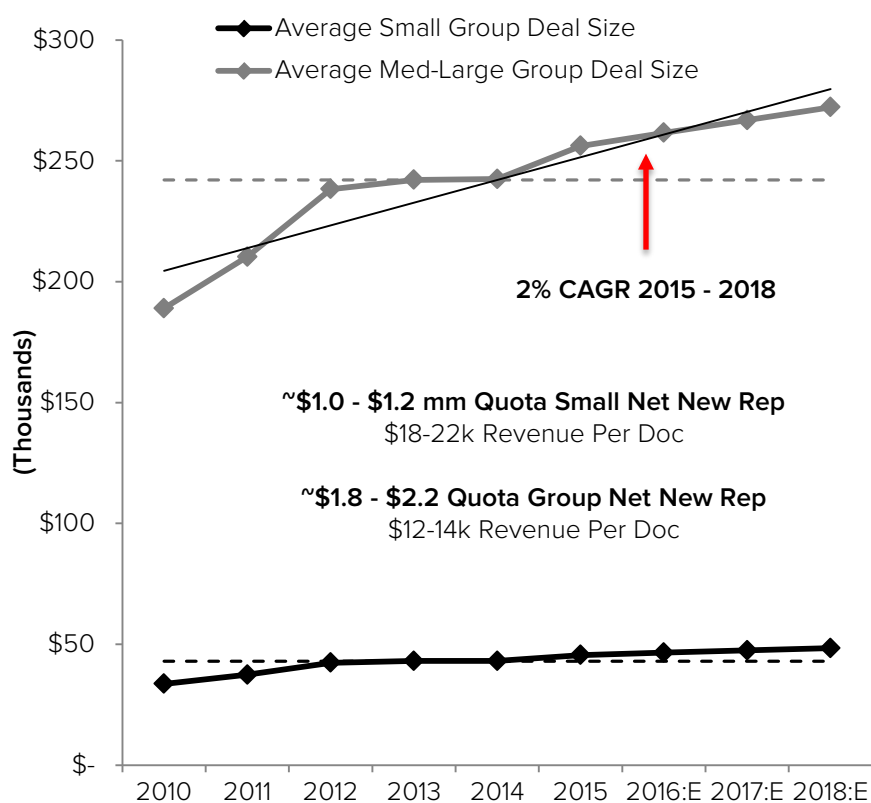


# MIX AND INFLATION DRIVES AVERAGE DEAL SIZE



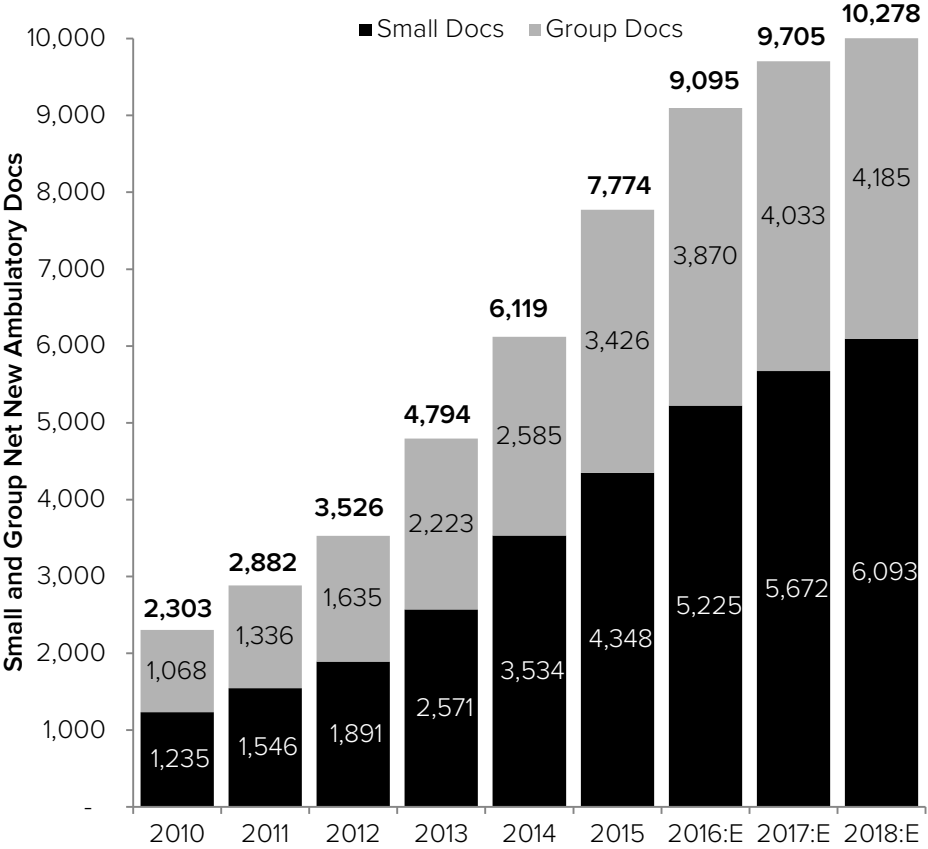
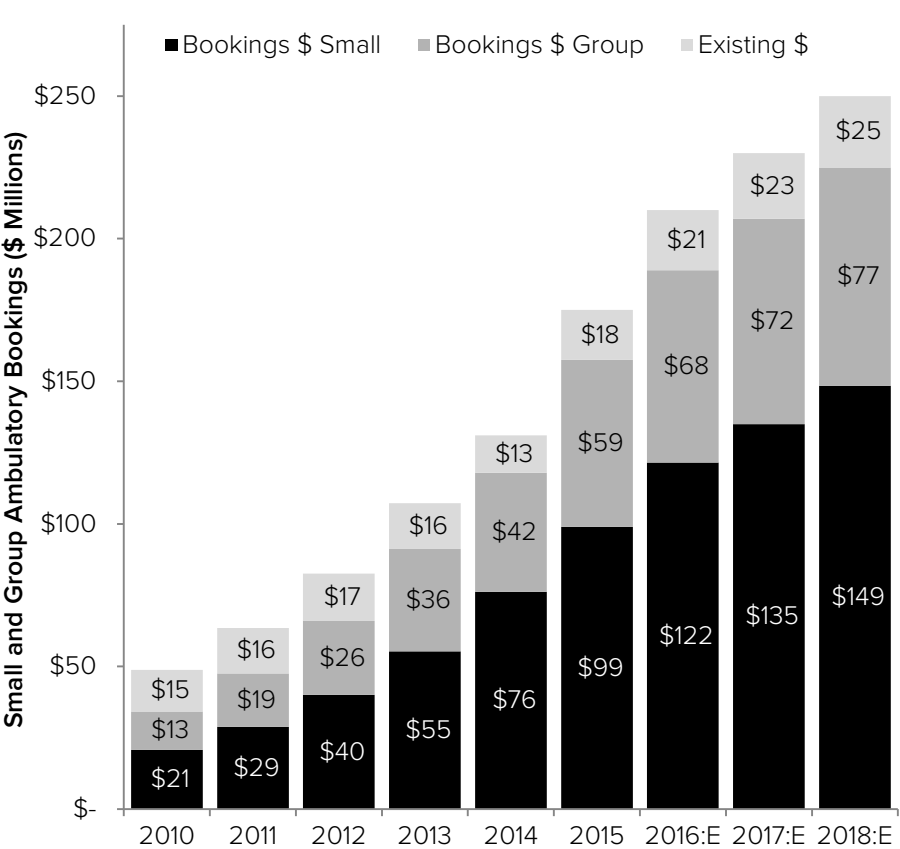
# AVERAGE DEAL SIZE AND NUMBER OF DEALS PER REP

## FORECASTING A MODERATION IN PRODUCTIVITY



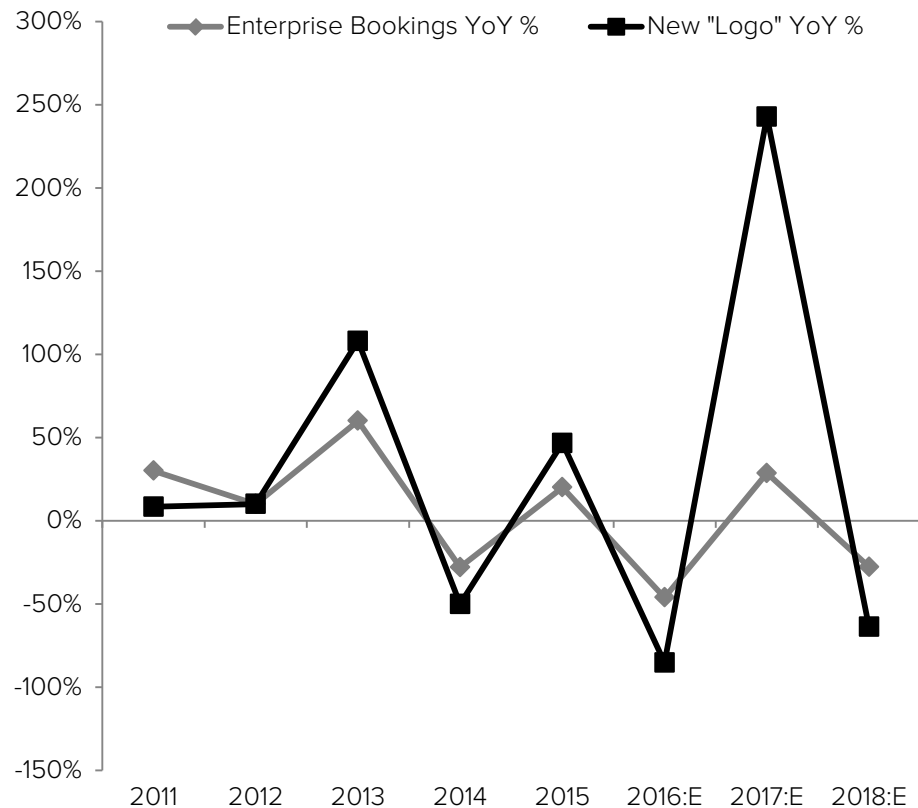
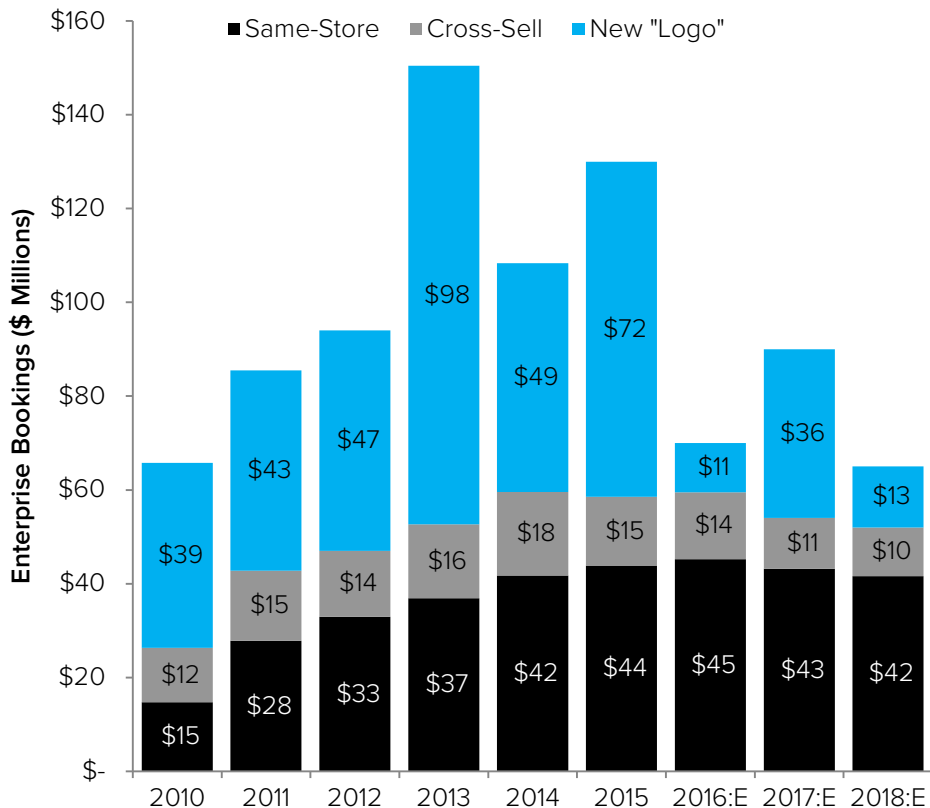
# SMALL AND GROUP BOOKINGS COMPOSITION

## SIGNIFICANT AND RELIABLE CONTRIBUTOR TO GROWTH



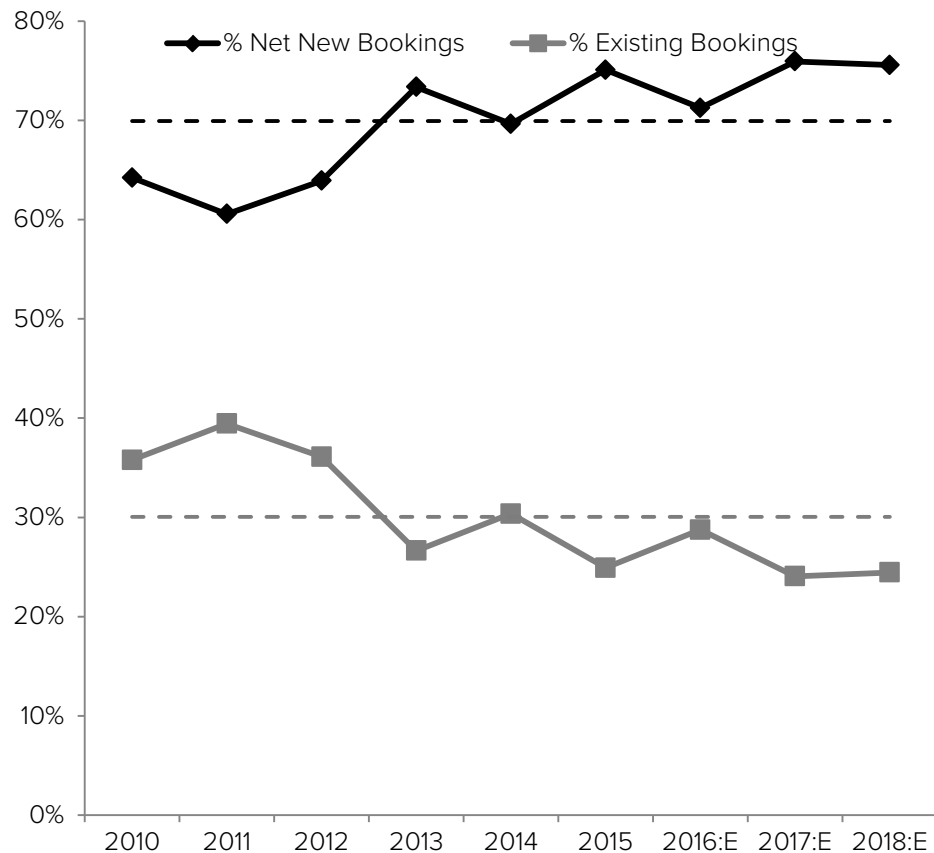
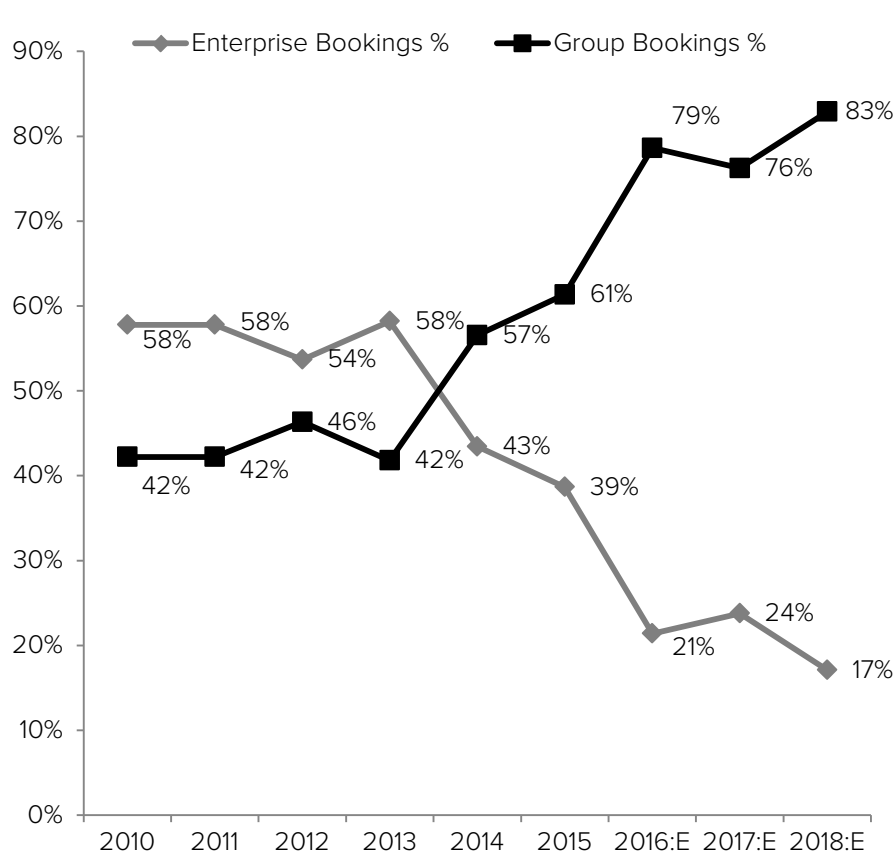
# ENTERPRISE BOOKINGS ARE “BI-POLAR”

## NEW LOGO BOOKINGS -80% YTD; 4Q16 NOT LIKELY TO CHANGE THAT



# ENTERPRISE BOOKINGS SHRINKING AS % OF TOTAL

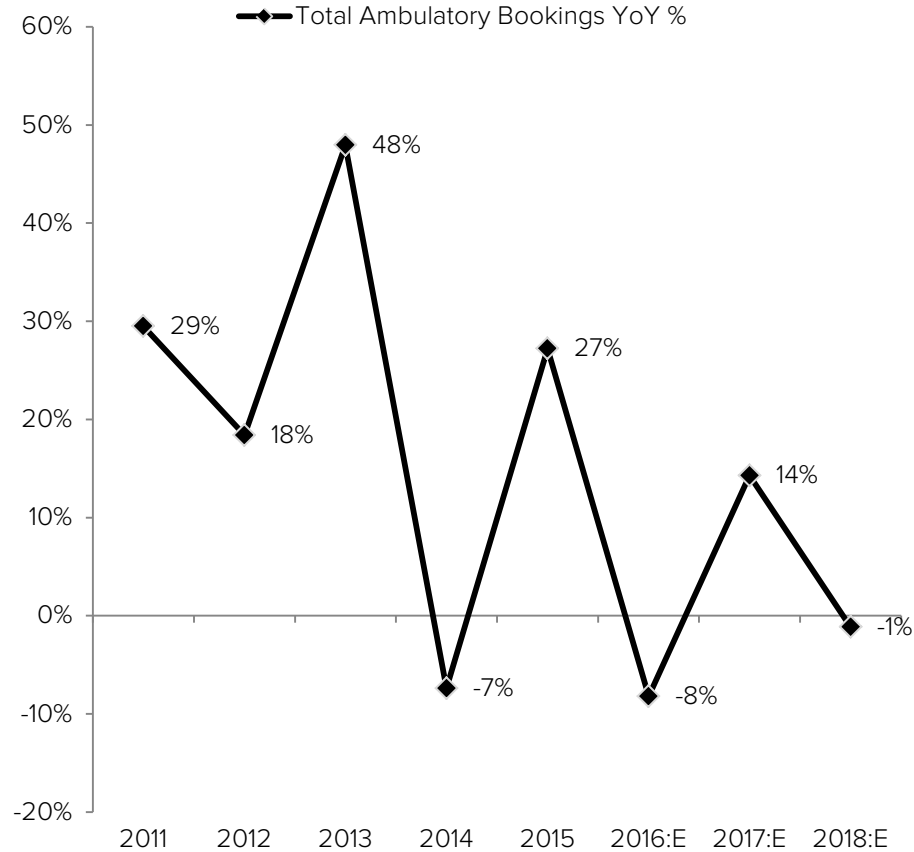
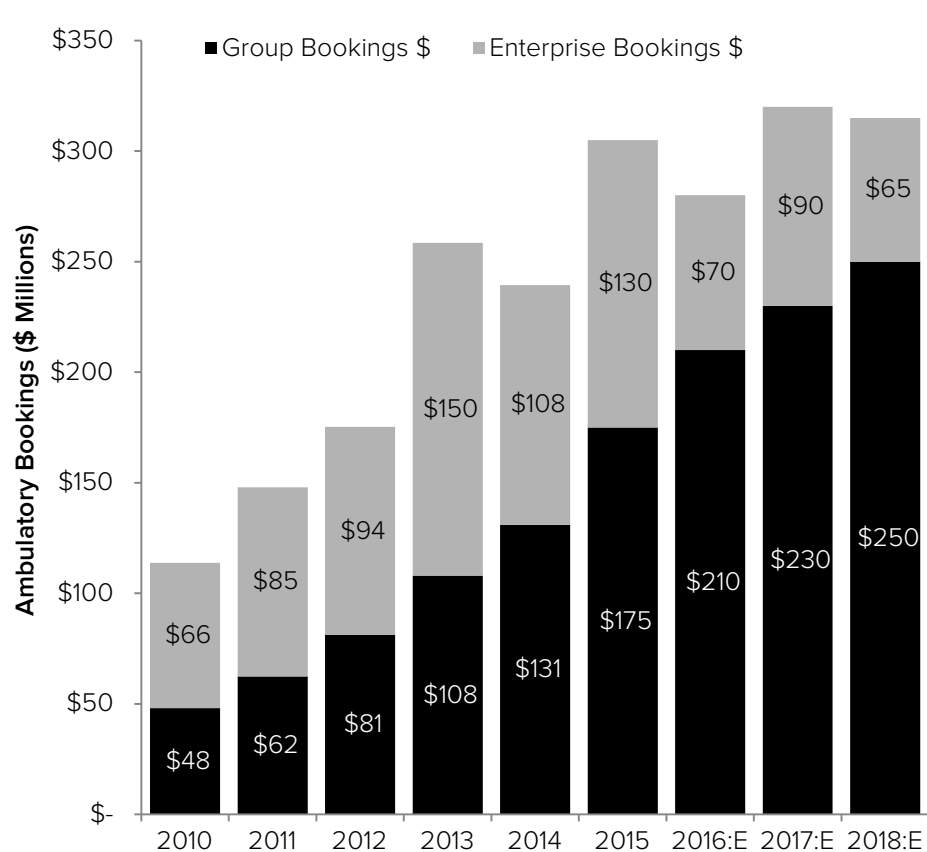
## BUT CAN STILL DRIVE SIGNIFICANT GROWTH ON THE MARGIN





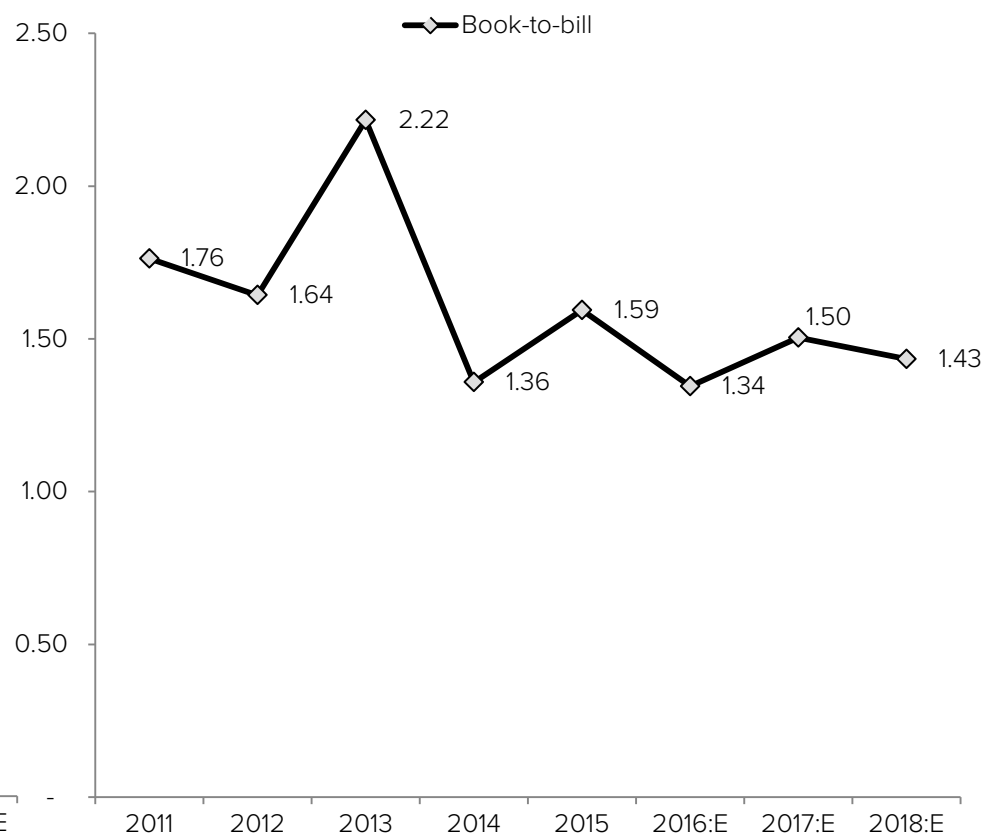
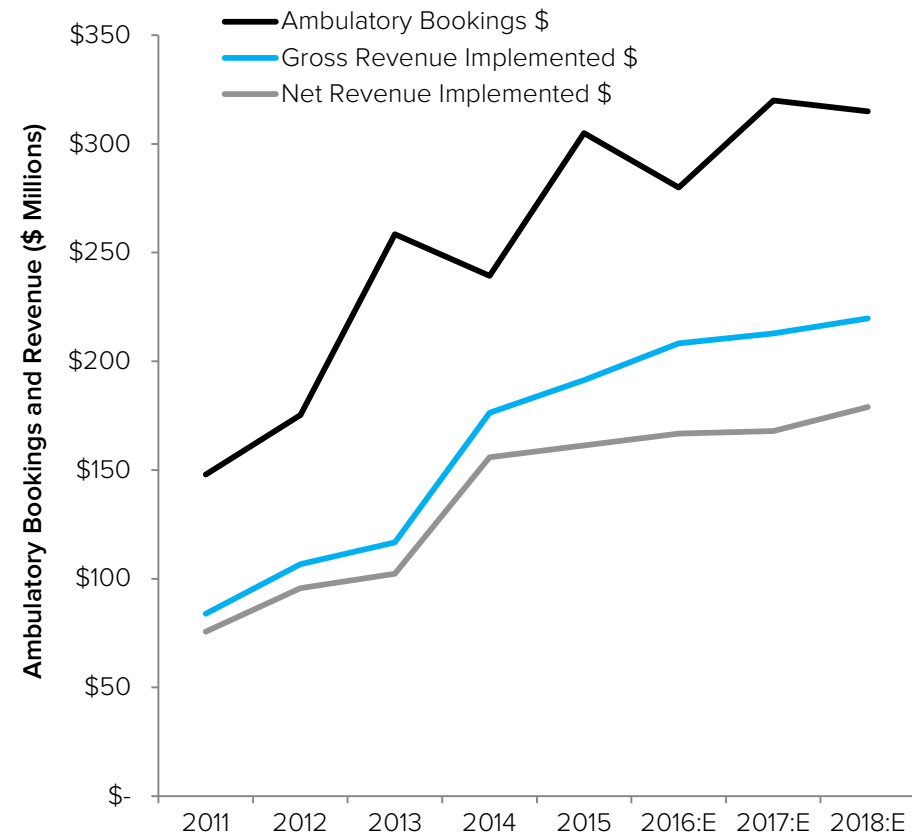
# 2016 AMBULATORY BOOKINGS GROWTH NEGATIVE

**GROUP BOOKINGS +20% YOY; ENTERPRISE BOOKINGS -50% YOY**



# BOOK-TO-BILL FLAT

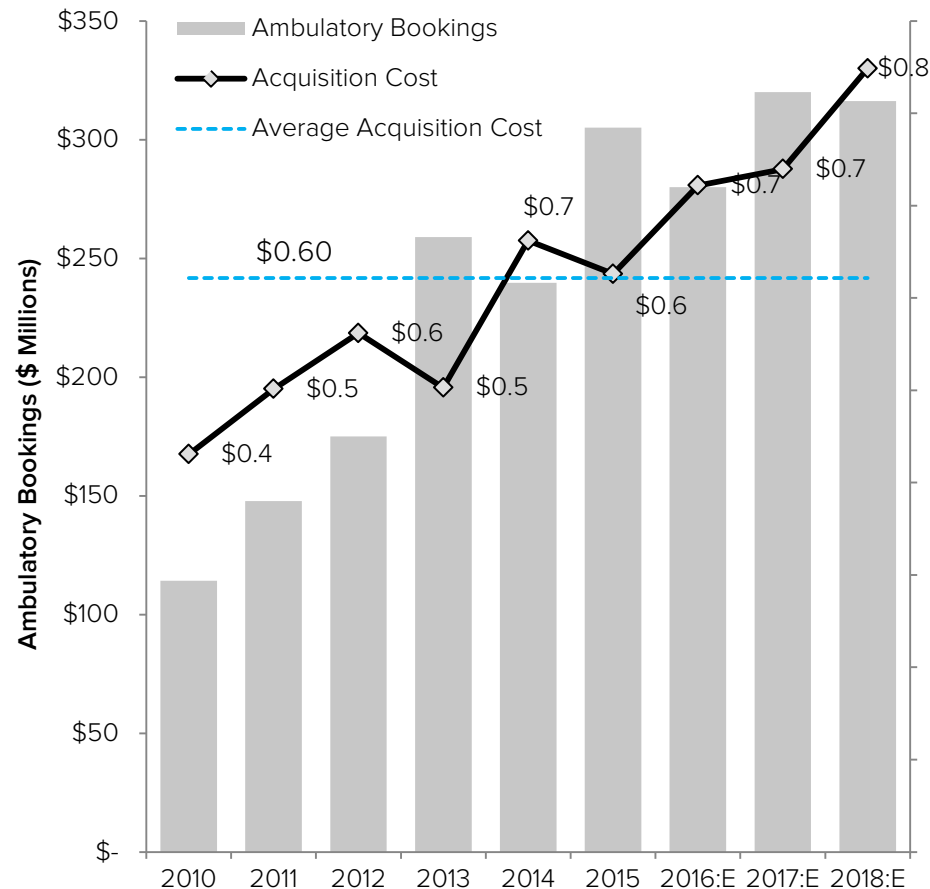
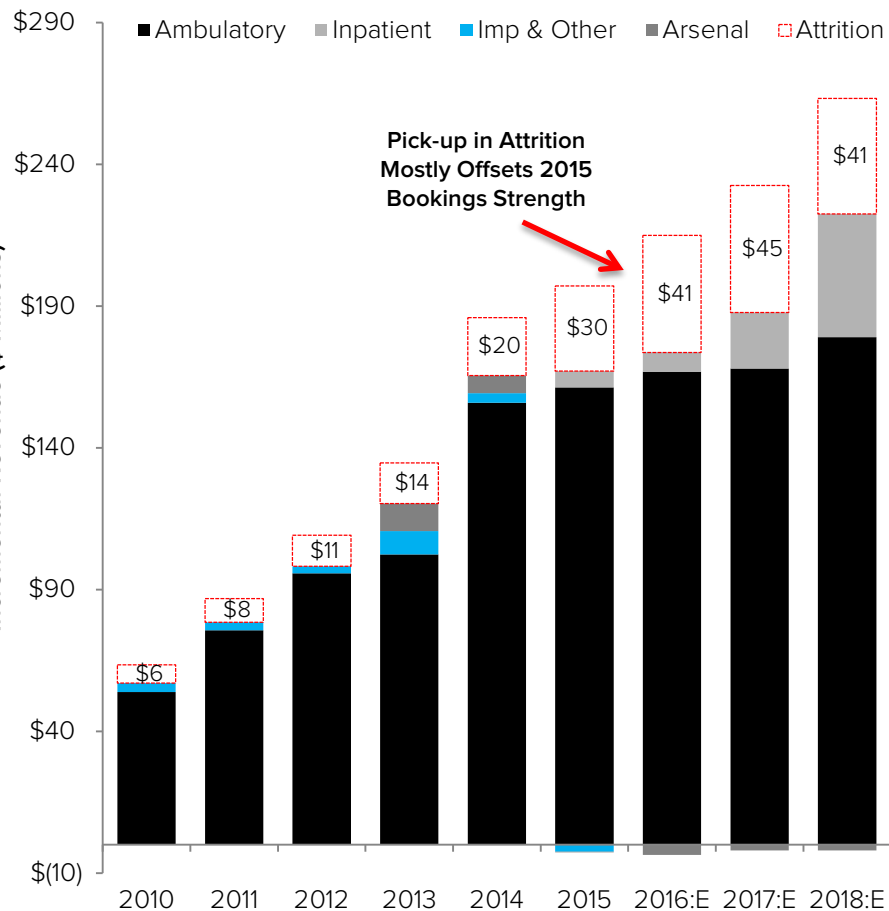
## IN-LINE WITH INDUSTRY PEERS





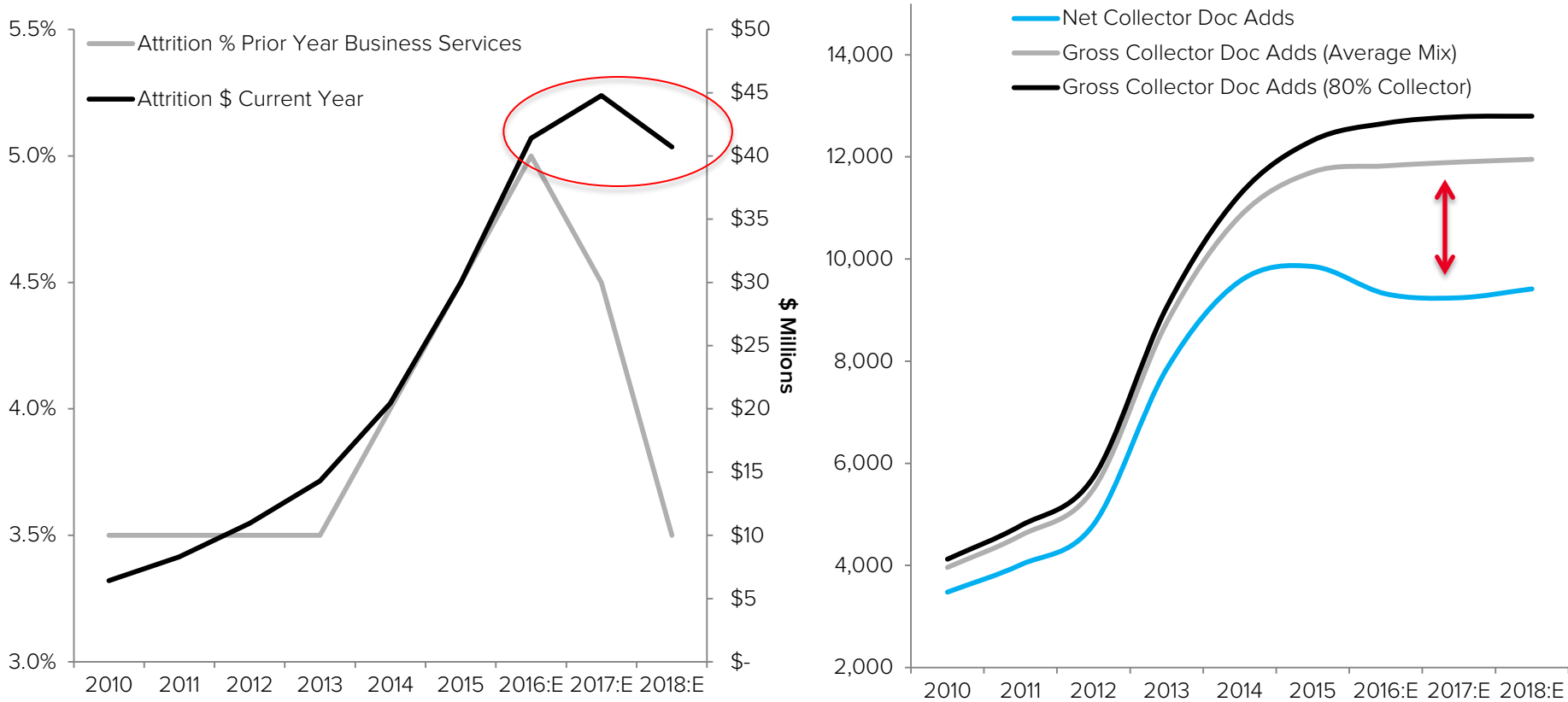
# ATTRITION

# AMBULATORY BOOKINGS AND ACQUISITION COSTS



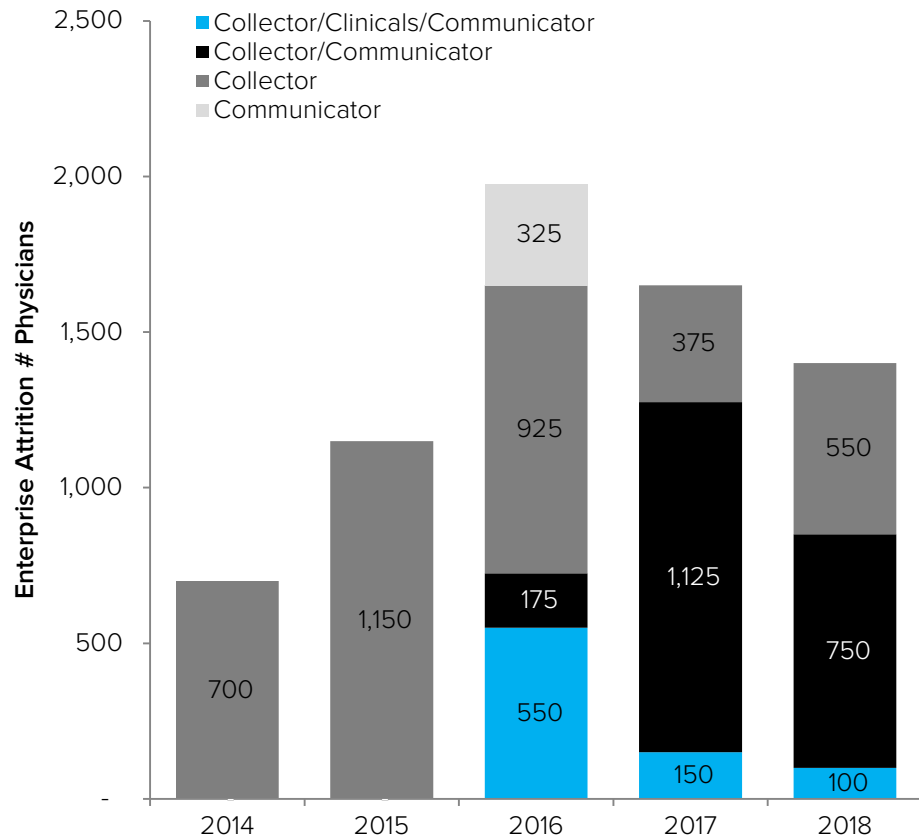
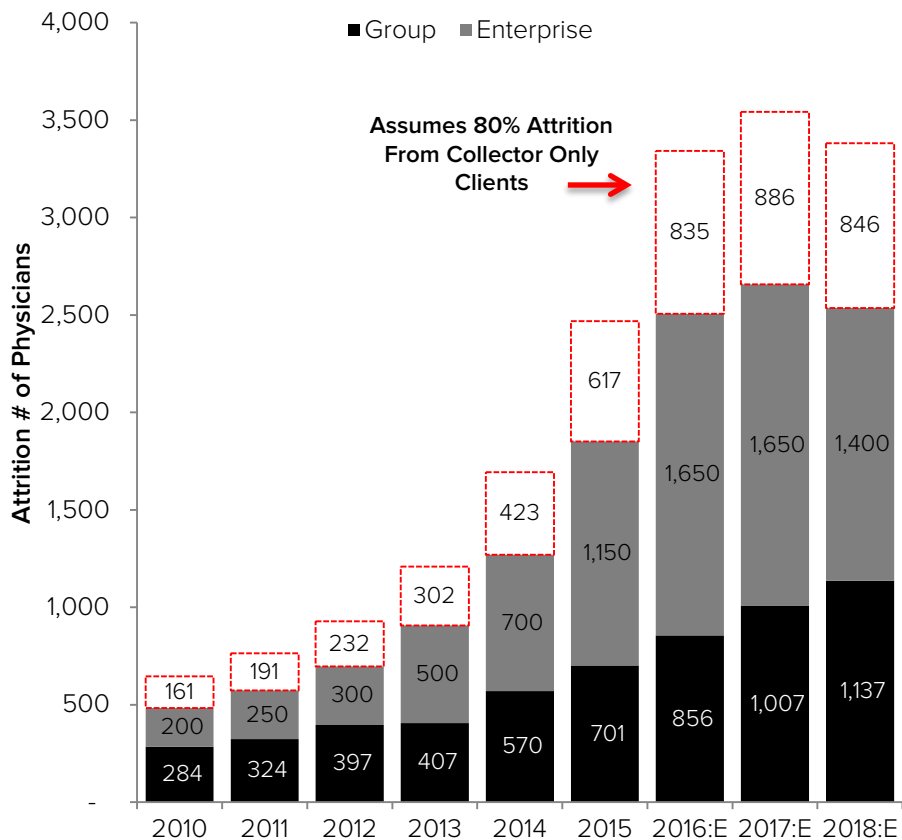
# ATTRITION IMPACT ON REPORTED METRICS

## EXPECTING ATTRITION TO PEAK 2015-2017



# WHERE IS ATTRITION COMING FROM?

## ENTERPRISE LOSSES SIGNIFICANT; 2-4K DOCS PER YEAR



# ENTERPRISE ATTRITION BY NAMED ACCOUNTS

Enterprise Customer	2014	2015	2016	2017	2018	Product	Loss
University Hospitals	-	-	-	700	300	Collector/Communicator	Cerner
OhioHealth	400	400	-	-	-	Collector	Epic
West Penn Allegheny	-	500	300	-	-	Collector	Epic
Anne Arundel	-	-	325	-	-	Communicator	Epic
Integris	-	250	550	-	-	Collector	Epic
Promedica	-	-	175	425	-	Collector/Communicator	Epic
Cook Children's	-	-	-	-	400	Collector	Epic
Riverside Medical Group	-	-	250	150	-	Collector/Clinicals/Communicator	Epic
Centra Health	-	-	-	-	450	Collector/Communicator	Cerner
Houston Methodist	-	-	75	225	-	Collector	Epic
CaroMont Health	-	-	300	-	-	Collector/Clinicals/Communicator	Epic
West Conn Medical Group	-	-	-	150	150	Collector	Cerner
Cambridge Health Alliance	300	-	-	-	-	Collector	Epic
Valley Childrens	-	-	-	-	100	Collector/Clinicals/Communicator	TBD

Product	2014	2015	2016	2017	2018	Total
Collector/Clinicals/Communicator	-	-	550	150	100	800
Collector/Communicator	-	-	175	1,125	750	2,050
Collector	700	1,150	925	375	550	3,700
Communicator	-	-	325	-	-	325
<b>Total</b>	<b>700</b>	<b>1,150</b>	<b>1,975</b>	<b>1,650</b>	<b>1,400</b>	<b>6,875</b>

Lost significant amount of Enterprise business signed in 2010-2012 period to Epic

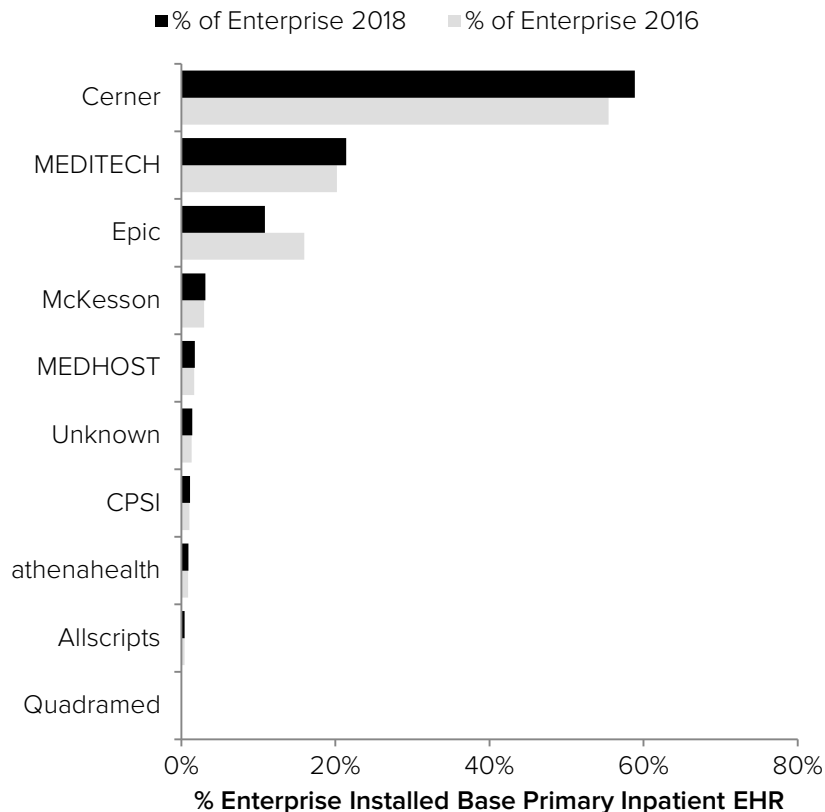
It can take 2-3 years post contract signing before the Health System actually leaves athenahealth

Transition requires working out of both systems and is typically phased out over multiple quarters

# HOW MUCH EPIC RISK IS LEFT?

~80% OF HEALTH SYSTEM BASE ARE CERNER AND MEDITECH CUSTOMERS

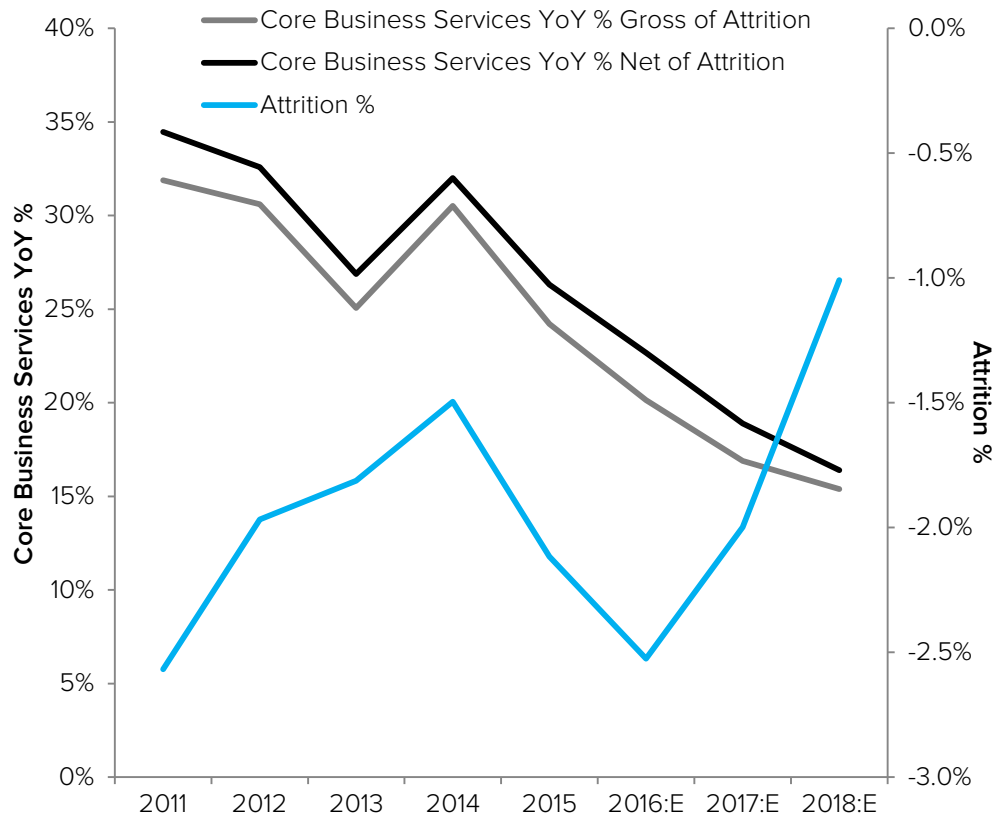
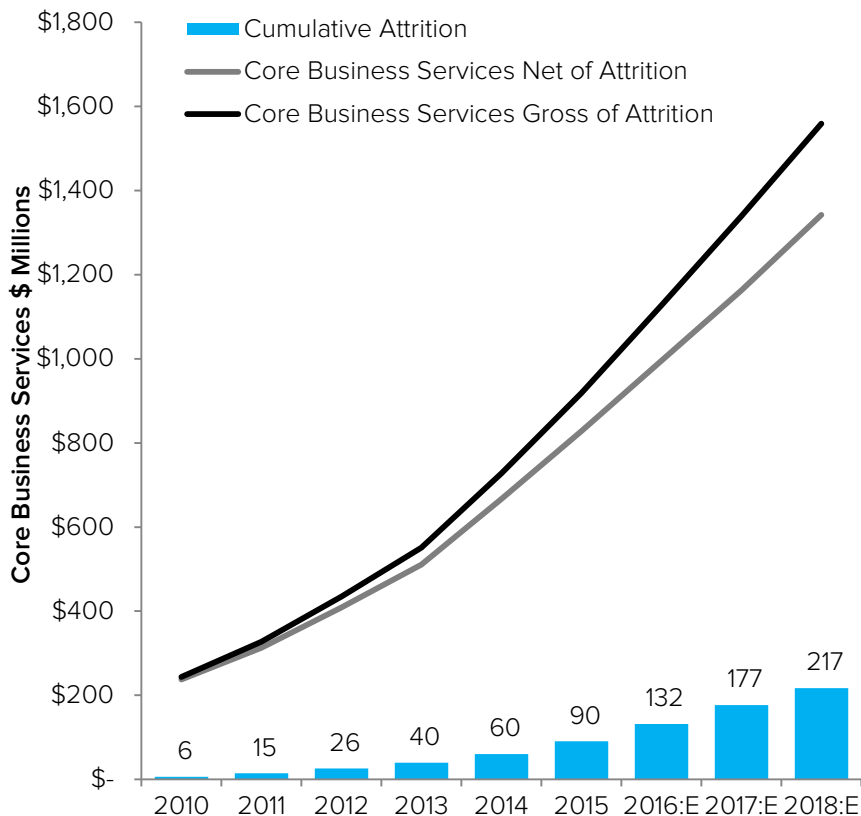
Rank	Health System Name	Inpatient EHR	% of HS Base
1	Ascension Health	Cerner	19.5%
2	Community Health Systems, Inc.	Cerner	13.7%
3	Tenet Healthcare Corporation	Cerner	10.7%
4	Bon Secours Health System, Inc.	Epic	8.5%
5	CHRISTUS Health	MEDITECH	6.2%
6	ProMedica Health System	Epic	3.5%
7	Regional Health	MEDITECH	2.3%
8	Duke LifePoint Healthcare	MEDITECH	2.2%
9	Cook Children's Health Care System	Epic	2.2%
10	Western Connecticut Health Network	Cerner	2.2%
11	Phoebe	MEDITECH	2.1%
12	St. Joseph's Healthcare System	Cerner	1.9%
13	Children's Hospital Los Angeles	Cerner	1.6%
14	MercyRockford Health System	Epic	1.4%
15	Valley Health System, Inc.	MEDITECH	1.4%
16	Adventist Health System	Cerner	1.3%
17	FirstHealth of the Carolinas	Cerner	1.3%
18	Columbus Regional Health	MEDITECH	1.1%
19	RCCH HealthCare Partners	MEDITECH	1.0%
20	Steward Health Care System	MEDITECH	0.9%



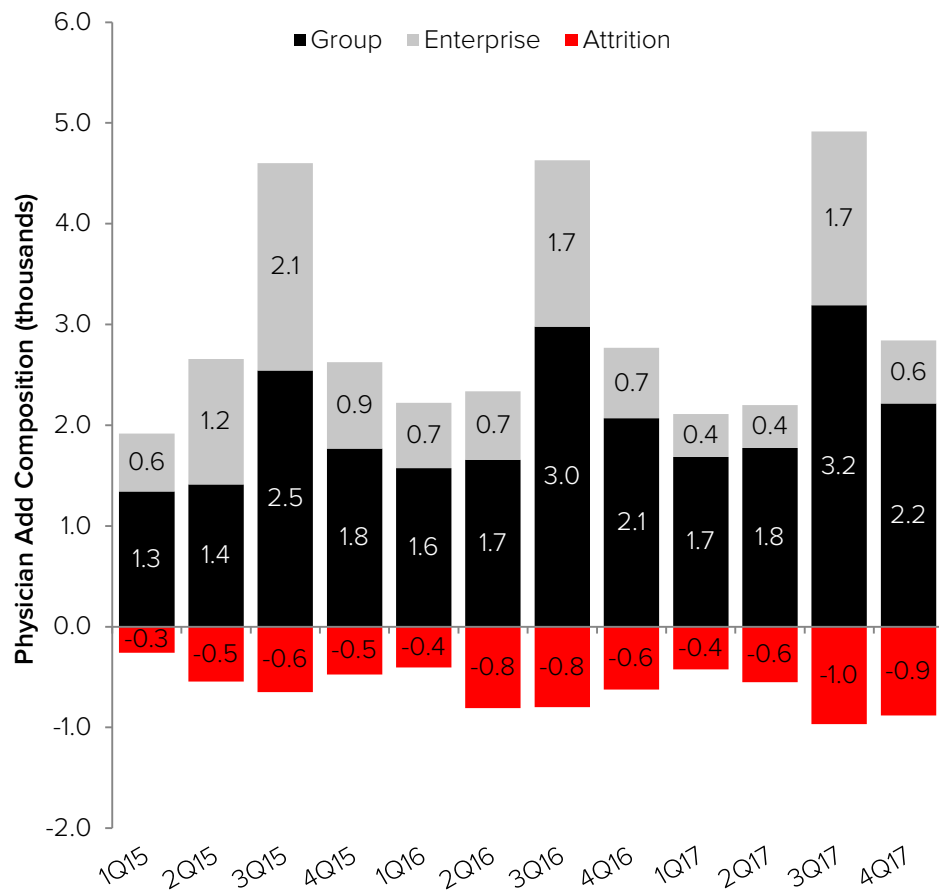


# \$217 MILLION IN CUMULATIVE ATTRITION BY 2018

## ATTRITION IMPACT ON GROWTH SHOULD MODERATE



# PHYSICIAN ADD COMPOSITION THROUGH 2017



Named Accounts	2015		2016		2017	
	#	% Total	#	% Total	#	% Total
Marquette	200	1.7%	-	0.0%	-	0.0%
Toledo	200	1.7%	-	0.0%	-	0.0%
CT Women	220	1.9%	-	0.0%	-	0.0%
Beth Israel	40	0.3%	40	0.3%	-	0.0%
Ascension	2,275	19.3%	610	5.1%	425	3.6%
TeamPraxis	-	0.0%	75	0.6%	200	1.7%
NYP	200	1.7%	245	2.0%	300	2.5%
Carewell	25	0.2%	-	0.0%	-	0.0%
Privia	200	1.7%	175	1.5%	-	0.0%
Adventist	-	0.0%	1,050	8.8%	600	5.0%
Trinity	700	5.9%	500	4.2%	1,050	8.8%
Michigan State	-	0.0%	200	1.7%	50	0.4%
Other (existing)	600		900	7.5%	750	6.3%
To be Sold	-	0.0%	-	0.0%	300	2.5%
<b>Total</b>	<b>4,660</b>	<b>39.5%</b>	<b>3,795</b>	<b>31.7%</b>	<b>3,675</b>	<b>30.7%</b>

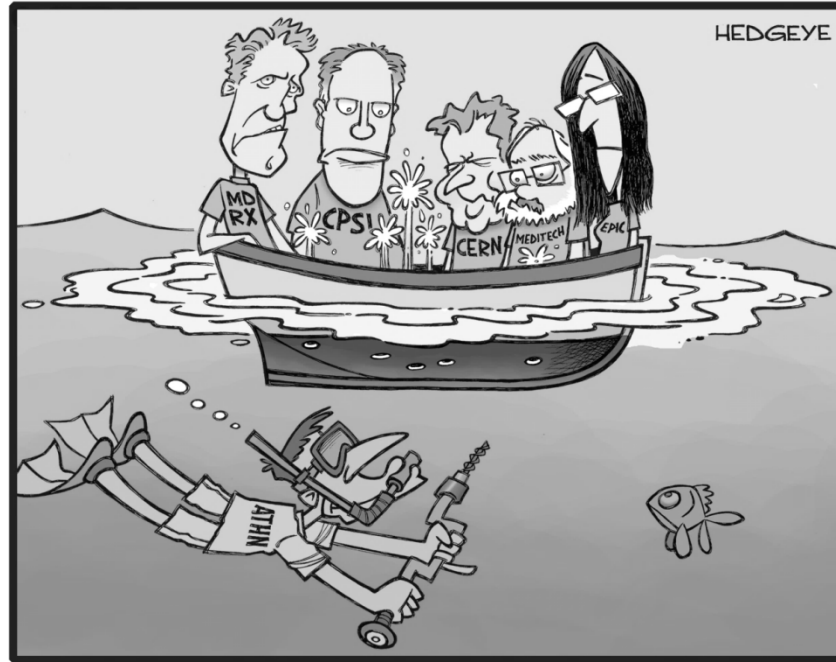
	2015		2016		2017	
	#	% Total	#	% Total	#	% Total
<b>New</b>						
Enterprise	1,585	13.4%	1,250	10.5%	300	2.5%
Group	6,317	53.5%	7,276	60.9%	7,617	63.1%
<b>Total</b>	<b>7,902</b>	<b>67.0%</b>	<b>8,526</b>	<b>71.3%</b>	<b>7,917</b>	<b>65.6%</b>

	2015		2016		2017	
	#	% Total	#	% Total	#	% Total
<b>Existing</b>						
Enterprise	3,149	26.7%	2,430	20.3%	2,900	24.0%
Group	750	6.4%	1,000	8.4%	1,250	10.4%
<b>Total</b>	<b>3,899</b>	<b>33.0%</b>	<b>3,430</b>	<b>28.7%</b>	<b>4,150</b>	<b>34.4%</b>

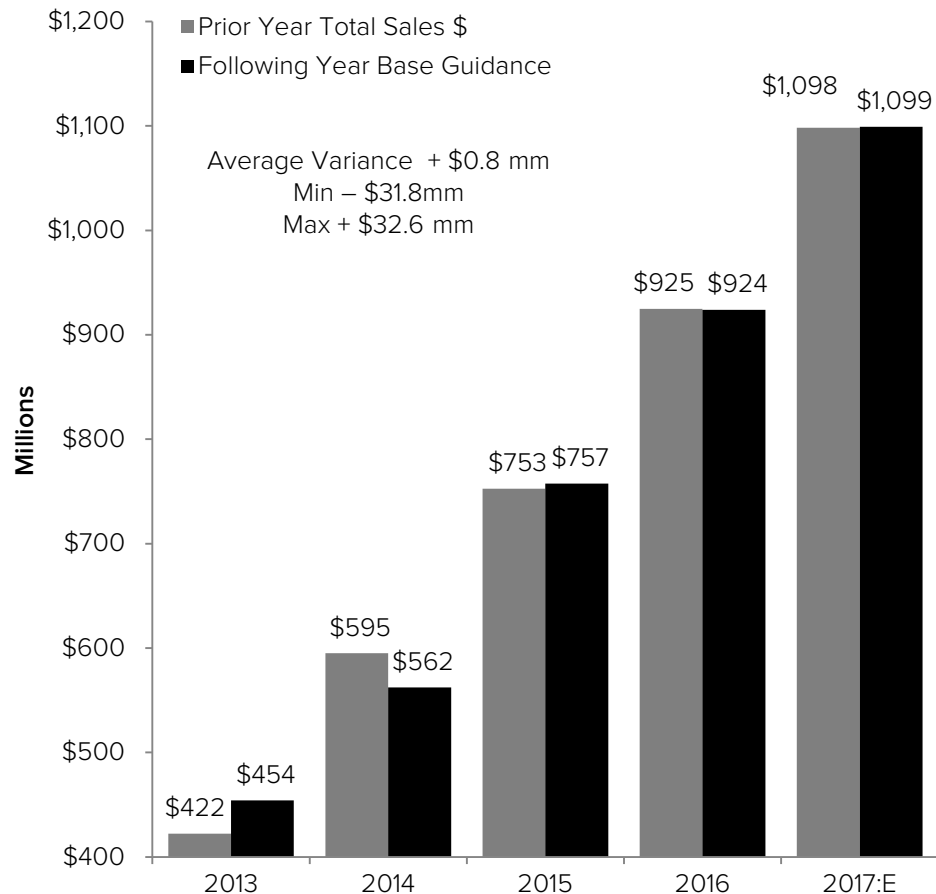
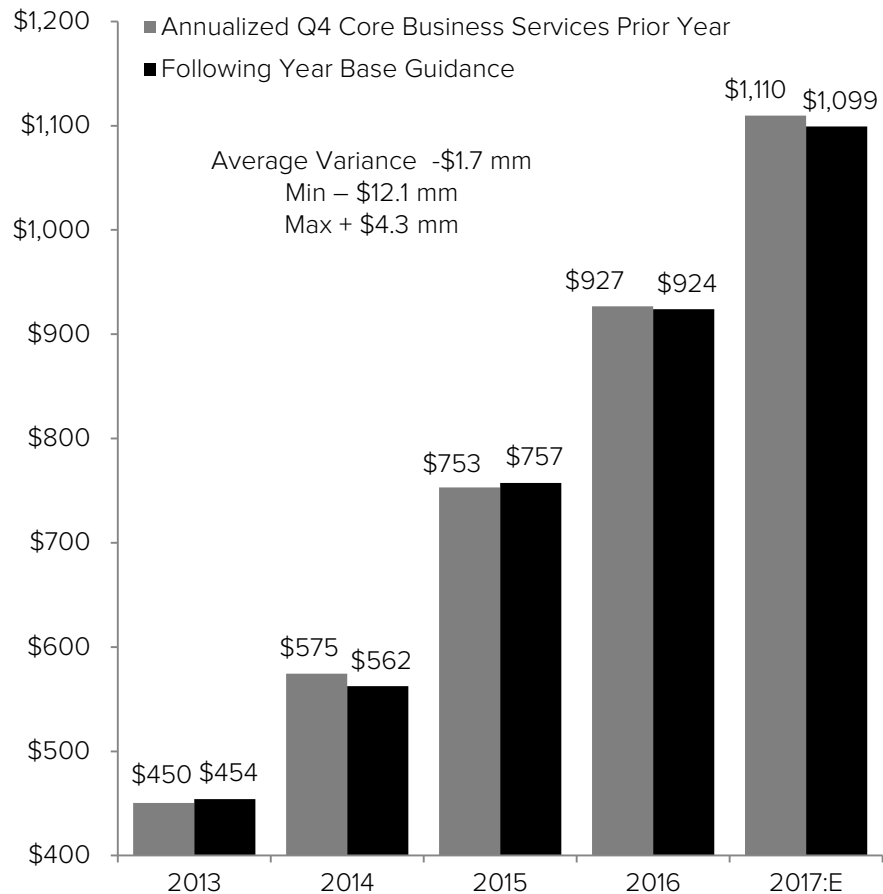
  

	2015		2016		2017	
	#	% Total	#	% Total	#	% Total
<b>Gross</b>	<b>11,801</b>		<b>11,956</b>		<b>12,067</b>	
Less: Attrition	(1,927)		(2,637)		(2,825)	
<b>Net</b>	<b>9,874</b>		<b>9,319</b>		<b>9,242</b>	



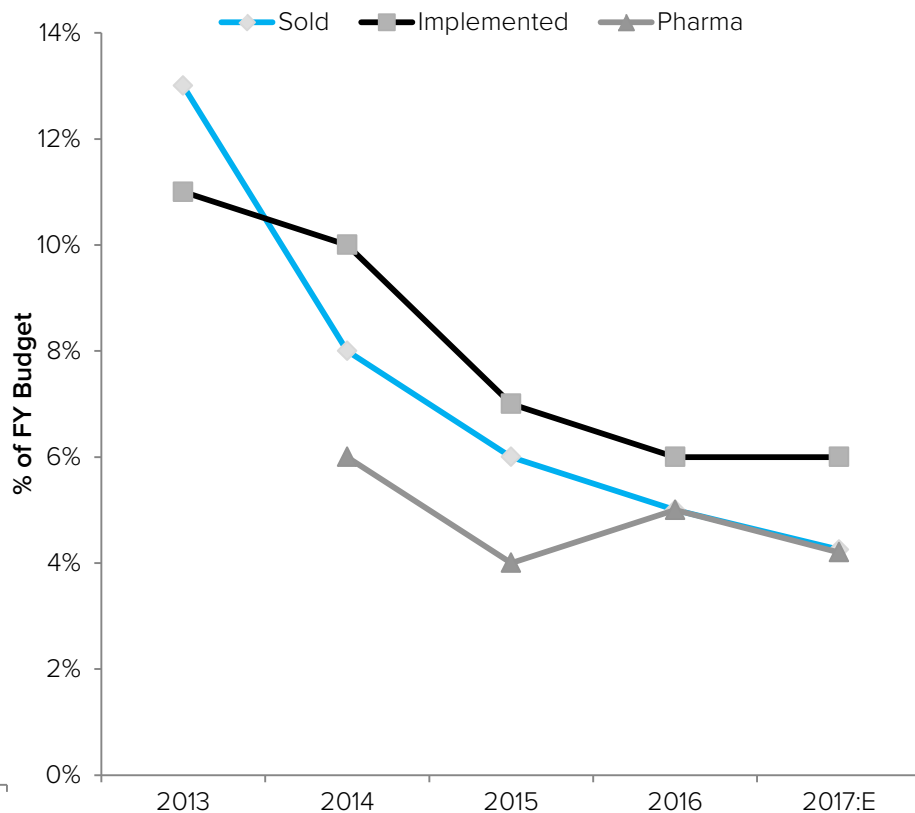
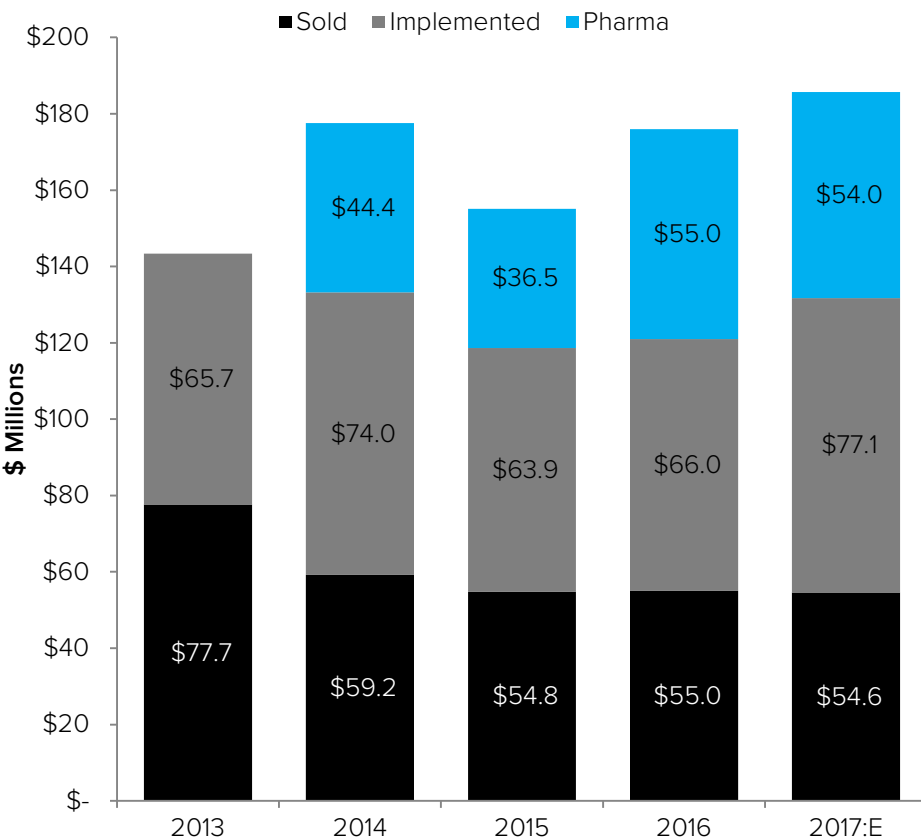
# GUIDANCE ANALYSIS

# RECURRING REVENUE PROVIDES STRONG VISIBILITY



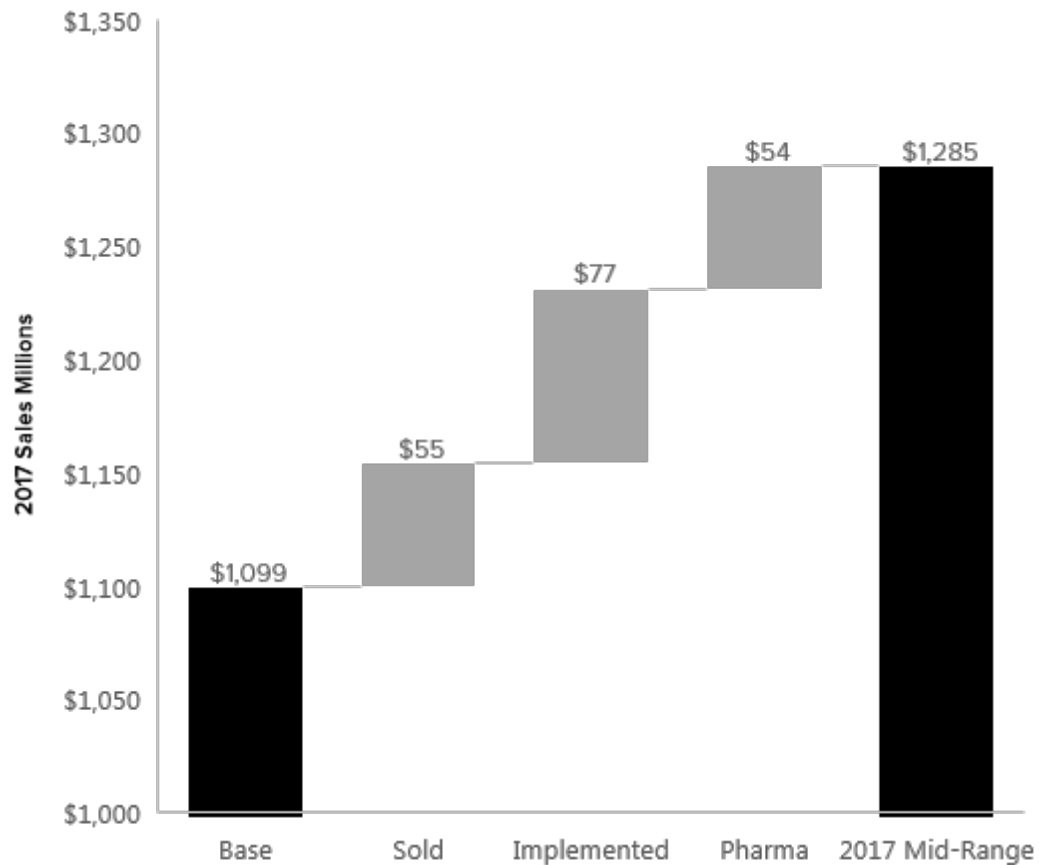
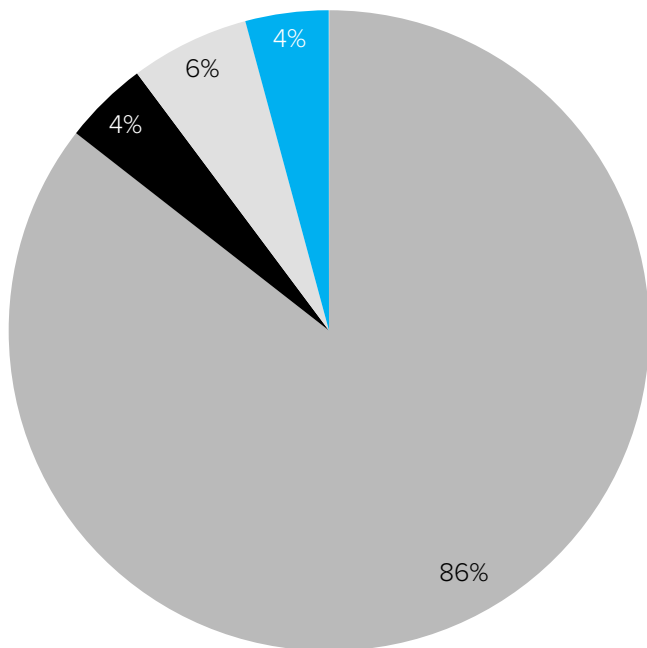
# AT-RISK BUCKETS DRIVE INCREMENTAL GROWTH

## EXPECT IMPLEMENTATION % TO TICK-UP AS INPATIENT GROWS



# BRIDGE TO 2017 SALES GUIDANCE

■ Base Business Services    ■ At-risk to be Sold  
■ At-risk to be Implemented    ■ Pharma



# 2017 GUIDANCE SENSITIVITY

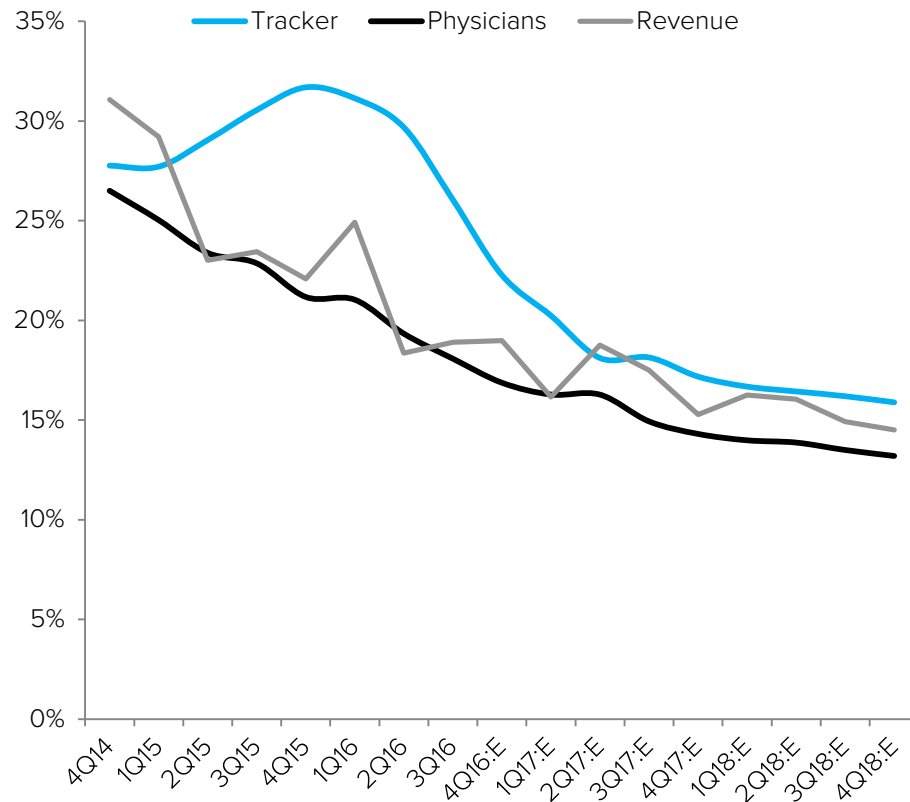
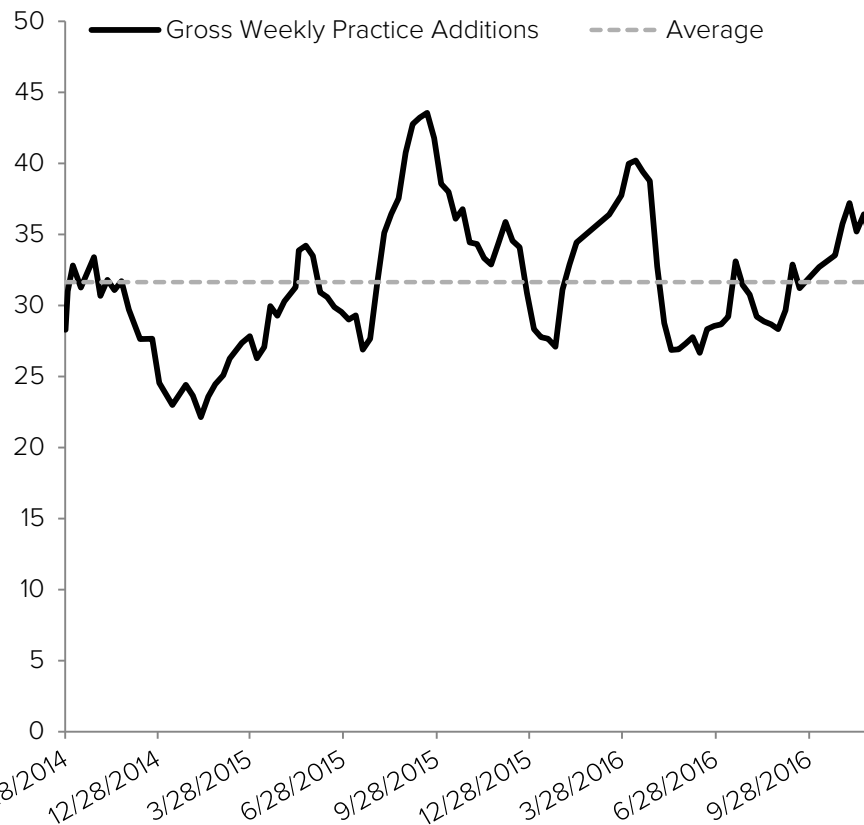
		At-risk to be Implemented					
		4.5%	5.0%	5.5%	6.0%	6.5%	7.0%
At-risk to be Sold	3.0%	\$ 1,250	\$ 1,256	\$ 1,263	\$ 1,269	\$ 1,275	\$ 1,282
	3.5%	1,256	1,263	1,269	1,275	1,282	1,288
	4.0%	1,263	1,269	1,275	1,282	1,288	1,295
	4.5%	1,269	1,275	1,282	1,288	1,295	1,301
	5.0%	1,275	1,282	1,288	1,295	1,301	1,307
	5.5%	1,282	1,288	1,295	1,301	1,307	1,314

<b>Bear</b>		<b>Base</b>		<b>Bull</b>
\$ 1,250		\$1,282		\$ 1,314

**2017 Guidance**  
 \$1,270 - \$1,300 million  
 17% Growth Mid-Range

# PROPRIETARY ATHENA-TRACKER

## SUPPORTIVE OF AMBULATORY GLIDE PATH TO 15%



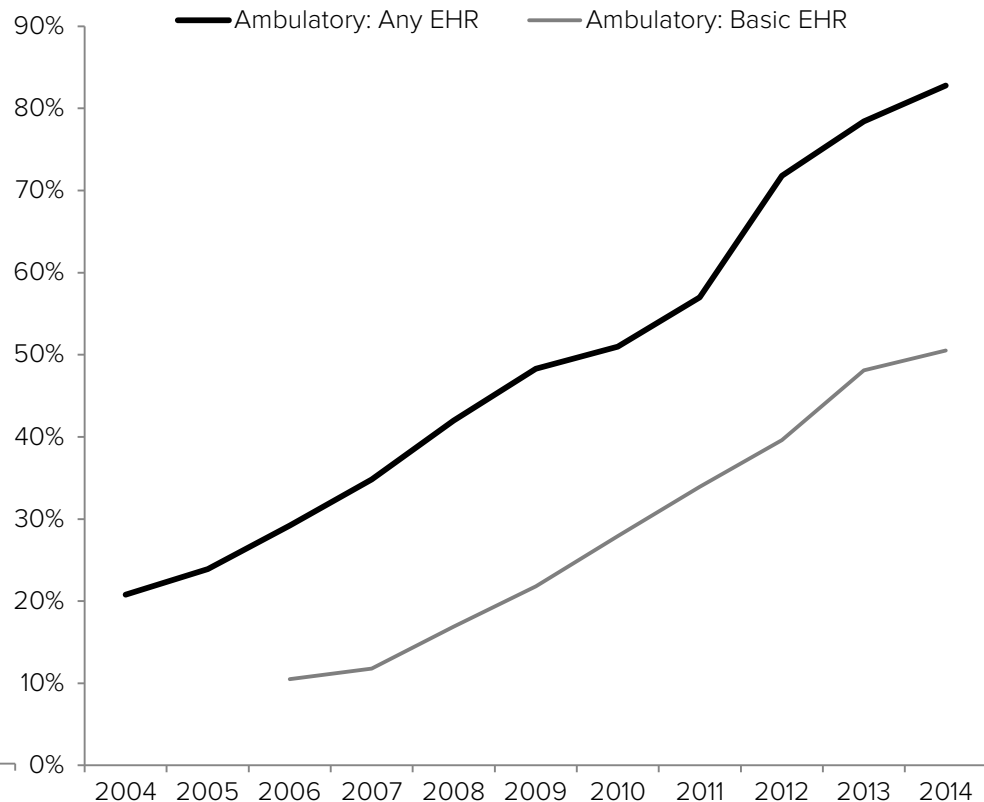
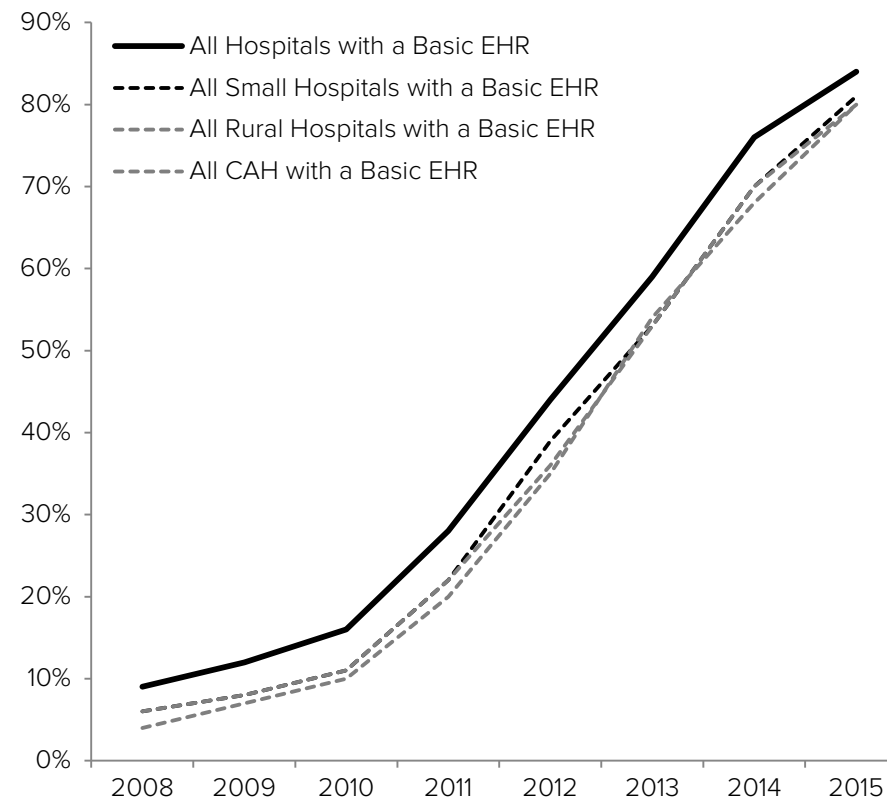




## INPATIENT OPPORTUNITY

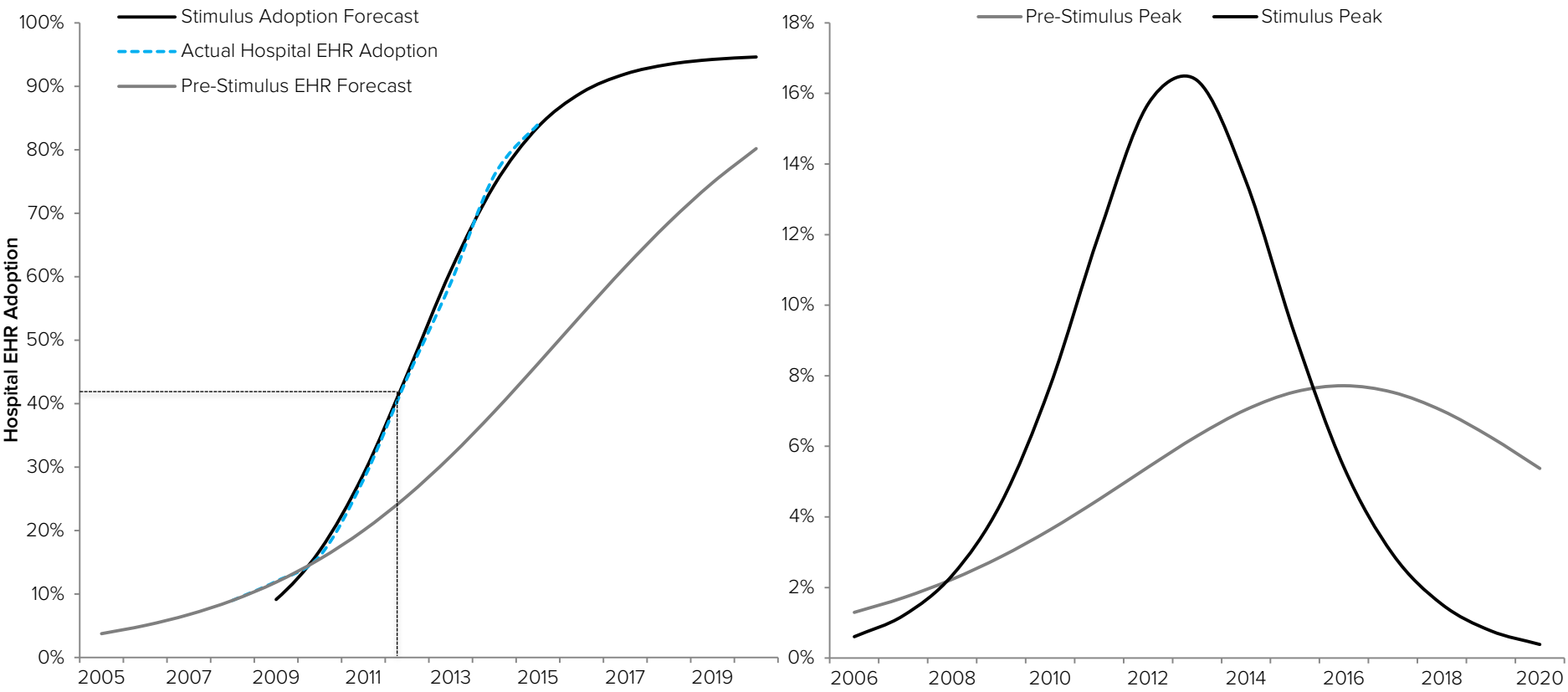
# EHR MARKET ADOPTION

## HOSPITAL AND AMBULATORY MARKET SATURATED

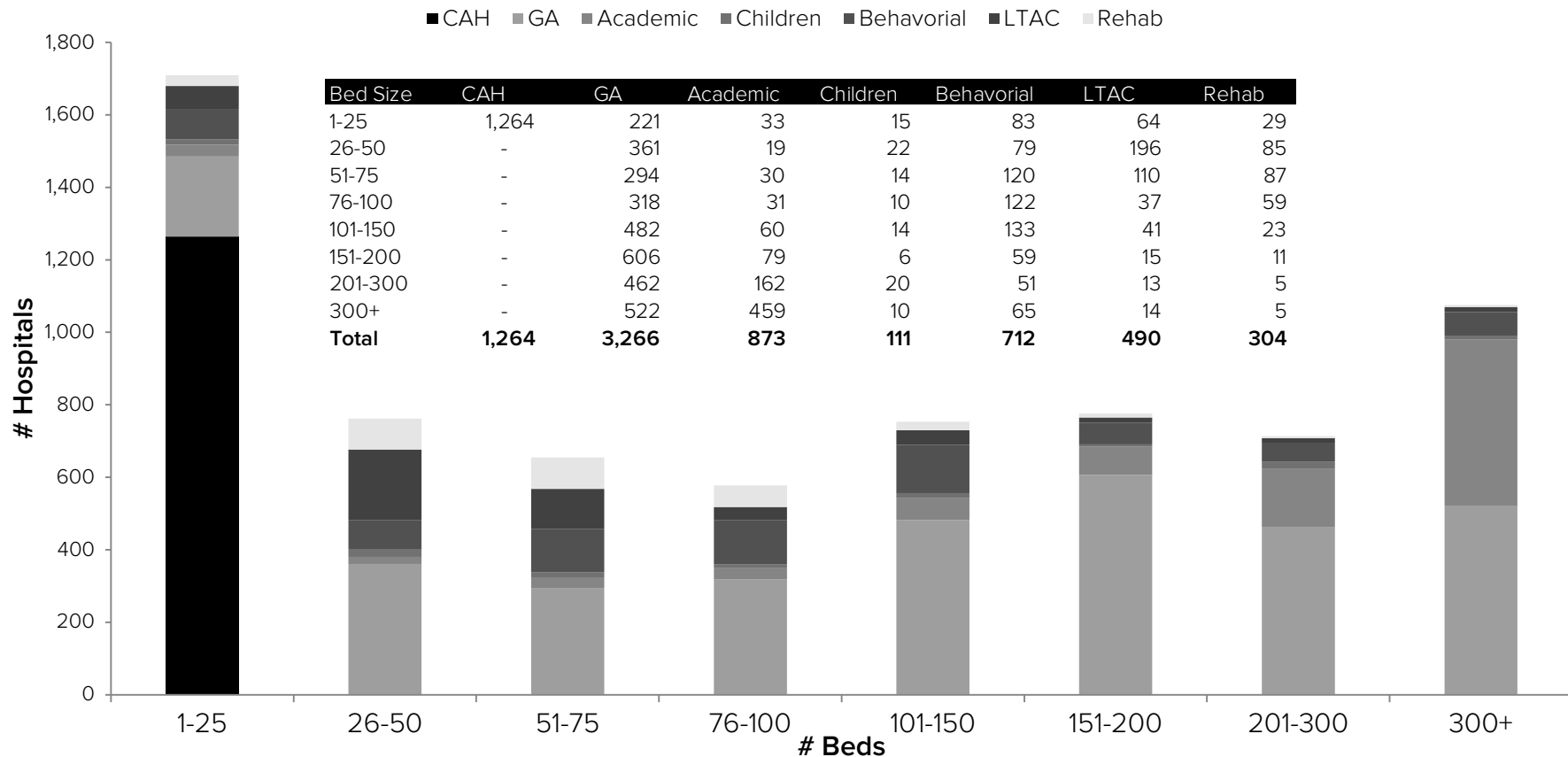


# STIMULUS ACCELERATED ADOPTION

## PULLED FORWARD 10-YEARS OF DEMAND

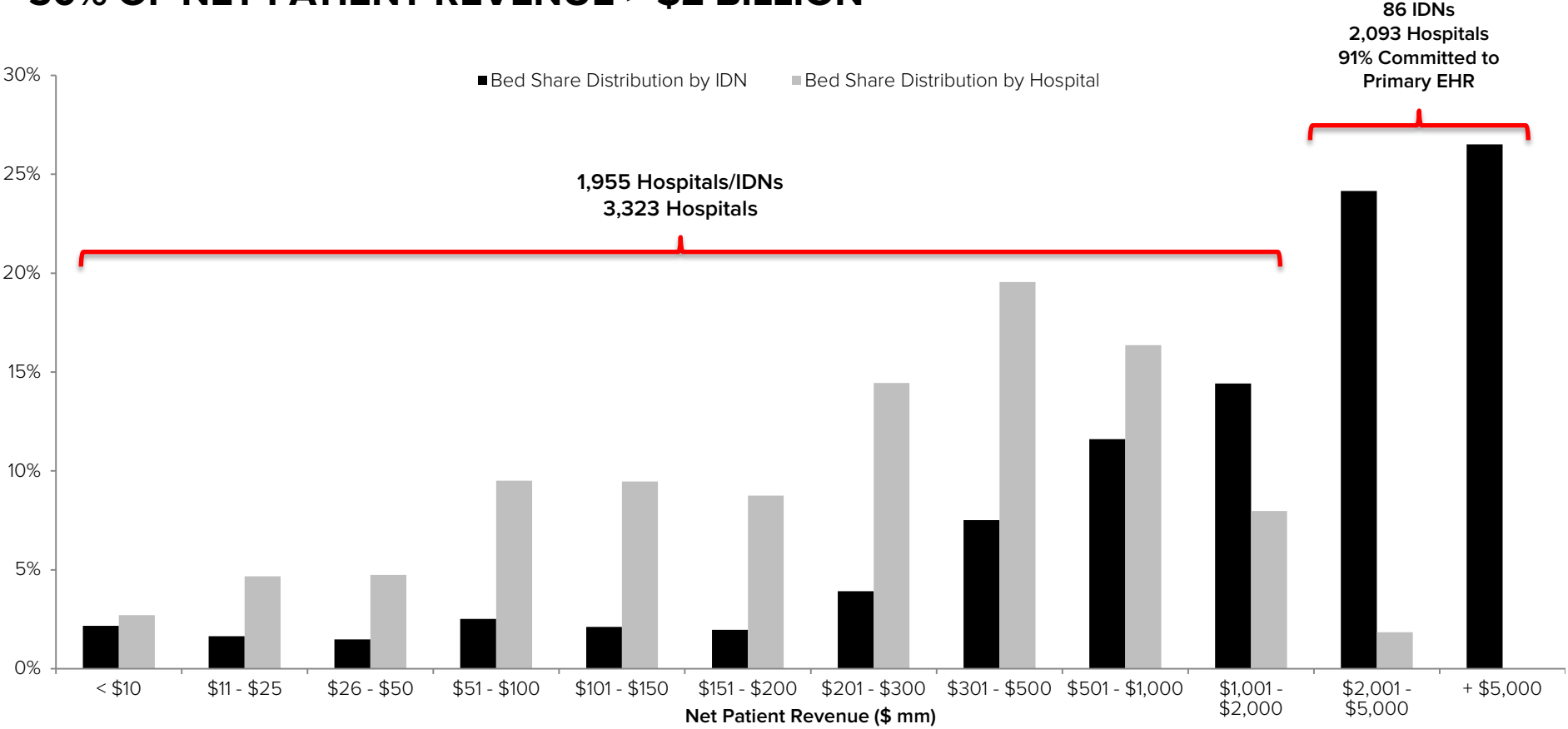


# HOSPITAL MARKET COMPOSITION



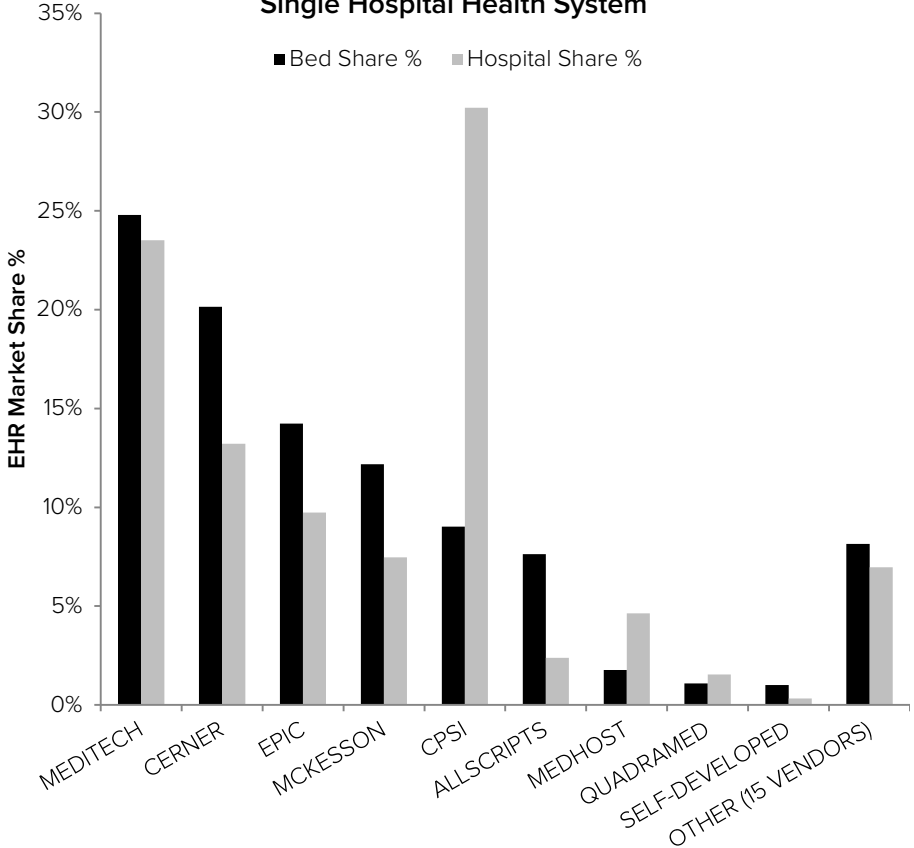
# HOSPITAL MARKET COMPOSITION

50% OF NET PATIENT REVENUE > \$2 BILLION

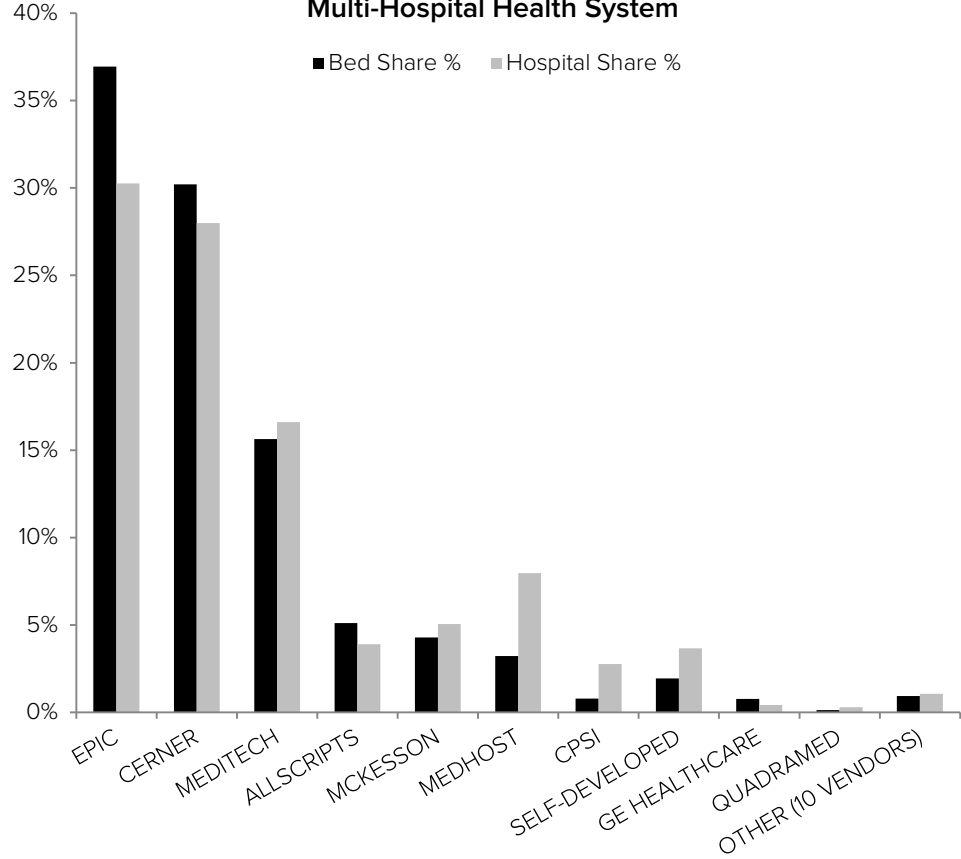


# EHR MARKET SHARE BY TYPE

Single Hospital Health System

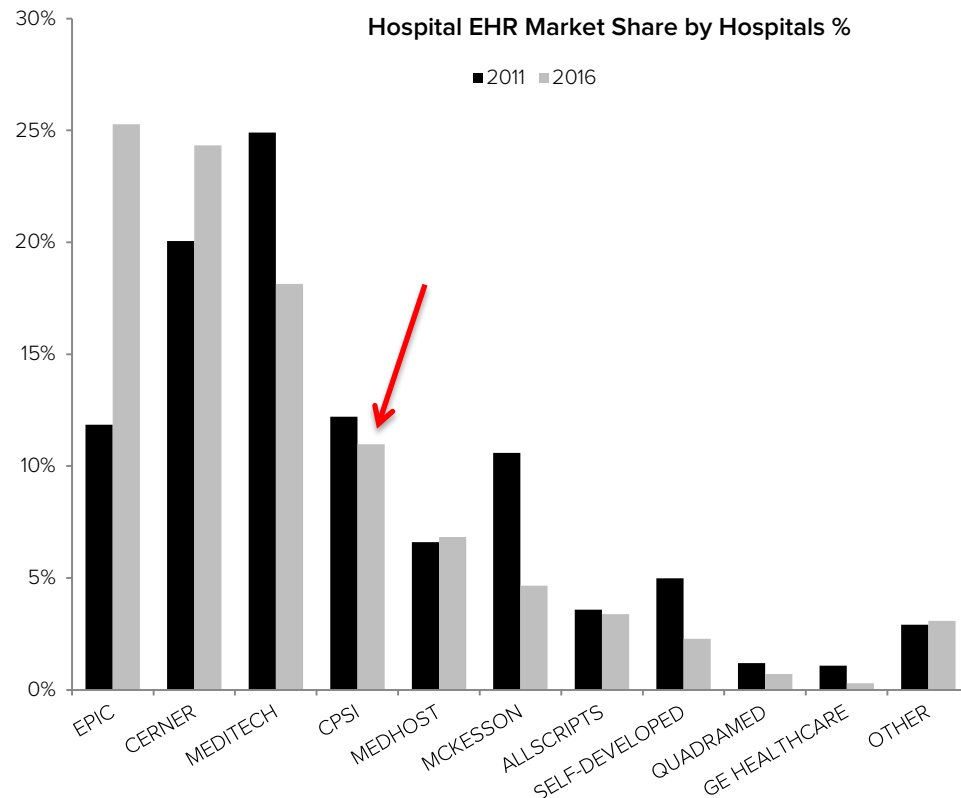
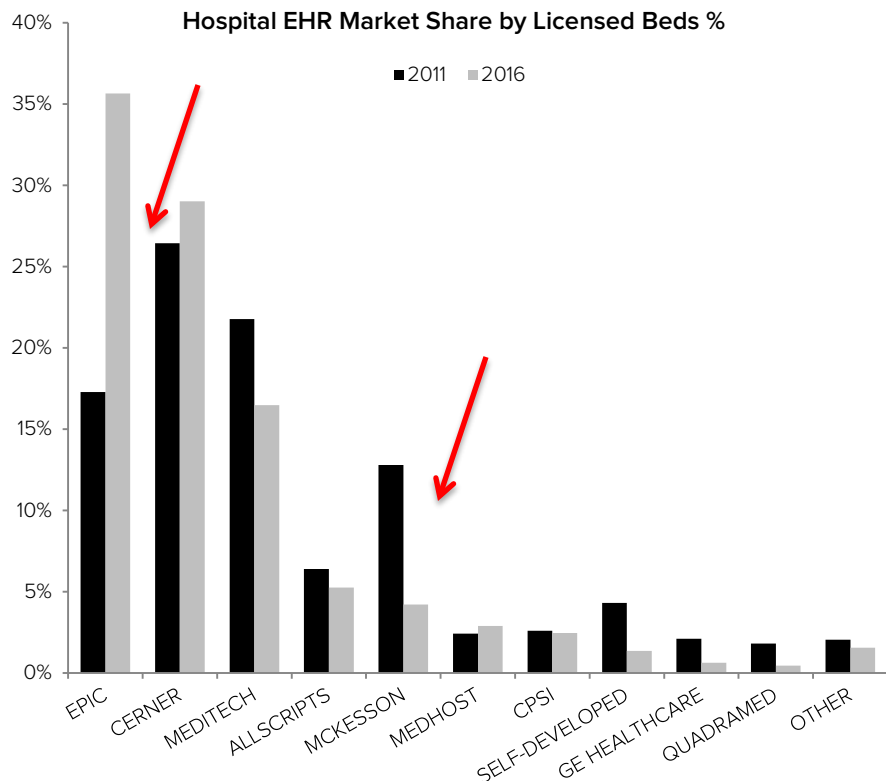


Multi-Hospital Health System



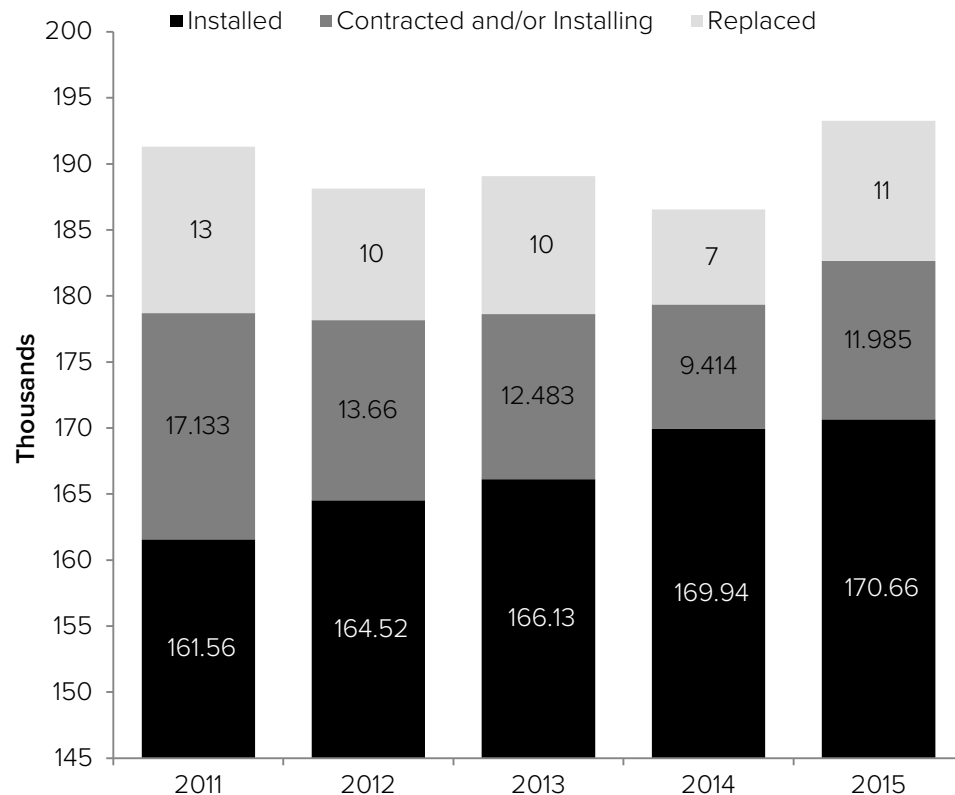
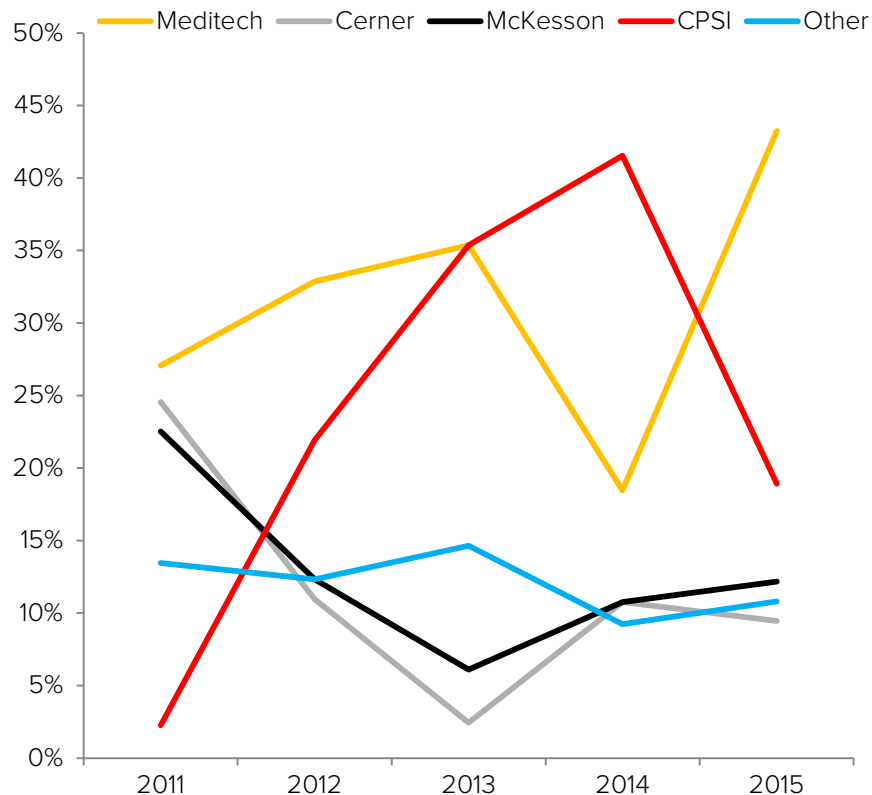
# HISTORICAL MARKET SHARE

## RISE OF EPIC AND DEMISE OF MCKESSON



# DRIVERS OF SINGLE-HOSPITAL REPLACEMENT ACTIVITY

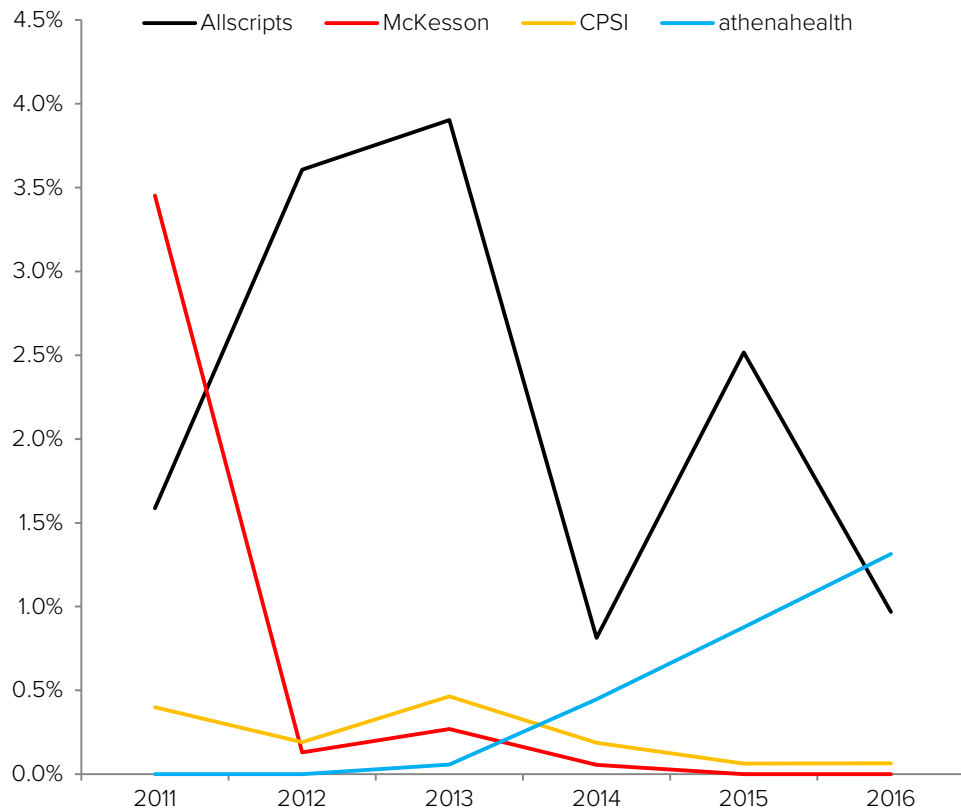
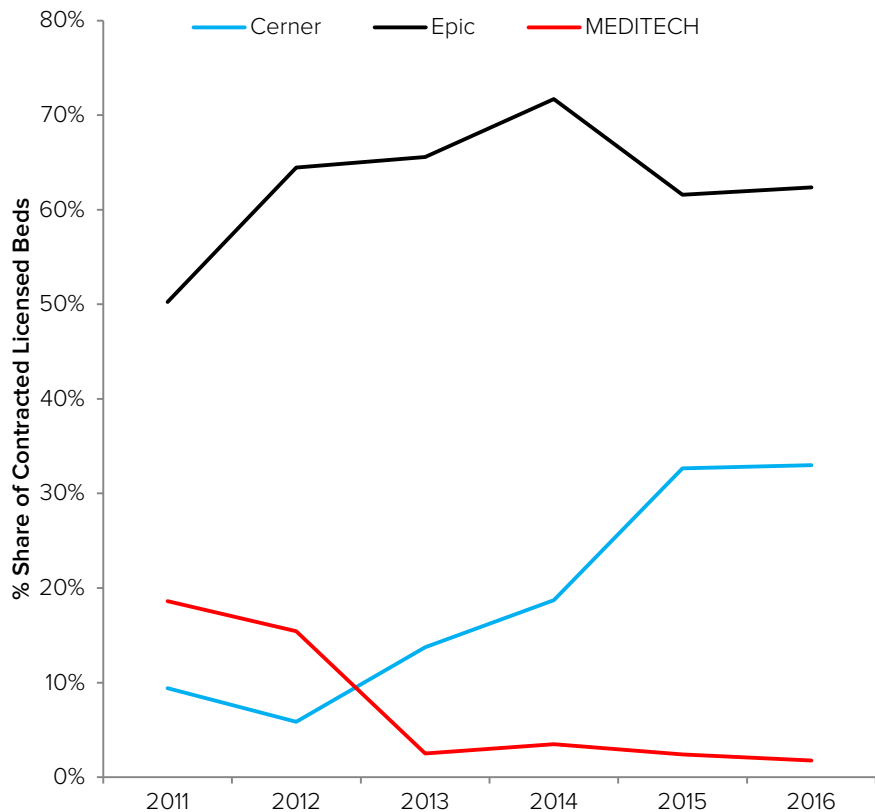
## CPSI AND MEDITECH DRIVE > 50% OF REPLACEMENT ACTIVITY





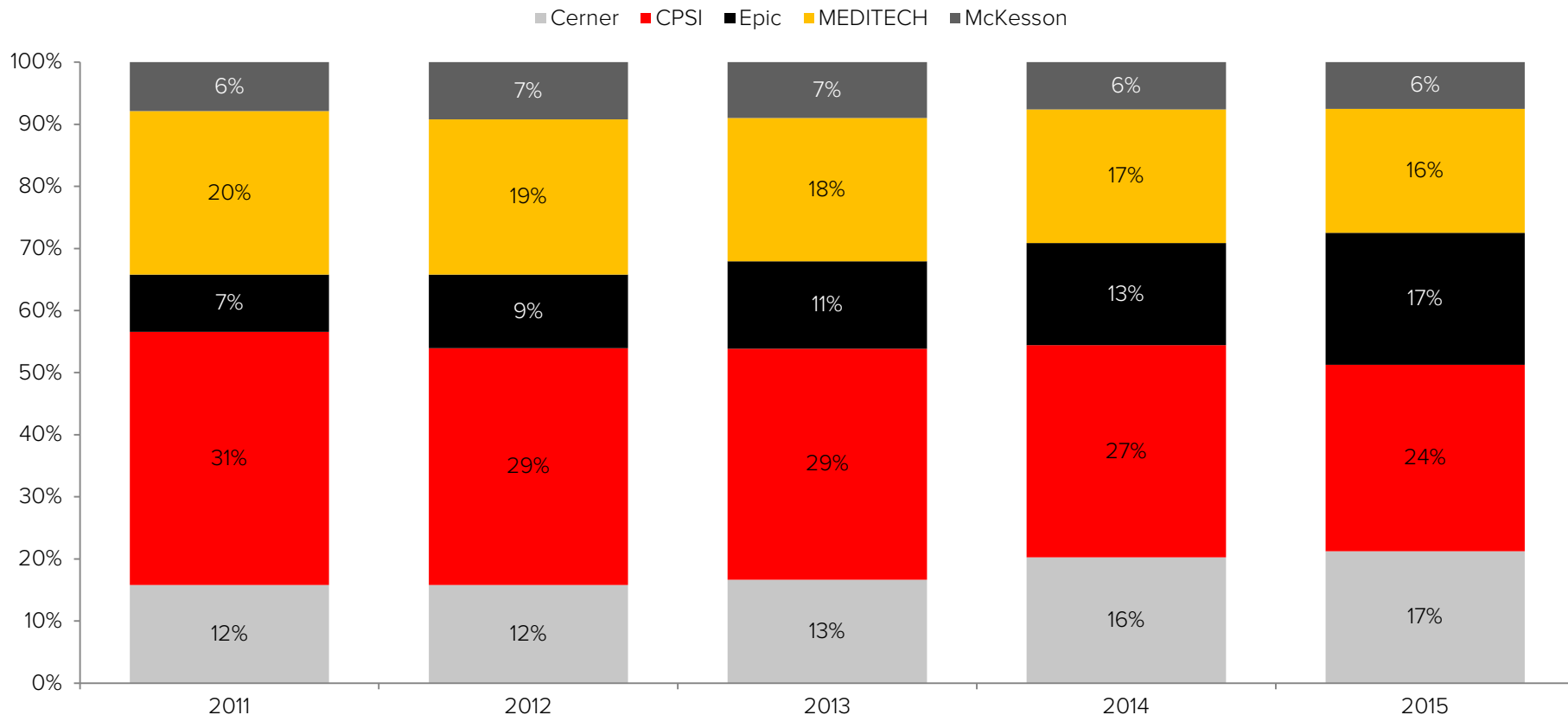
# ATHENAHEALTH SHARE ACCELERATING

## +90% BED SHARE ACCRUING TO EPIC AND CERNER

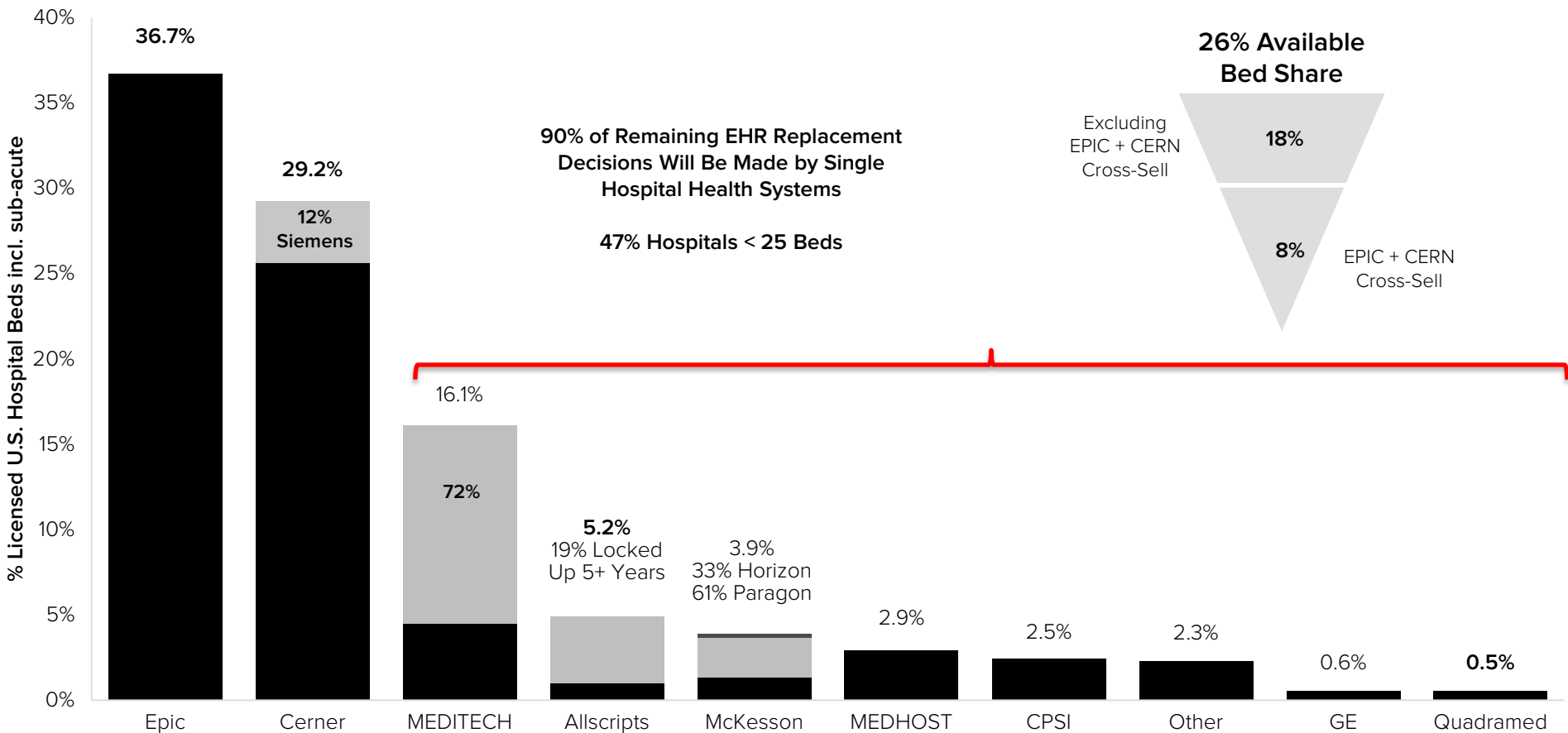


# INPATIENT EHR MARKET SHARE

## < 50 BED HOSPITALS; CPSI AND MEDITECH LOSING

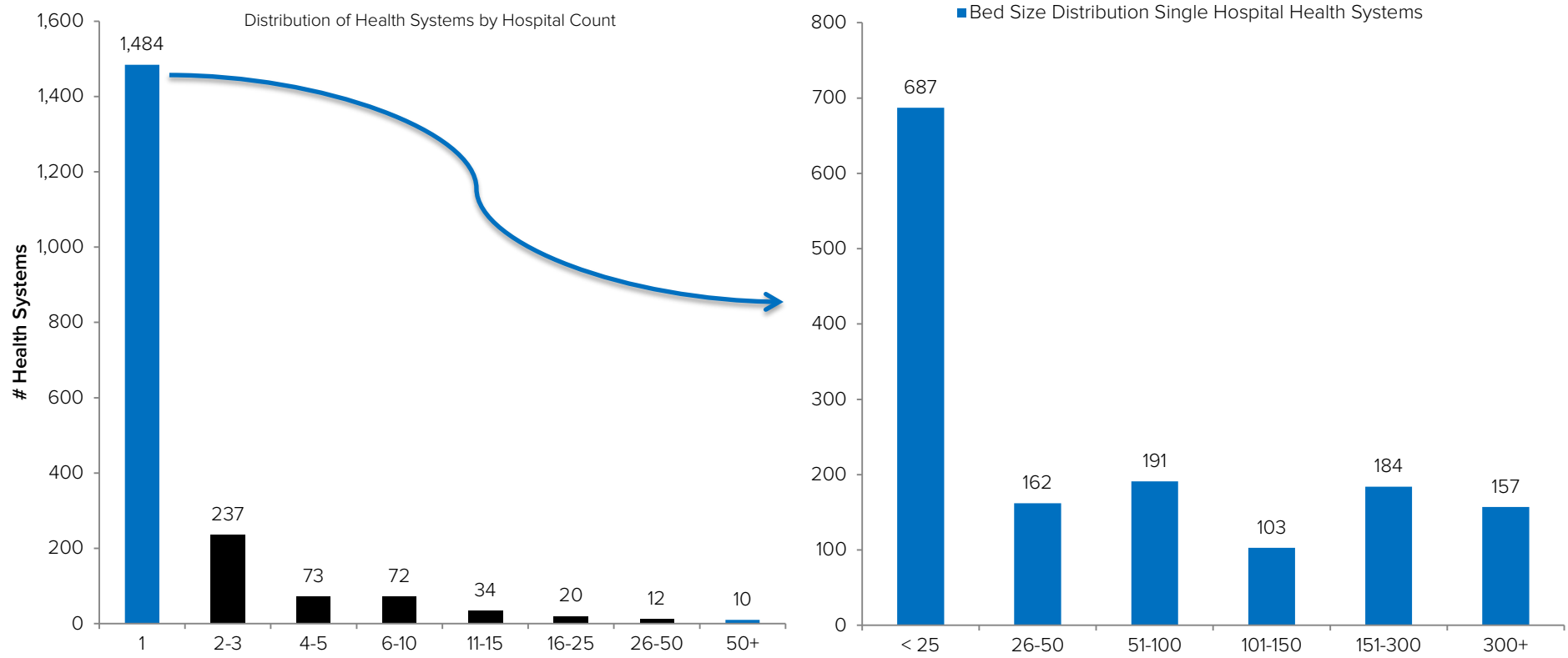


# HIGH-END SATURATED, LOW-END WIDE OPEN



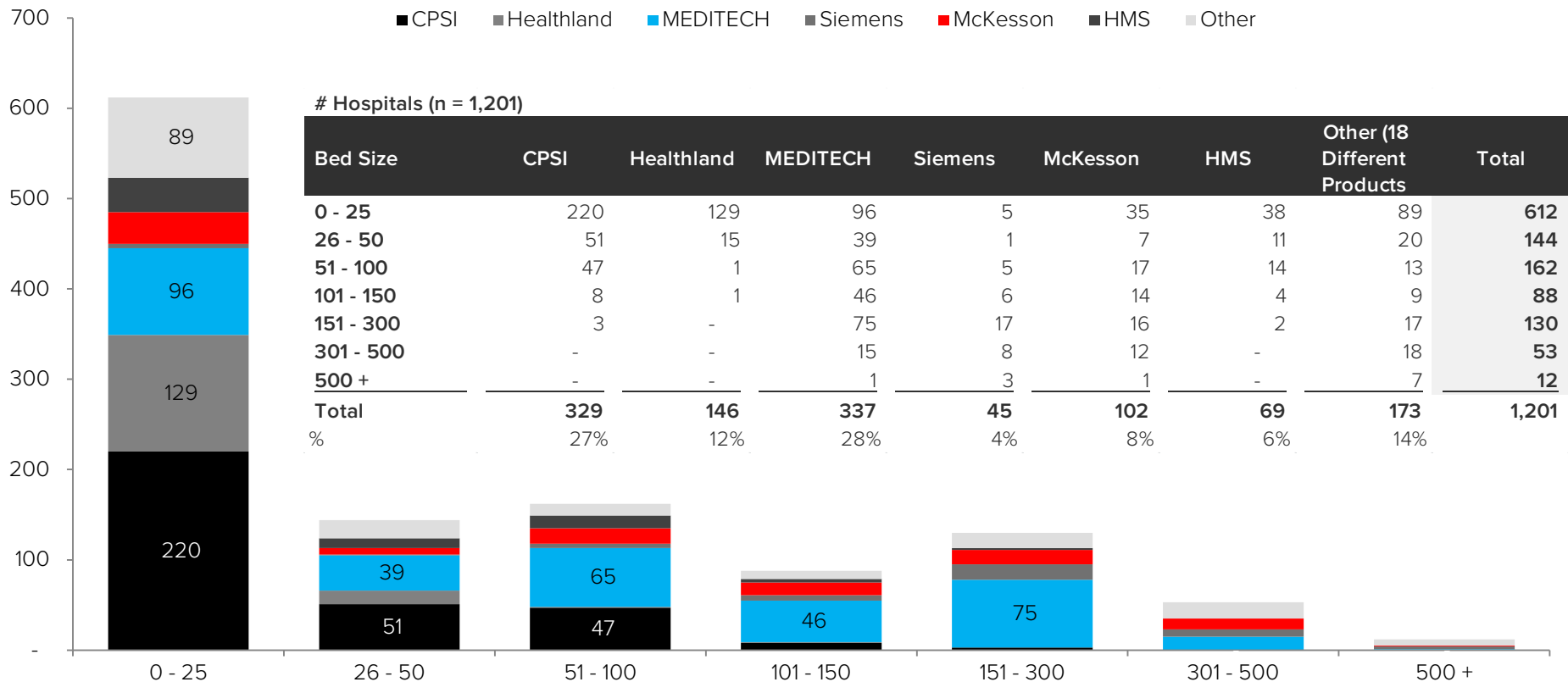
# SINGLE HOSPITAL TARGET MARKET

## 76% PURCHASING DECISIONS SINGLE HOSPITAL HEALTH SYSTEMS

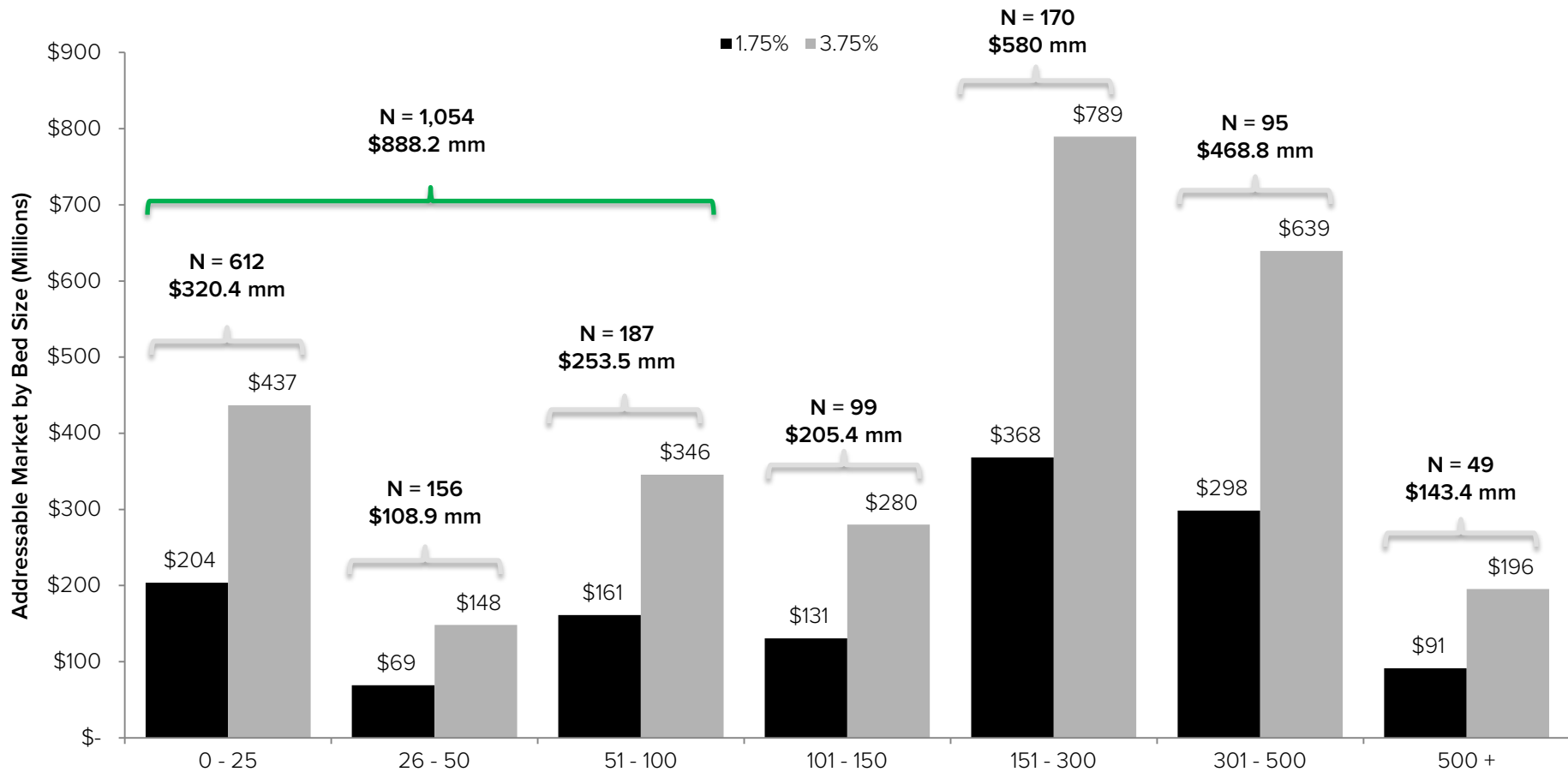


# TARGET MARKET COMPOSITION

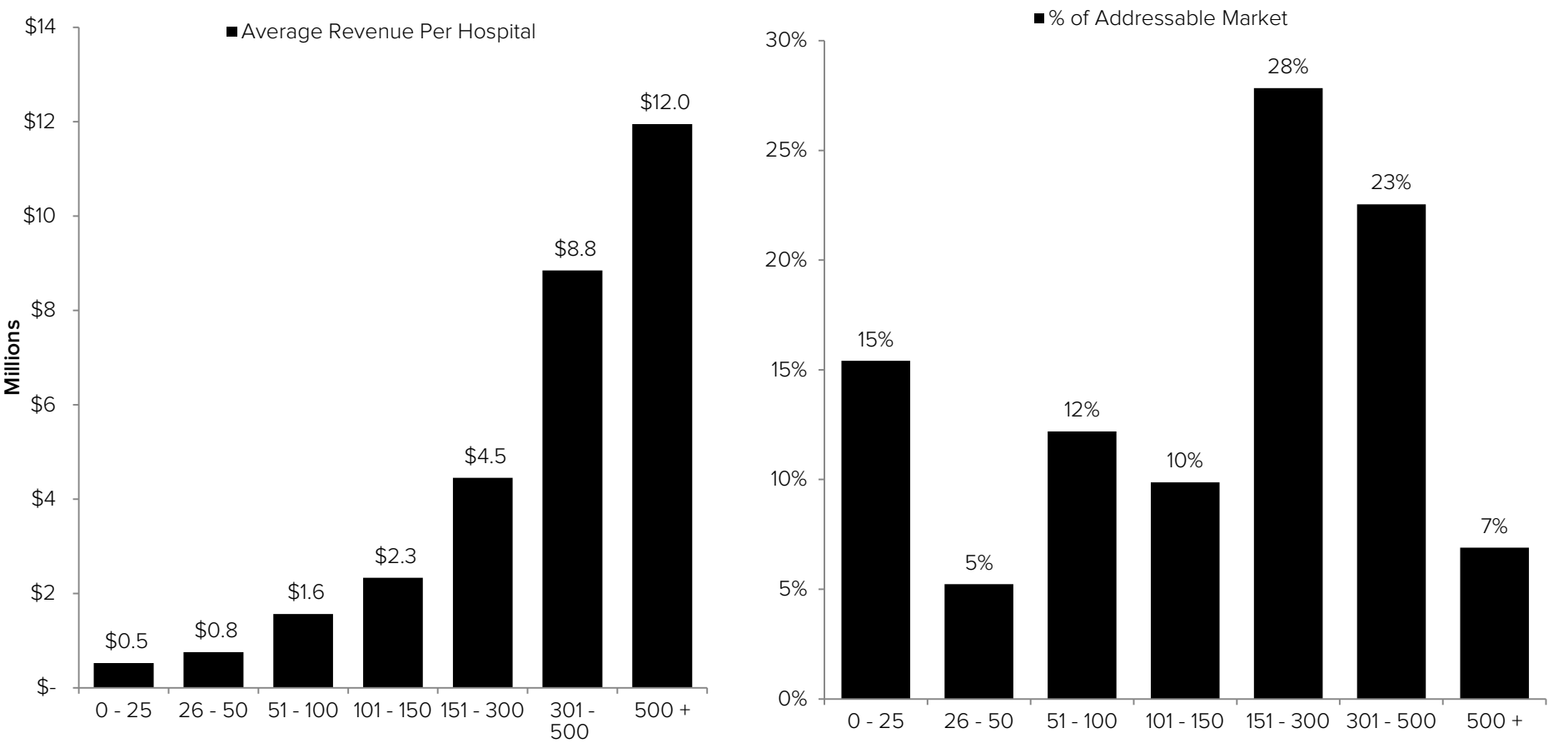
## INDEPENDENT SINGLE-HOSPITAL HEALTH SYSTEM EX-EPIC & MILLENNIUM



# \$2 BILLION ADDRESSABLE MARKET (45% < 100 BEDS)

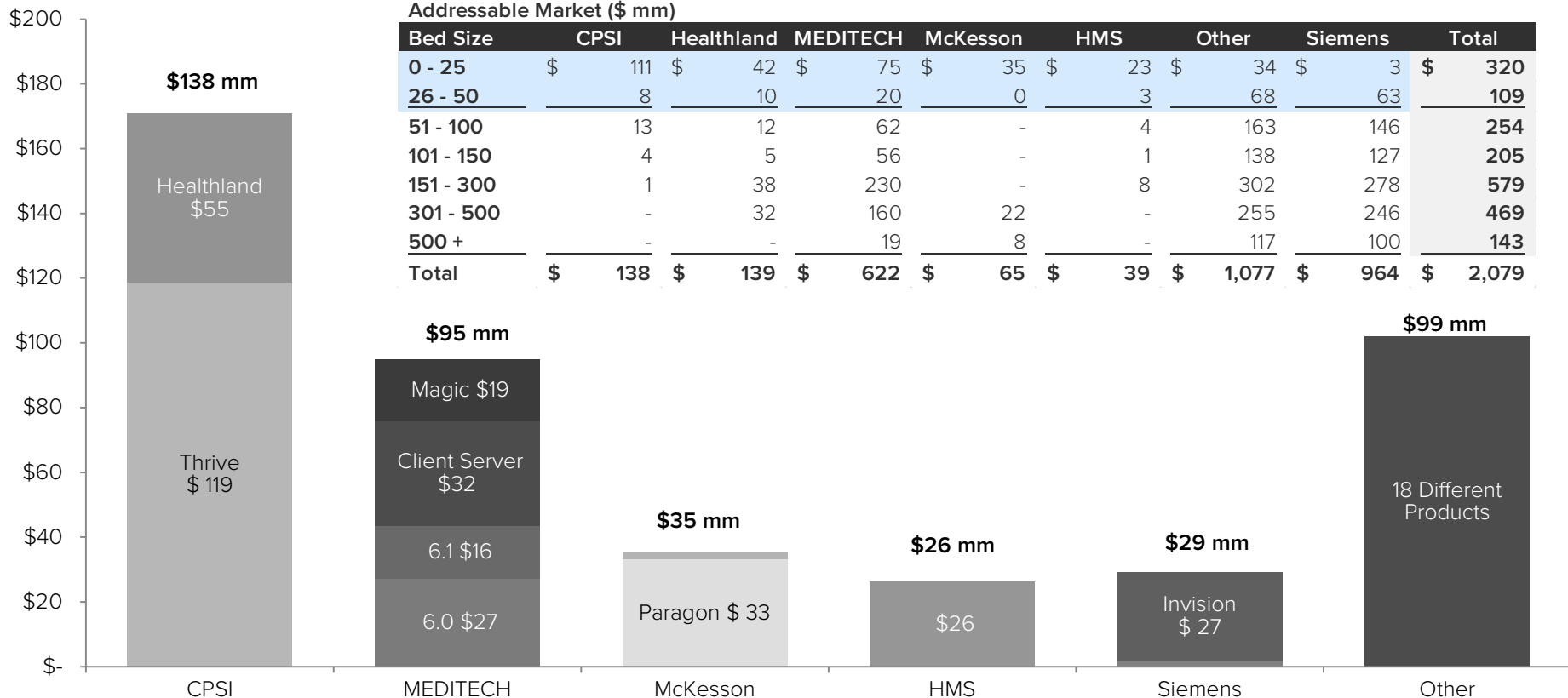


# 32% OF ADDRESSABLE MARKET WITHIN REACH TODAY



# CPSI AND MEDITECH REPRESENT 50% OPPORTUNITY

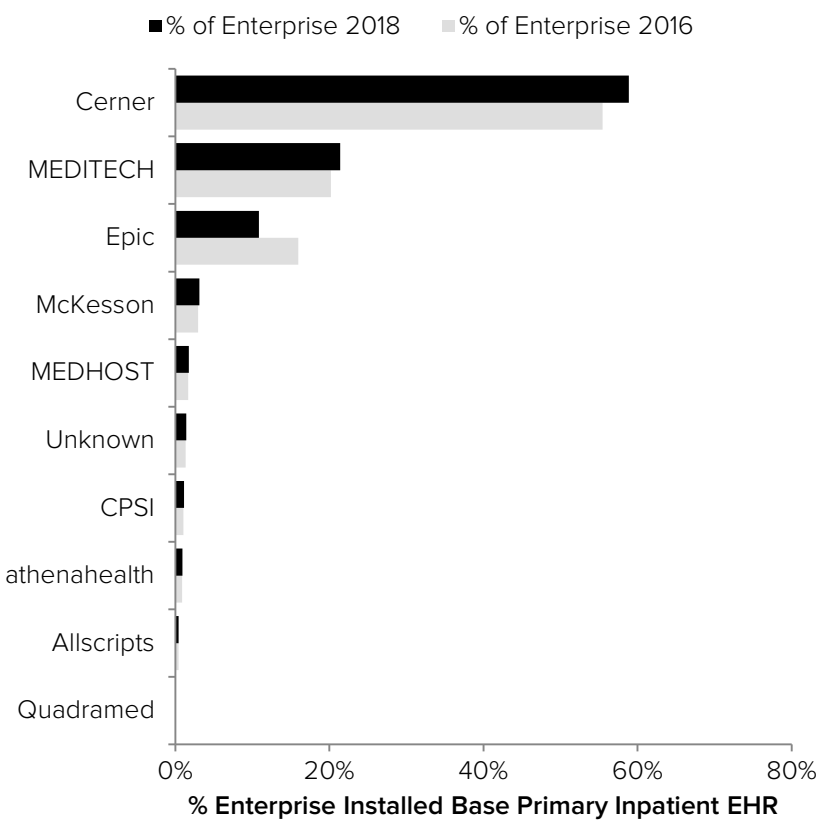
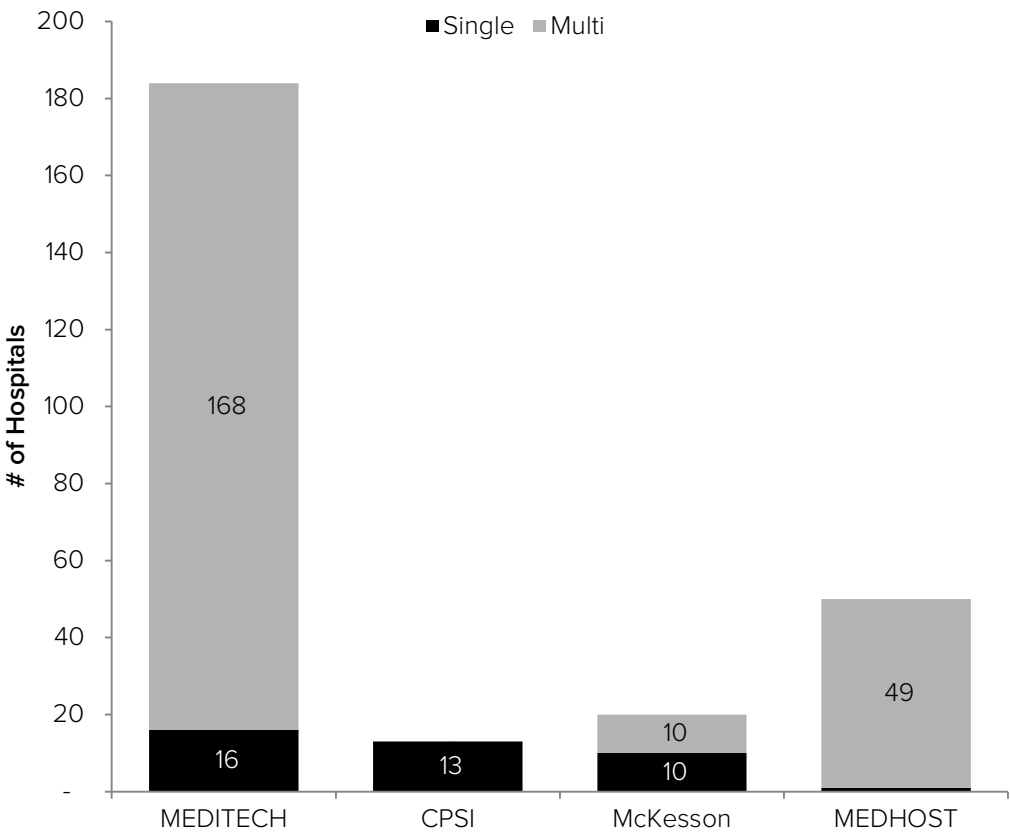
## \$415 MILLION LOW HANGING FRUIT < 50 BEDS



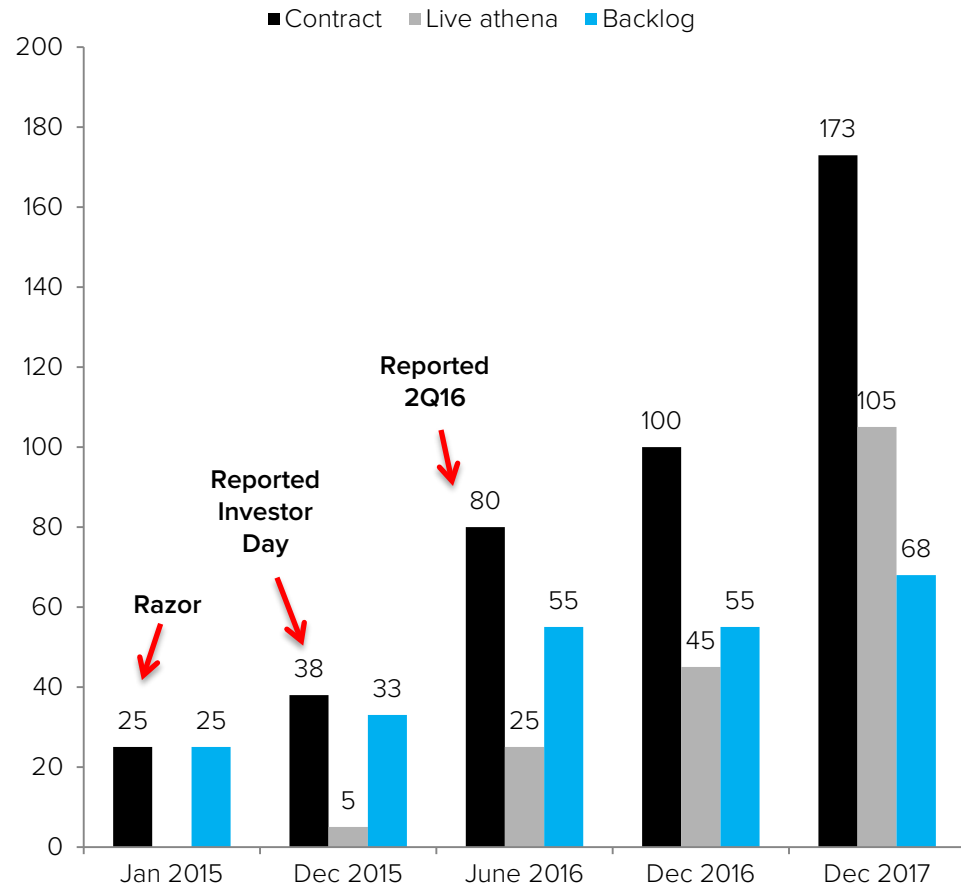
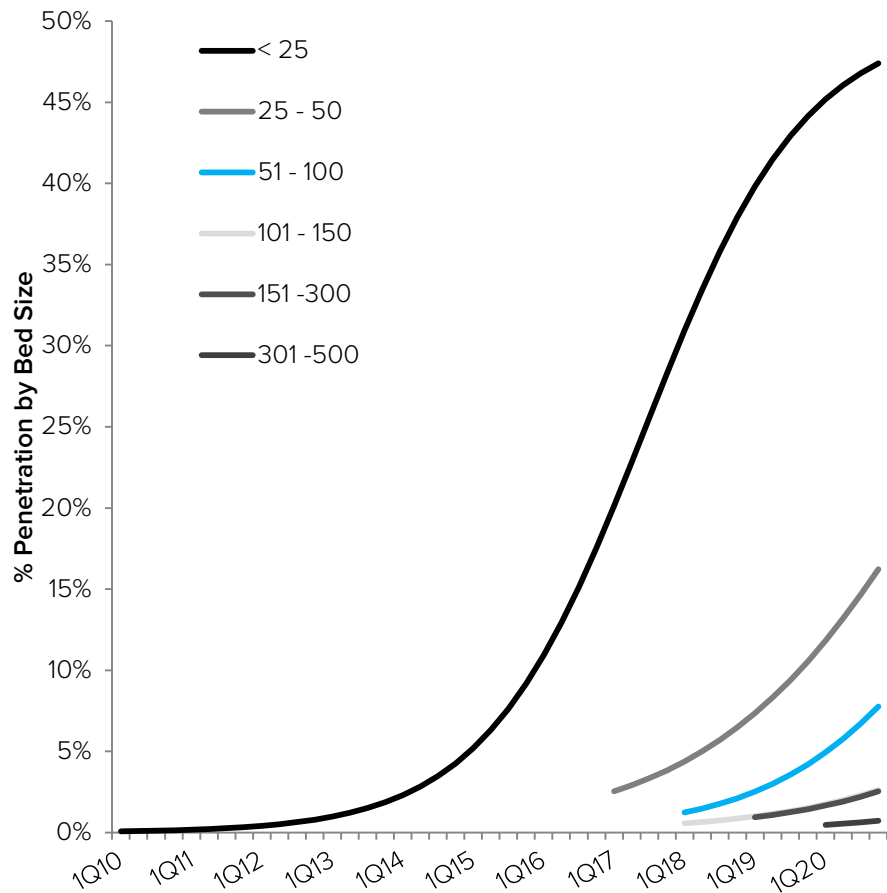


# CROSS-SELL OPPORTUNITY WITHIN AMBULATORY BASE

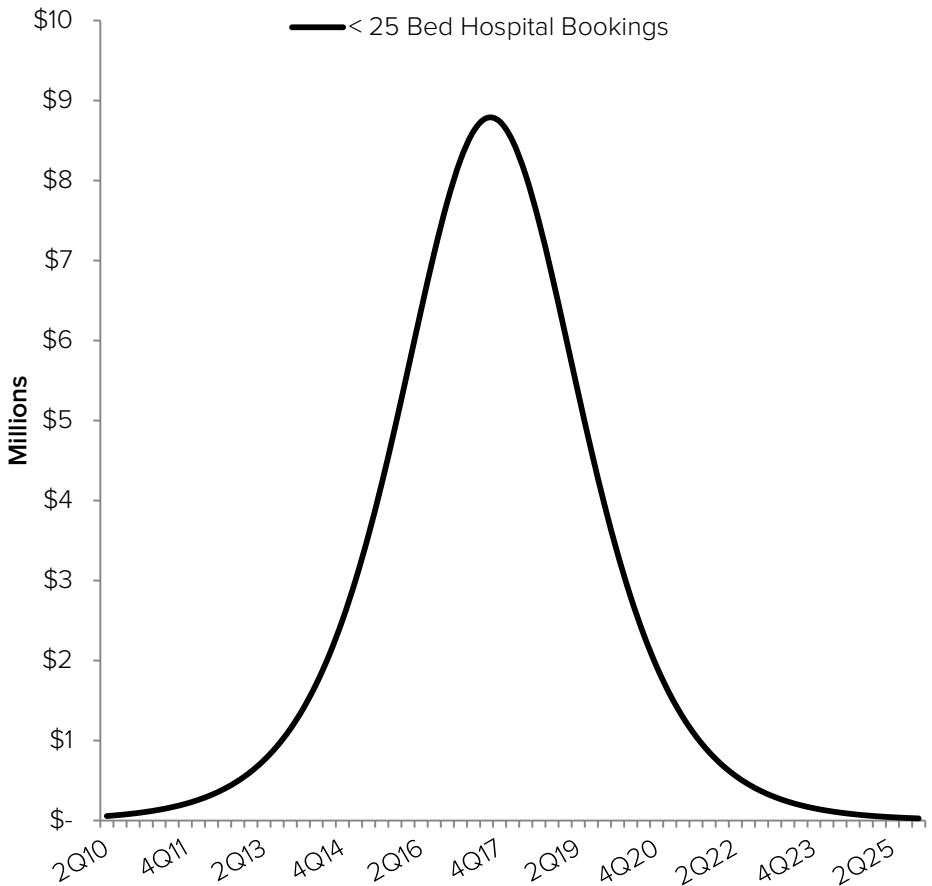
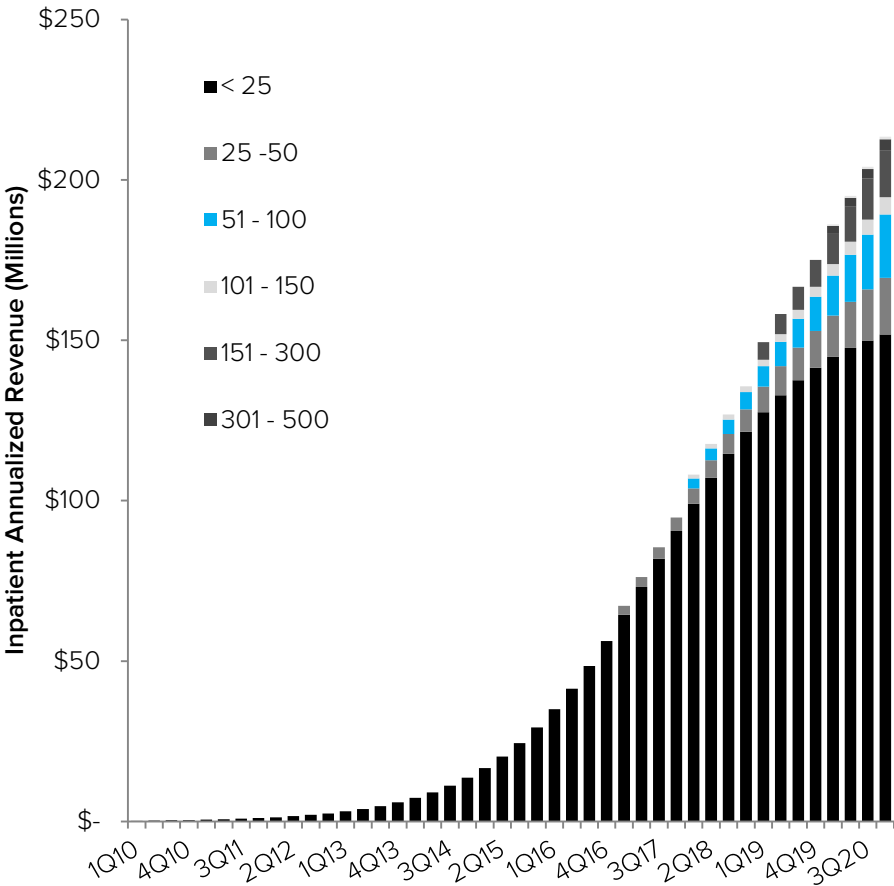
267 HOSPITALS / \$5.4 BILLION NET PATIENT REVENUE



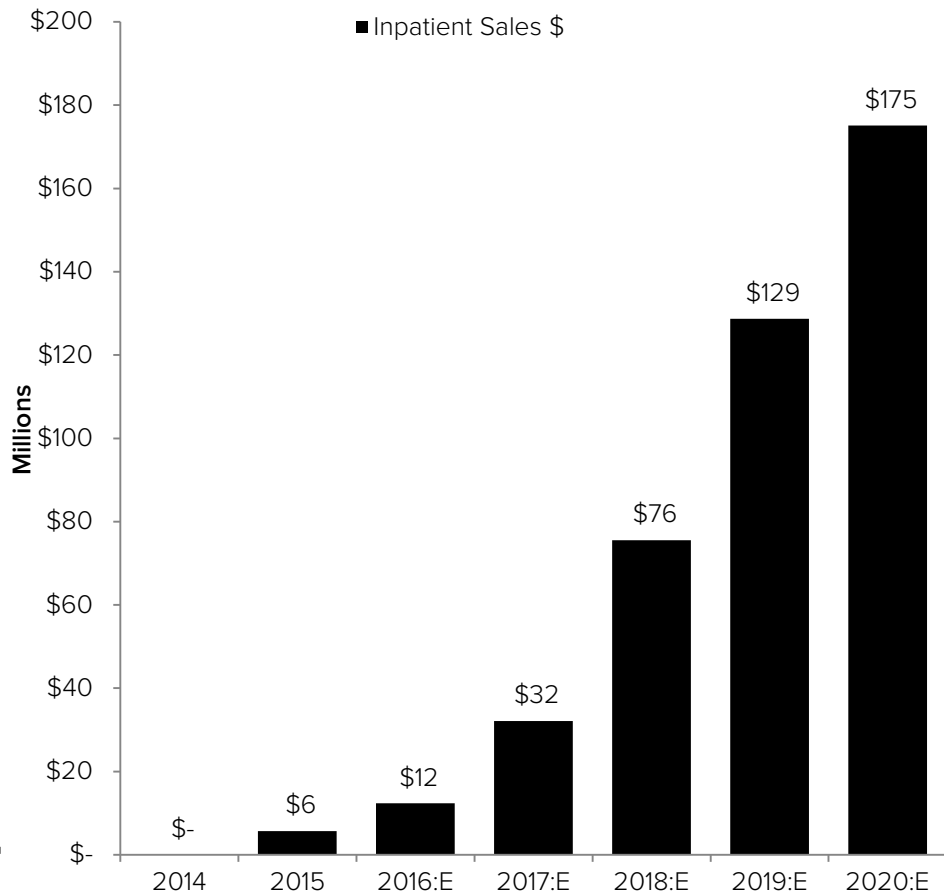
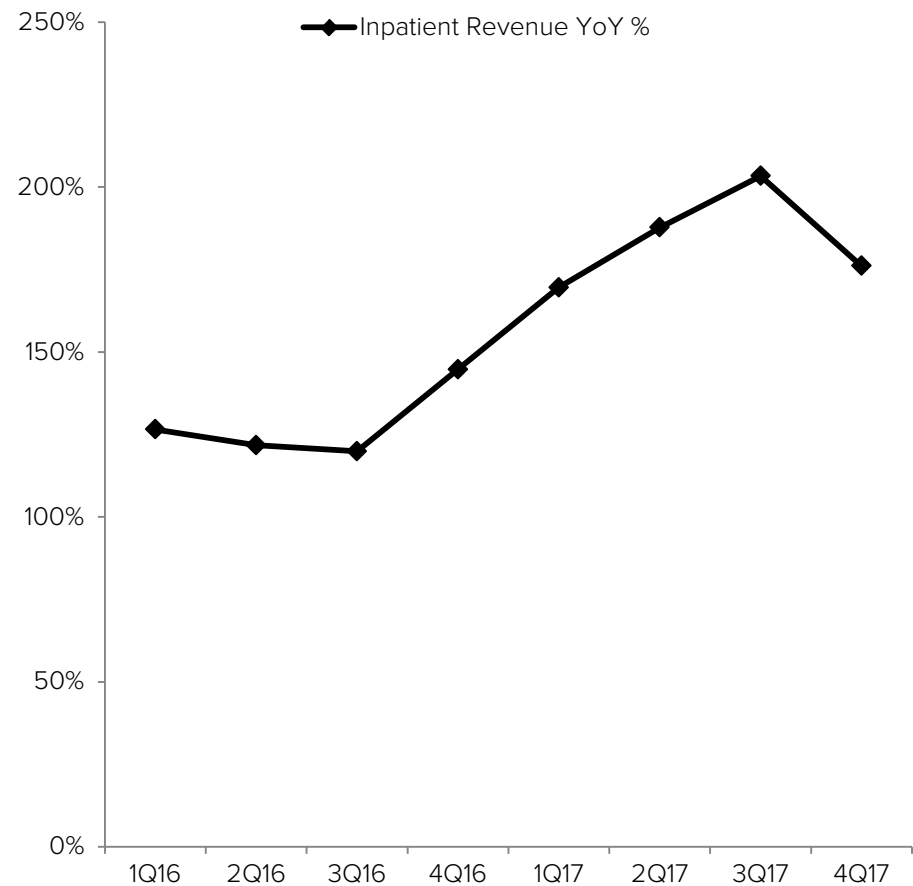
# MODELING INPATIENT ADOPTION



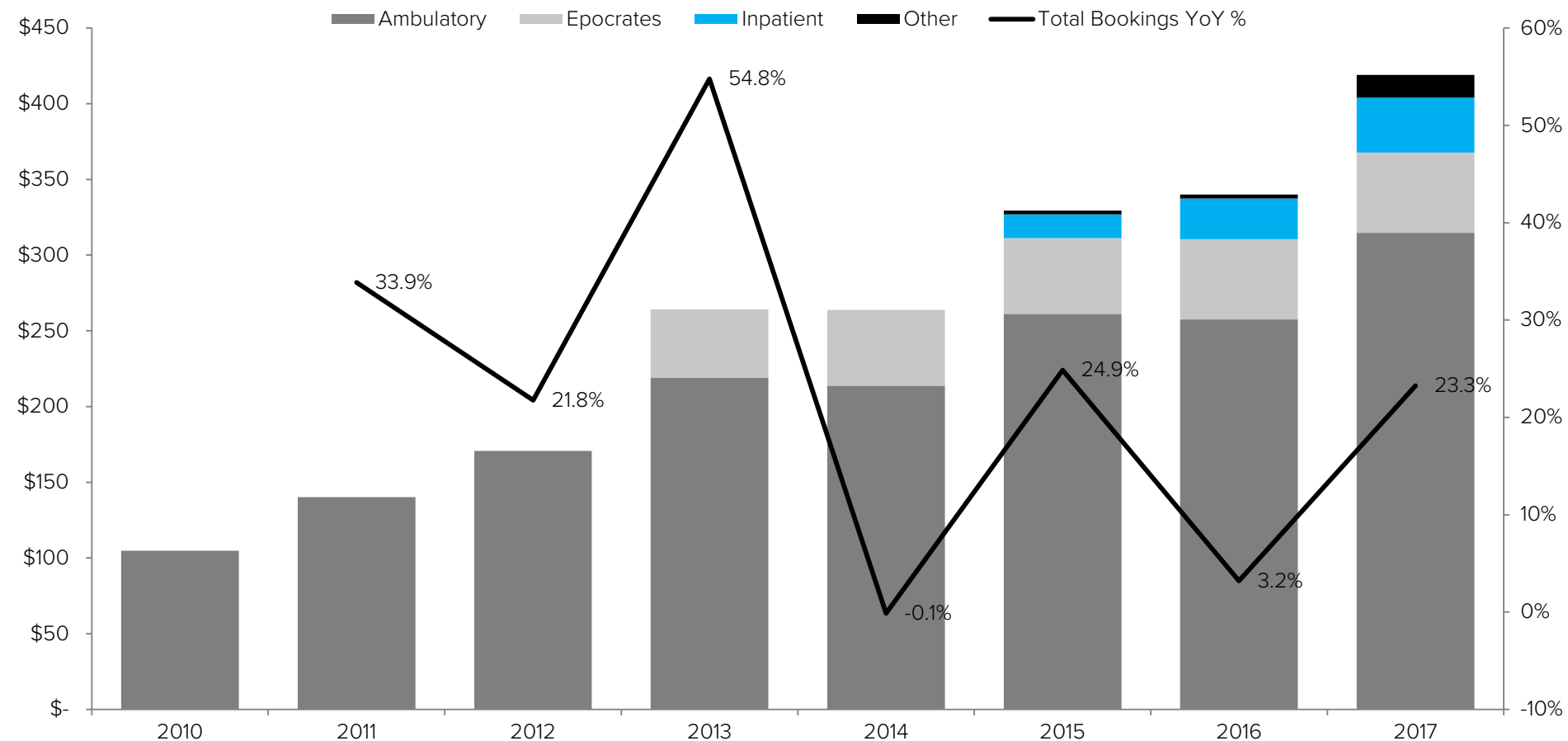
# S-CURVE PREDICTING < 25 BOOKINGS PEAK 2017/2018



# INPATIENT REVENUE GROWTH ACCELERATES

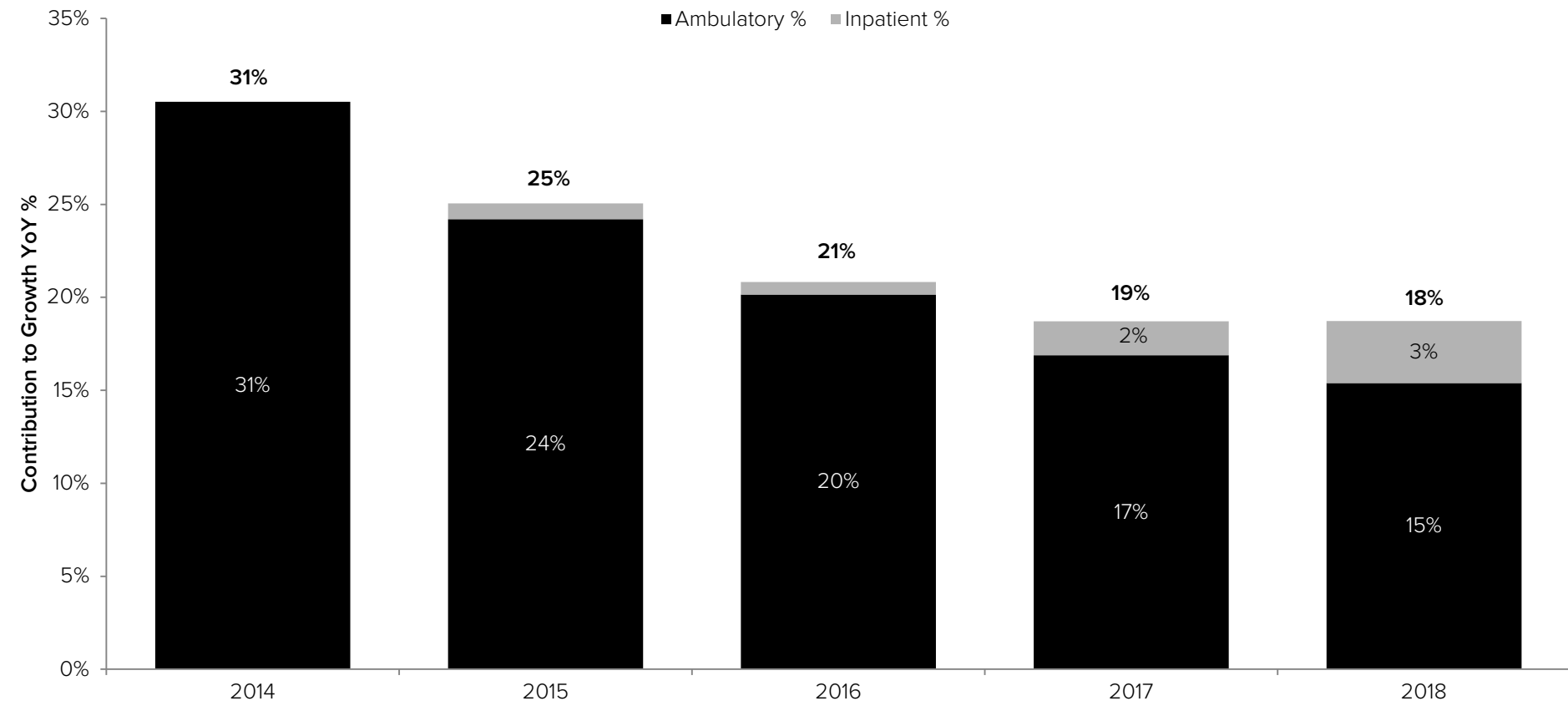


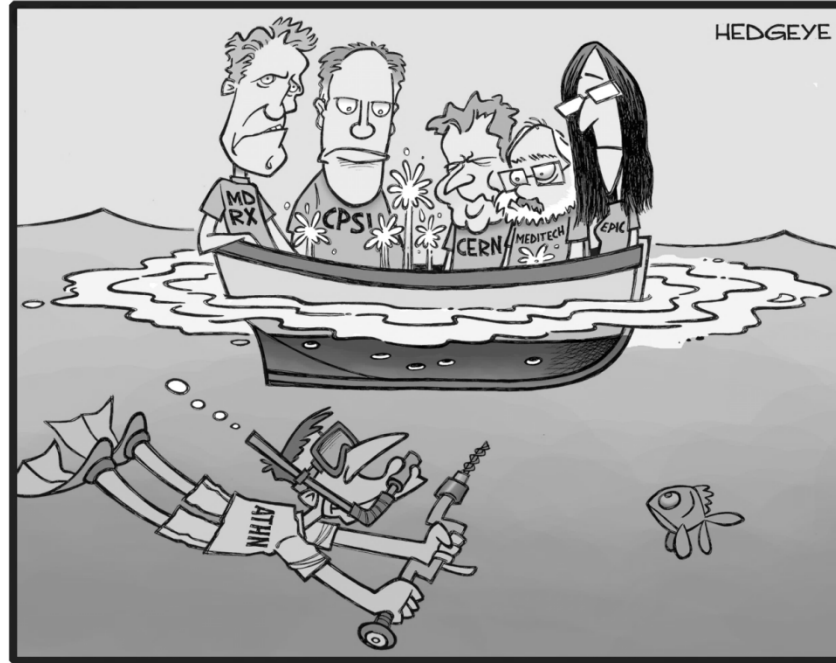
# BRINGING IT ALL TOGETHER...



# ATHENAHEALTH BRANDED BUSINESS SERVICES REVENUE

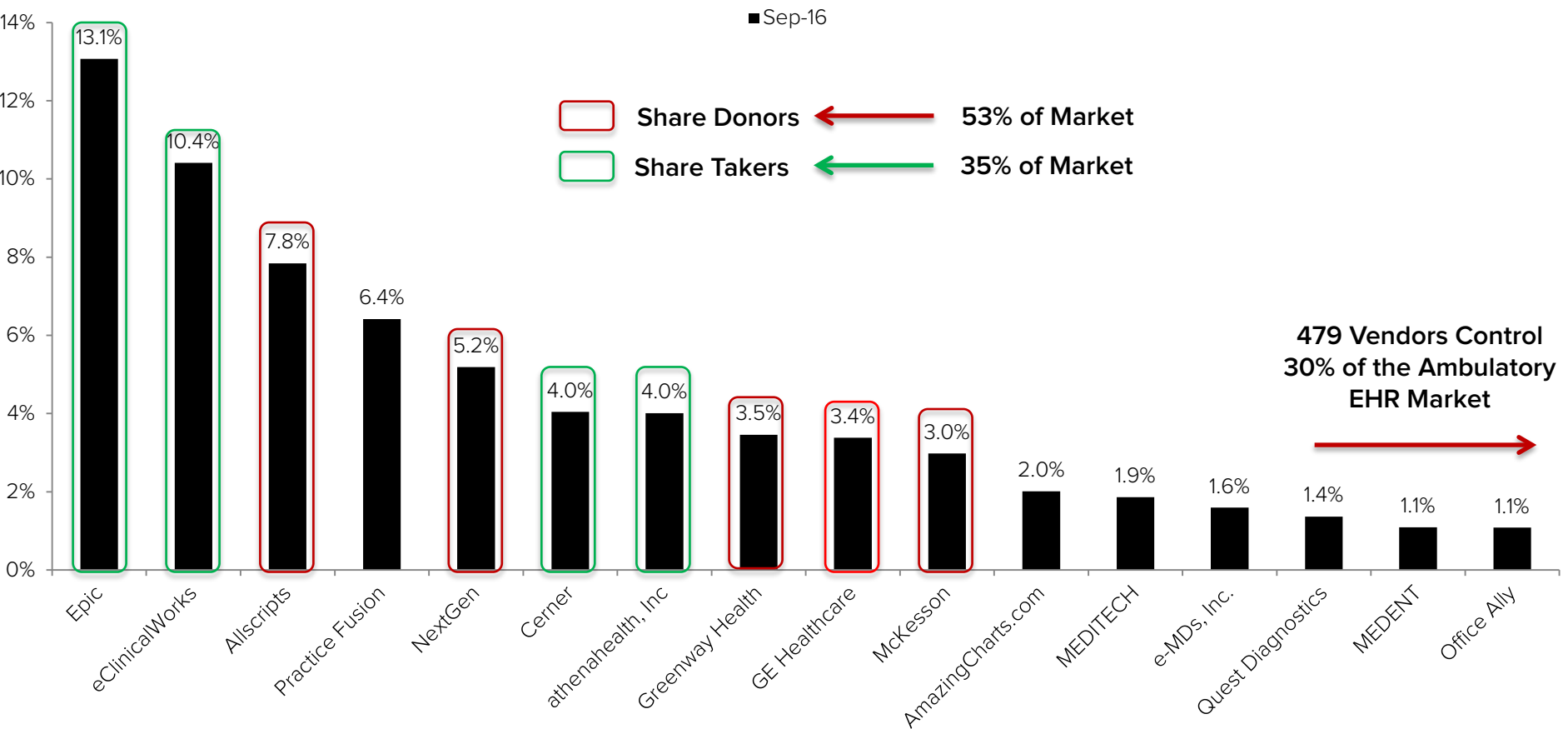
## AMBULATORY STABILIZES WHILE INPATIENT ACCELERATES...





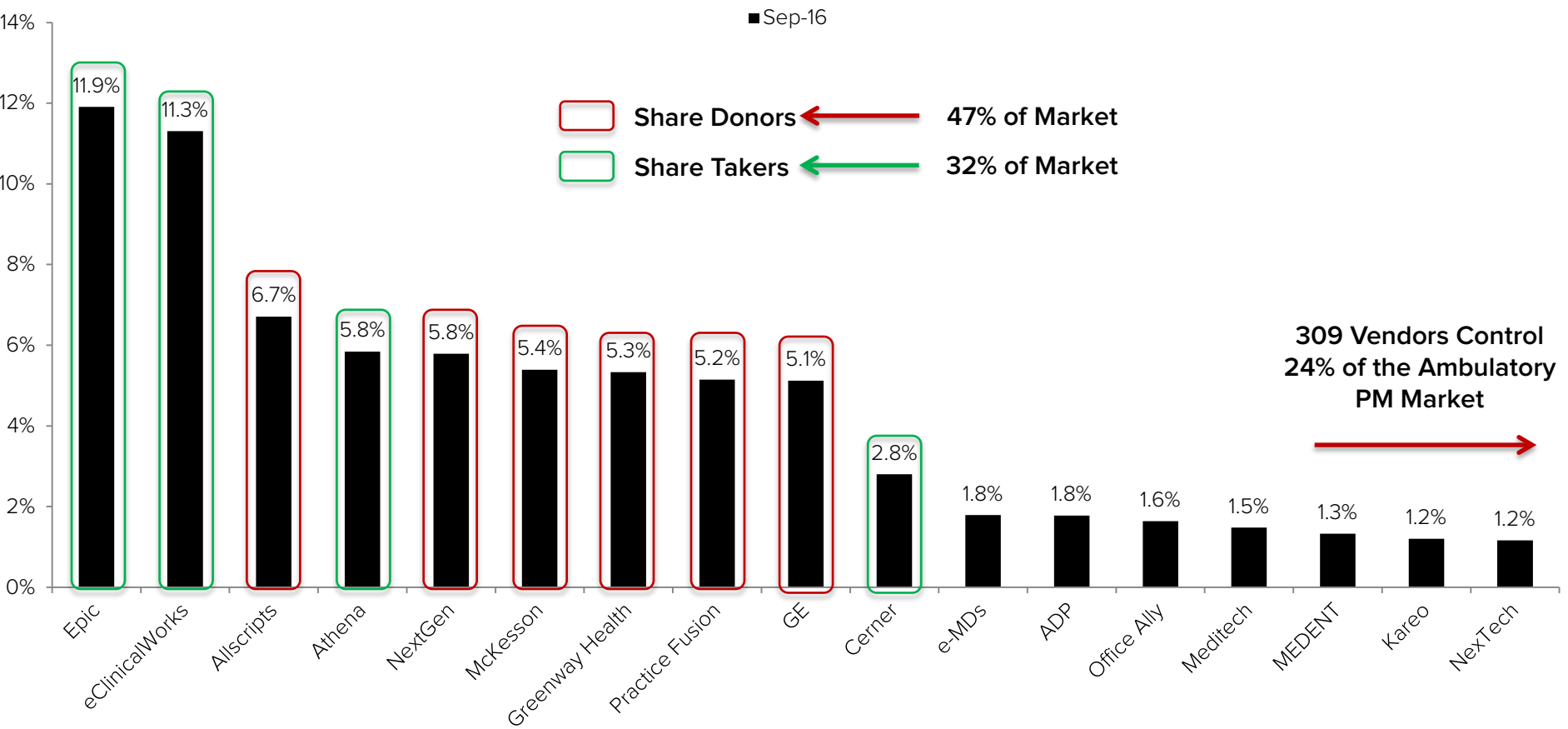
# AMBULATORY OPPORTUNITY

# AMBULATORY EMR MARKET SHARE

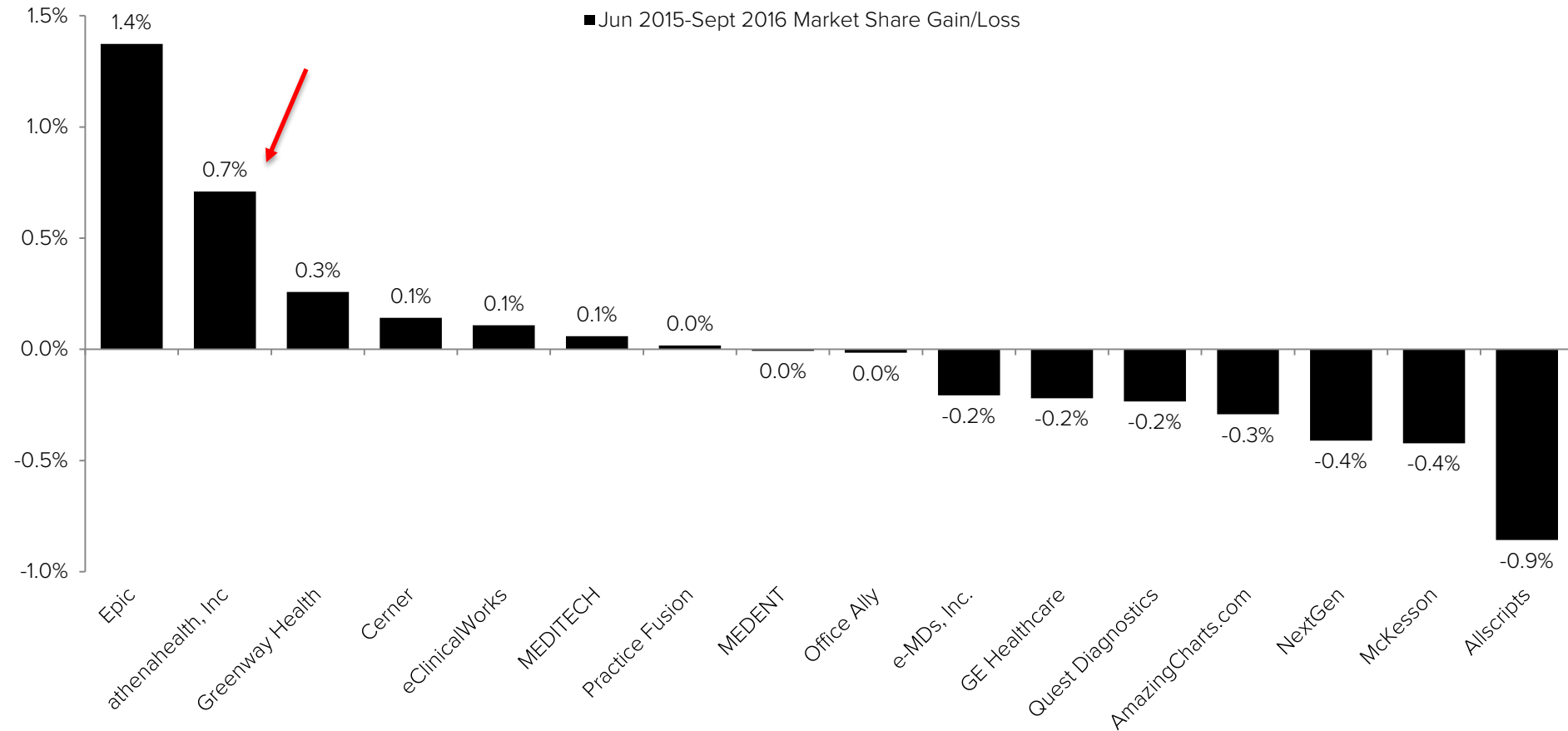




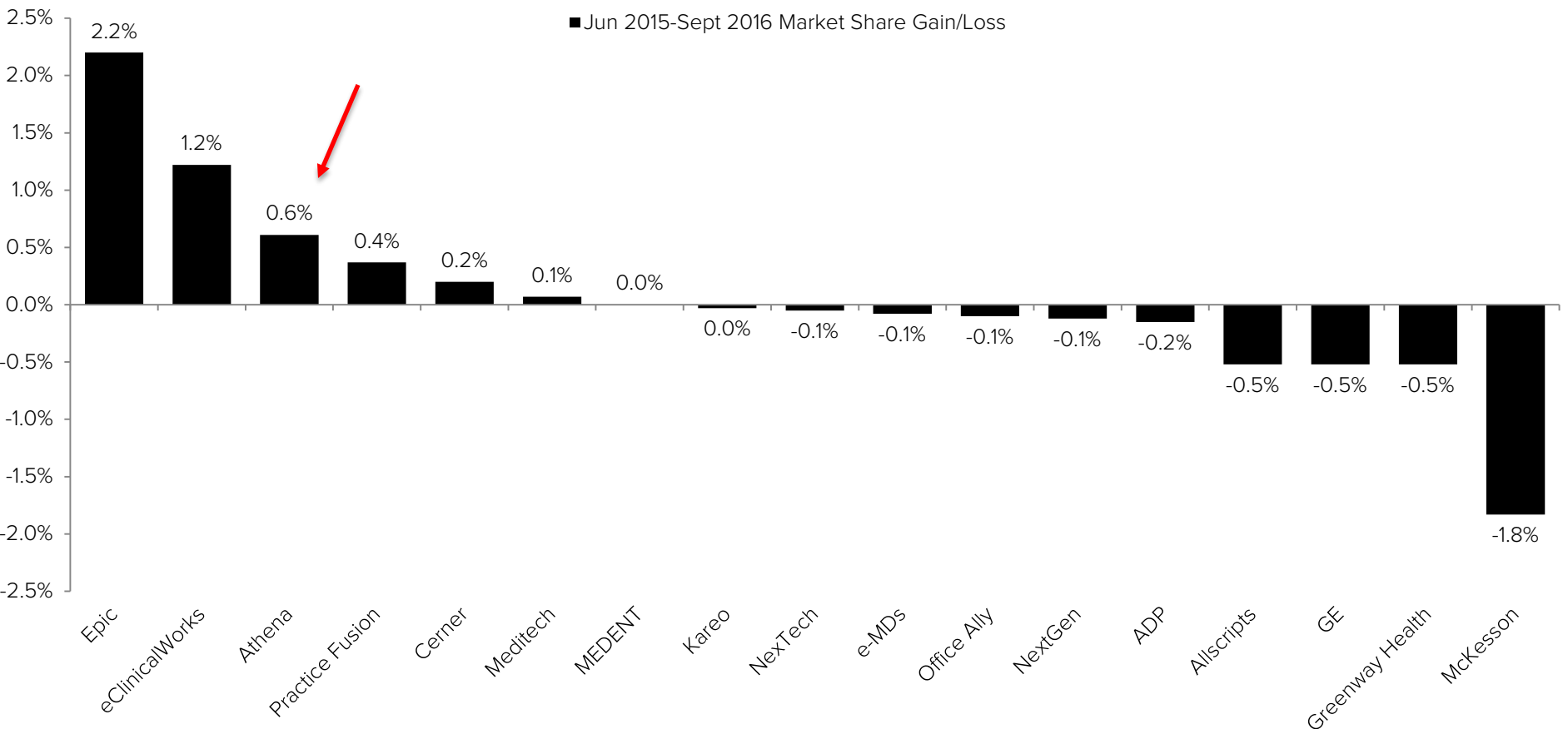
# AMBULATORY PRACTICE MANAGEMENT MARKET SHARE



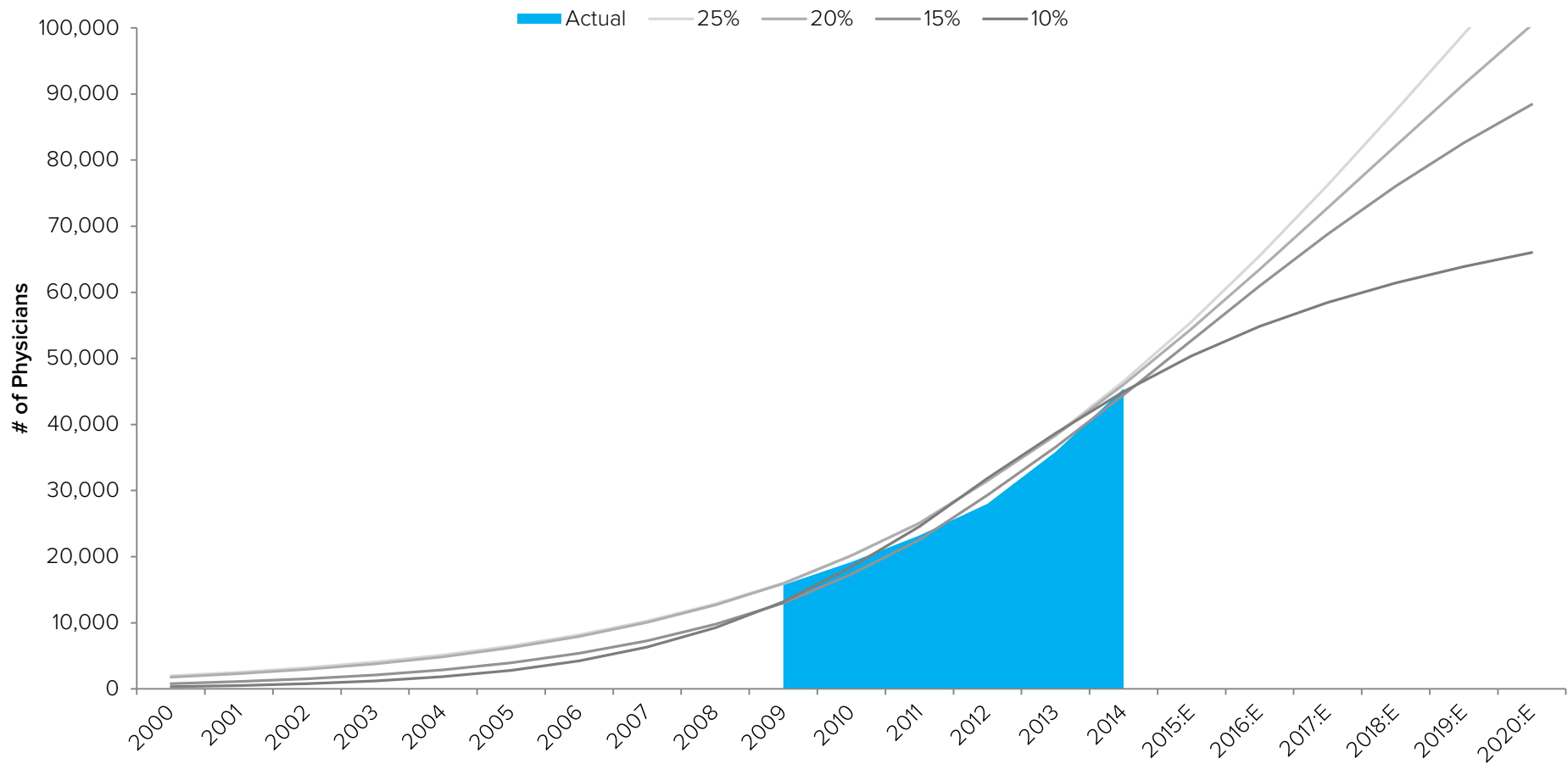
# AMBULATORY EMR MARKET SHARE GAIN/LOSS



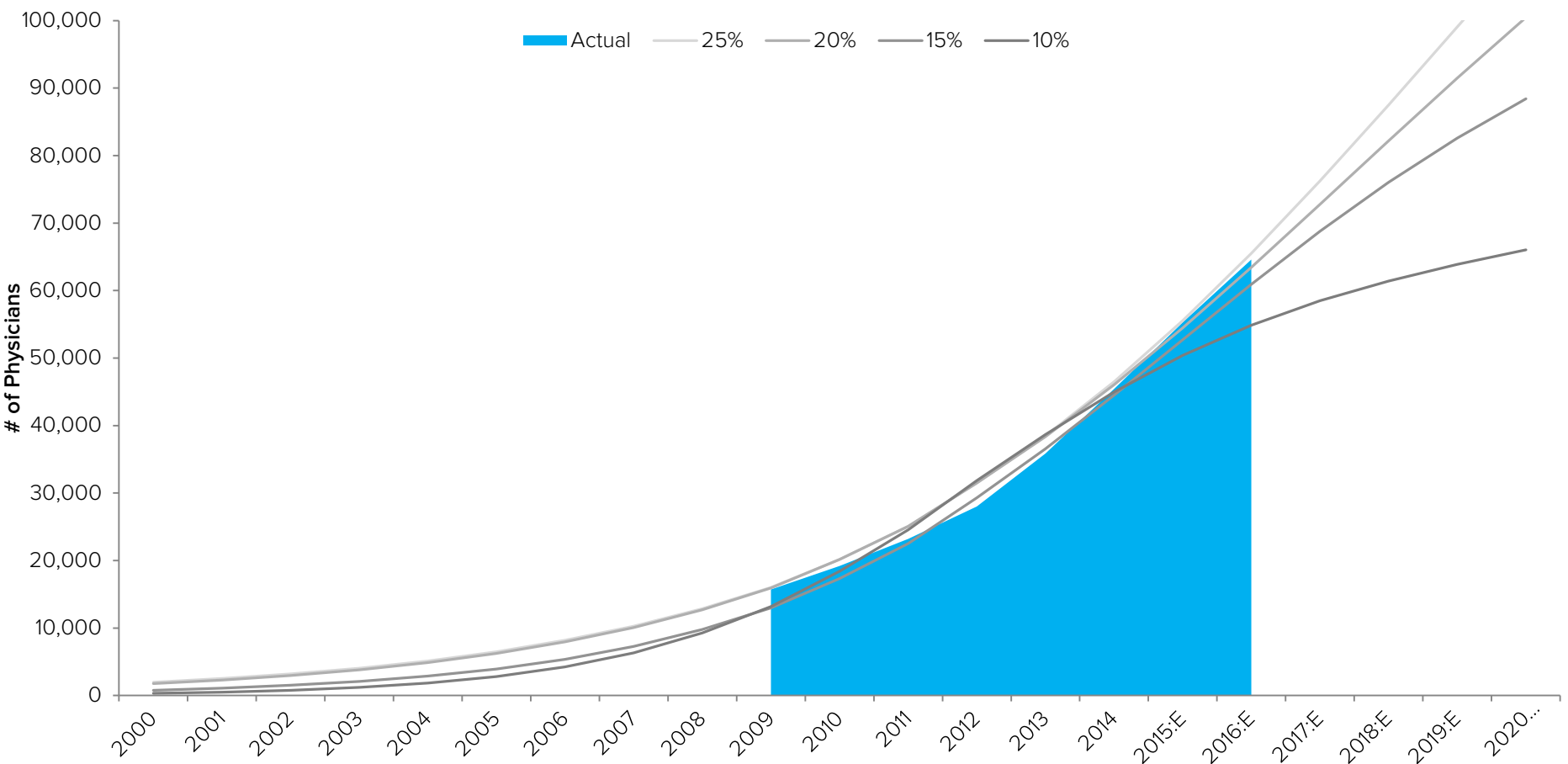
# AMBULATORY PRACTICE MANAGEMENT SHARE GAIN/LOSS



# AMBULATORY ADOPTION CURVE 2014

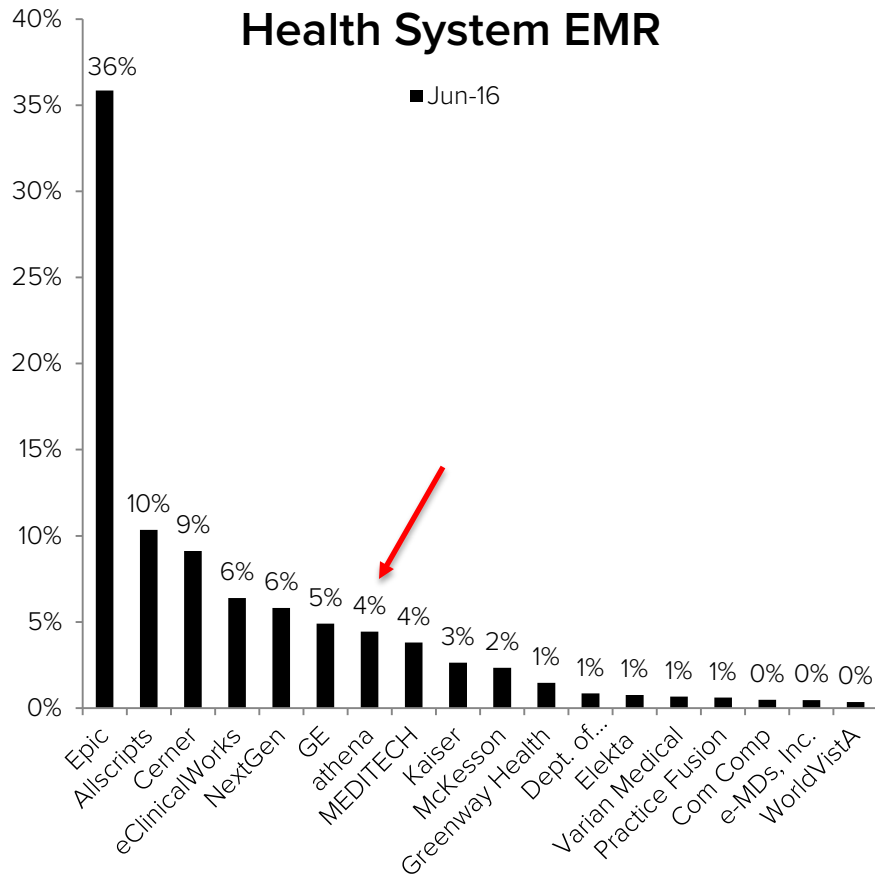


# AMBULATORY ADOPTION CURVE 2016

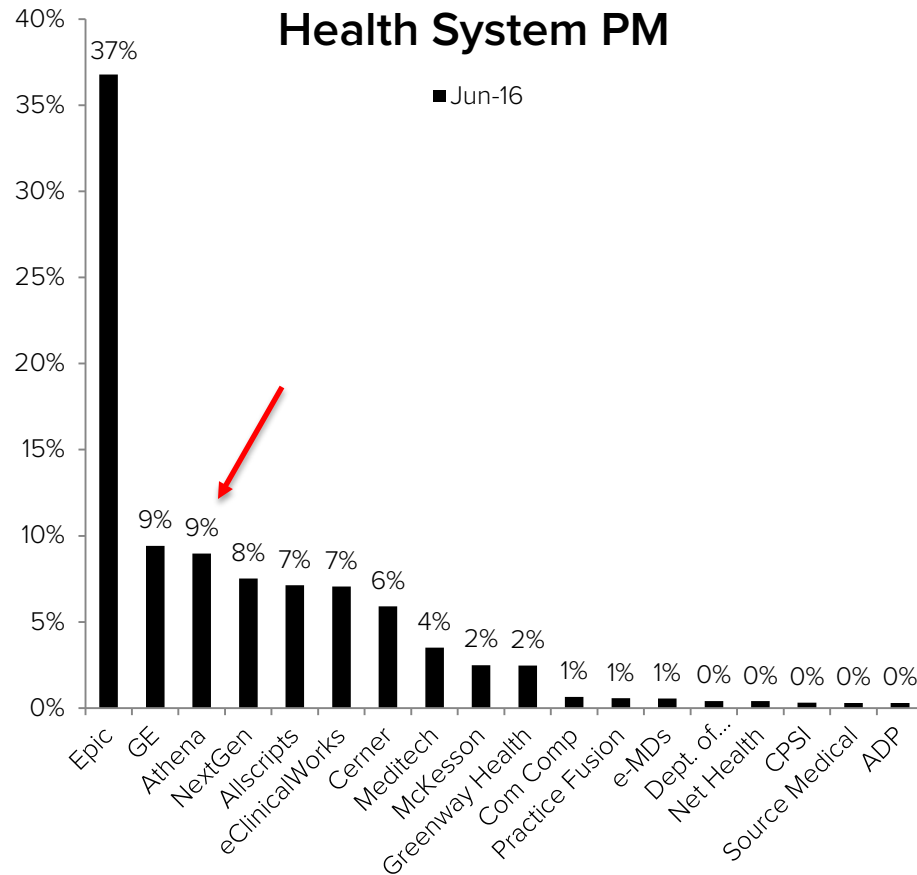


# HEALTH SYSTEM MARKET SHARE

## Health System EMR



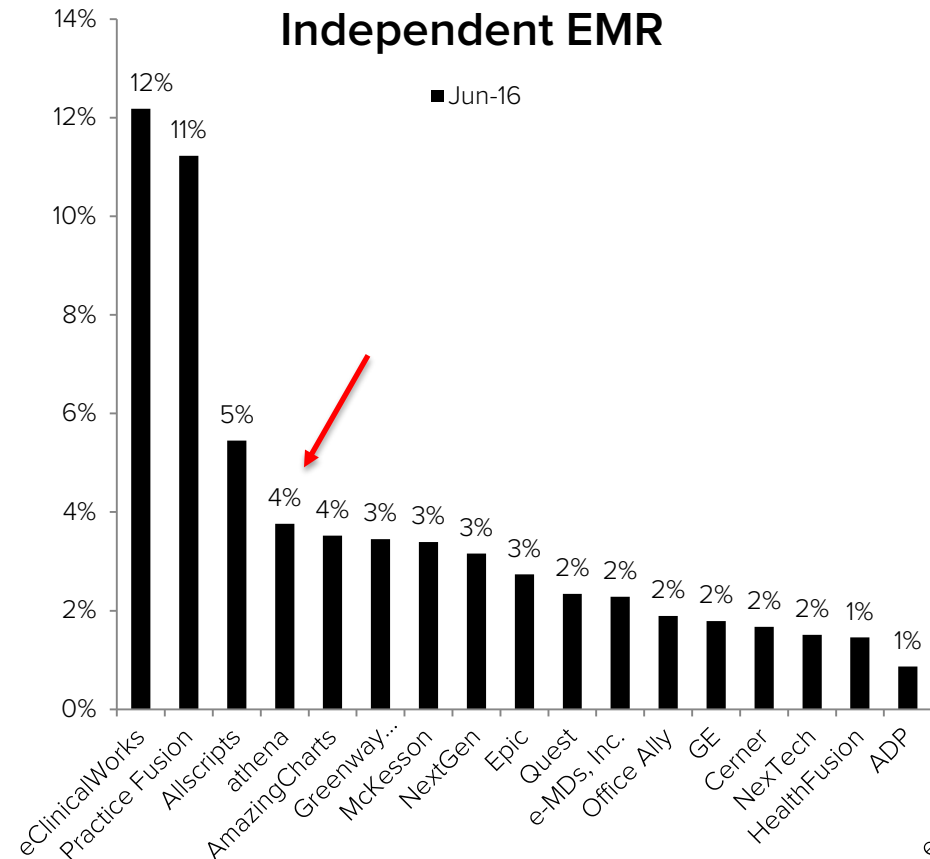
## Health System PM



# INDEPENDENT MARKET SHARE

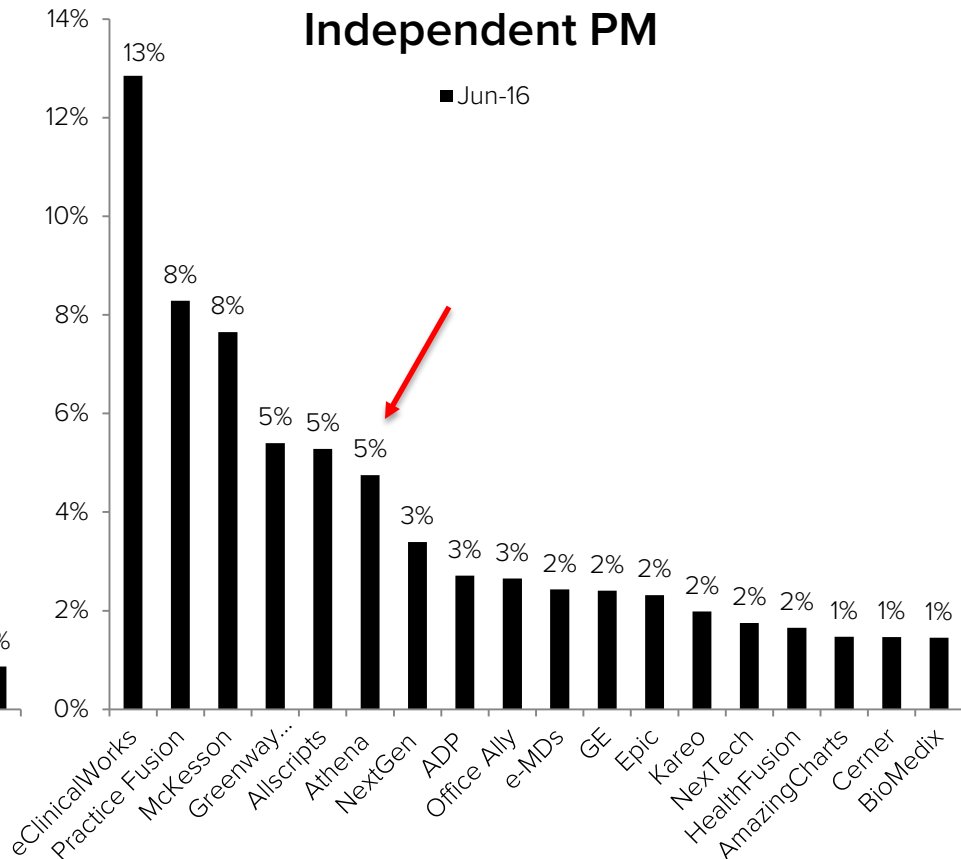
## Independent EMR

■ Jun-16



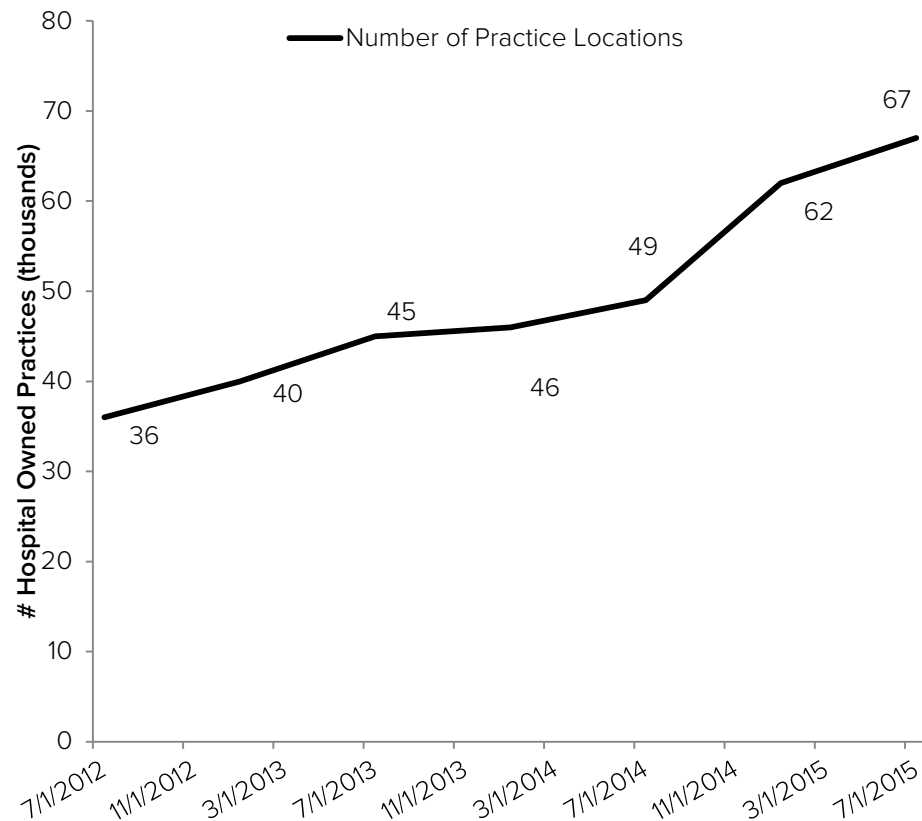
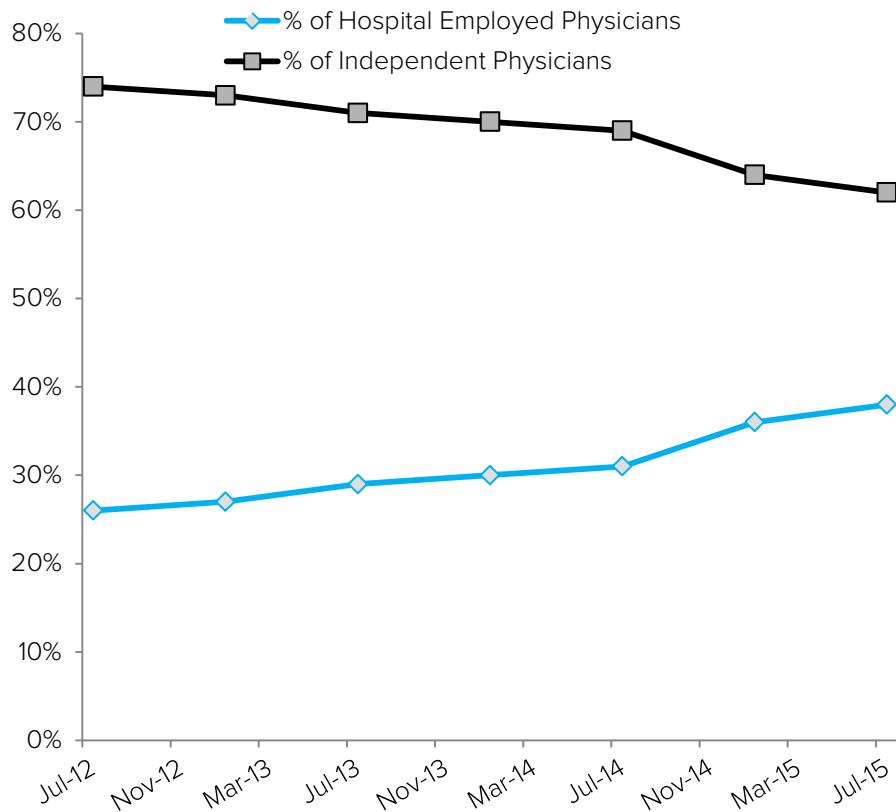
## Independent PM

■ Jun-16



# OWNERSHIP MIX OF PHYSICIANS AND PRACTICES

## INDEPENDENT PHYSICIANS IN DECLINE





# NO SHORTAGE OF "GROWING PAINS"

Oct 14, 2016

Helpful (11)



## "Something is wrong with this place"



Former Employee - Programmer Analyst in Watertown, MA

Doesn't Recommend

Neutral Outlook

Approves of CEO

### Pros

There are comfortable surroundings, beautiful campus, you can have pets, fun halloween party, free coffee and beer. JB is pretty entertaining.

### Cons

A great deal of what athena says is all talk but little substance. On a career development level, there is promise of growth and learning, but these opportunities are few. Many of the managers are young and inexperienced and (I'm assuming) overpaid, and are very poor managers. On bad days, it was depressing to even go there. Immaturity and inexperience are rampant throughout the company. Experienced managers and staff have left which raises red flags.

There is also an underlying fear that the bottom will fall out soon - many of the large hospitals have discontinued their services and there is big pressure on all departments to sustain growth and success.

Show Less

### Advice to Management

Good luck, but if there are headhunters and recruiters calling, I would definitely pursue those opportunities.

Aug 26, 2016

Helpful (3)



## "Growing Pains, Cautiously Optimistic"



Current Employee - Account Manager in Watertown, MA

Recommends

Positive Outlook

Disapproves of CEO

I have been working at athenahealth full-time

### Pros

athena has a great working atmosphere with respect to it's physical locations. The building are cool and well thought out and they've done a great job maintaining that start-up feel despite employing nearly 5000 people and just crossing that \$1B threshold in annual revenue.

Depending on your role, you will probably have a flexible schedule with built in work from home days and generous PTO accrual. I can't speak for every department but most have a solid respect for work life balance and encourage you to take days off when you need them.

Show Less

### Cons

There is a big divide between employees that are client facing vs. those who are not. With only a minority of the company as a whole having to interact with the client base, it feels like we've lost our customer-centric mission.

We're growing the client base so fast that it almost feels like we don't have to focus on pleasing existing customers because we know we're growing so fast. Staffing has not matched the same growth trends as the client base and it's proven hard to scale the customer service side to meet demand.

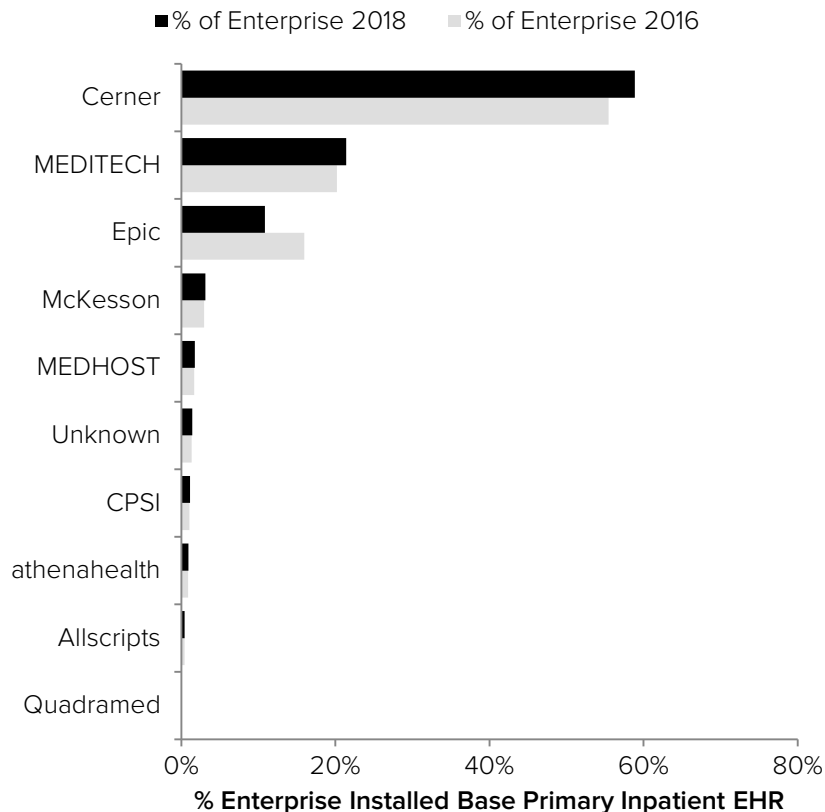
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[Click to Read Reviews](#)

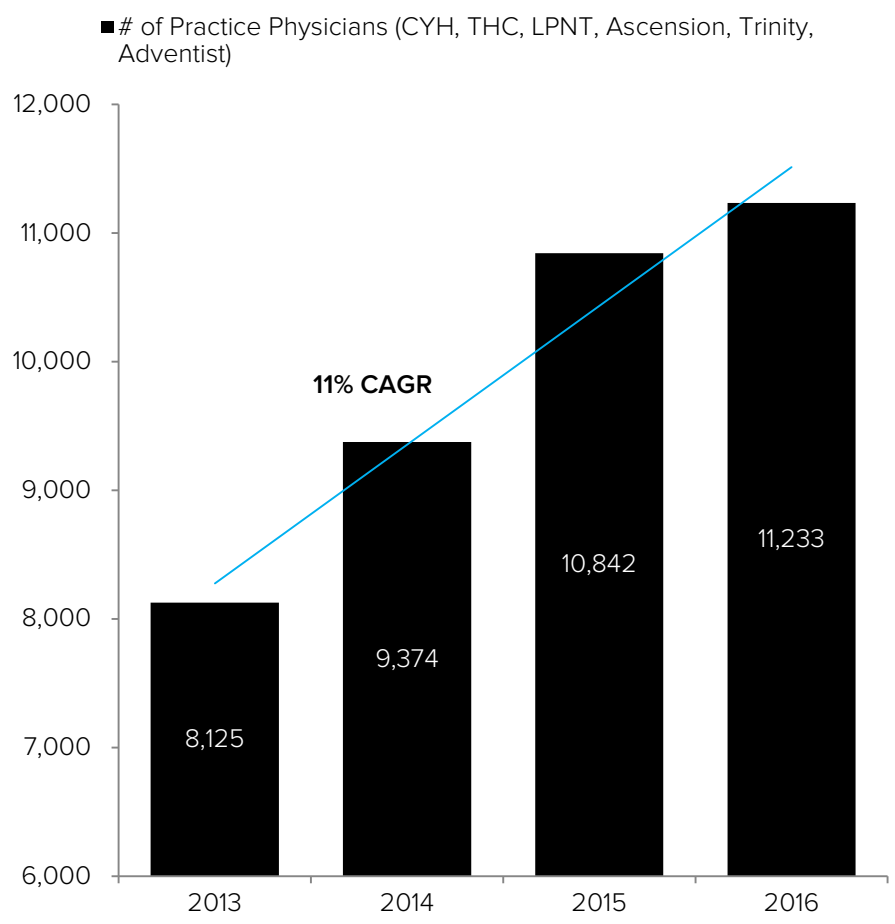
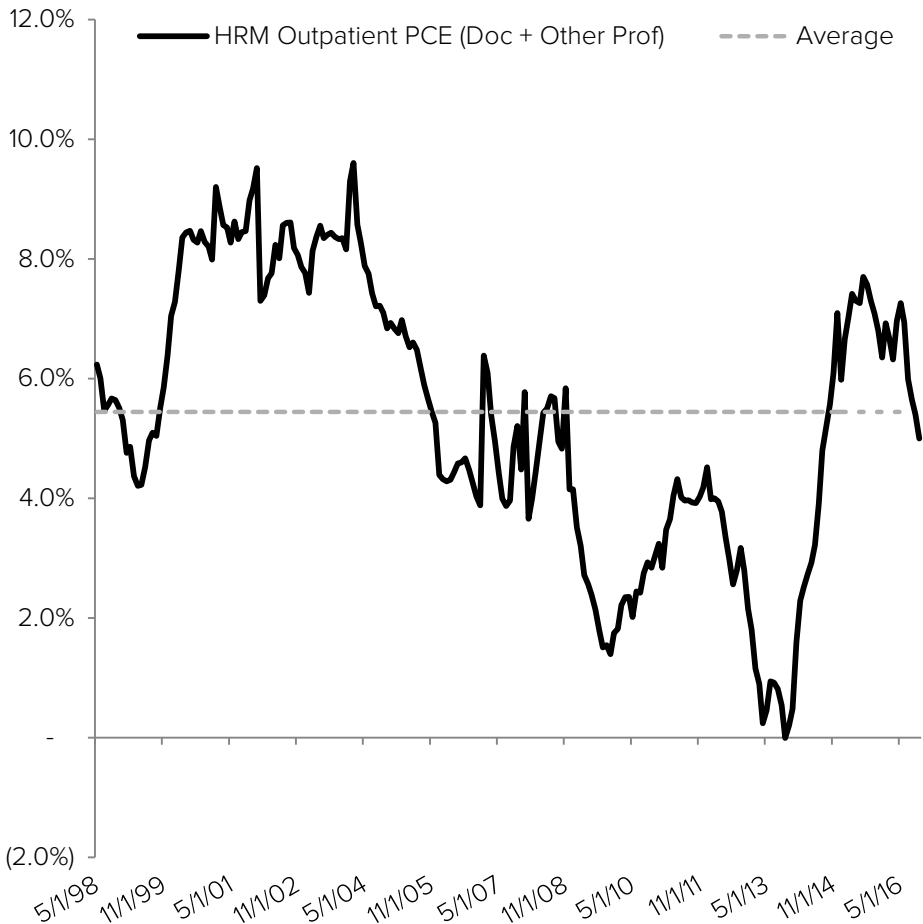
# HOW MUCH EPIC RISK IS LEFT?

~80% OF HEALTH SYSTEM BASE ARE CERNER AND MEDITECH CUSTOMERS

Rank	Health System Name	Inpatient EHR	% of HS Base
1	Ascension Health	Cerner	19.5%
2	Community Health Systems, Inc.	Cerner	13.7%
3	Tenet Healthcare Corporation	Cerner	10.7%
4	Bon Secours Health System, Inc.	Epic	8.5%
5	CHRISTUS Health	MEDITECH	6.2%
6	ProMedica Health System	Epic	3.5%
7	Regional Health	MEDITECH	2.3%
8	Duke LifePoint Healthcare	MEDITECH	2.2%
9	Cook Children's Health Care System	Epic	2.2%
10	Western Connecticut Health Network	Cerner	2.2%
11	Phoebe	MEDITECH	2.1%
12	St. Joseph's Healthcare System	Cerner	1.9%
13	Children's Hospital Los Angeles	Cerner	1.6%
14	MercyRockford Health System	Epic	1.4%
15	Valley Health System, Inc.	MEDITECH	1.4%
16	Adventist Health System	Cerner	1.3%
17	FirstHealth of the Carolinas	Cerner	1.3%
18	Columbus Regional Health	MEDITECH	1.1%
19	RCCH HealthCare Partners	MEDITECH	1.0%
20	Steward Health Care System	MEDITECH	0.9%



# SAME-STORE GROWTH IS SIGNIFICANT CONTRIBUTOR



# CROSS-SELLING EXISTING CLIENTS

— % of Total athenaCollector physicians using athenaClinicals

## BY THE NUMBERS



**6,500**  
EMPLOYED PROVIDERS  
across the United States  
located in  
**16 STATES**,  
plus the District of Columbia

**722**  
NEW VETERANS  
were seen by  
AMG providers  
through the  
**VA CHOICE  
PROGRAM**



Since program launch  
in March 2016



Year-over-year  
growth of  
more than  
**100,000**  
ADDITIONAL  
UNIQUE PRIMARY  
CARE PATIENTS

PROVIDED  
**195,422**  
MAMMOGRAPHY SCREENINGS  
in FY16



**7,473**  
ASSOCIATES  
are on  
athena Collector

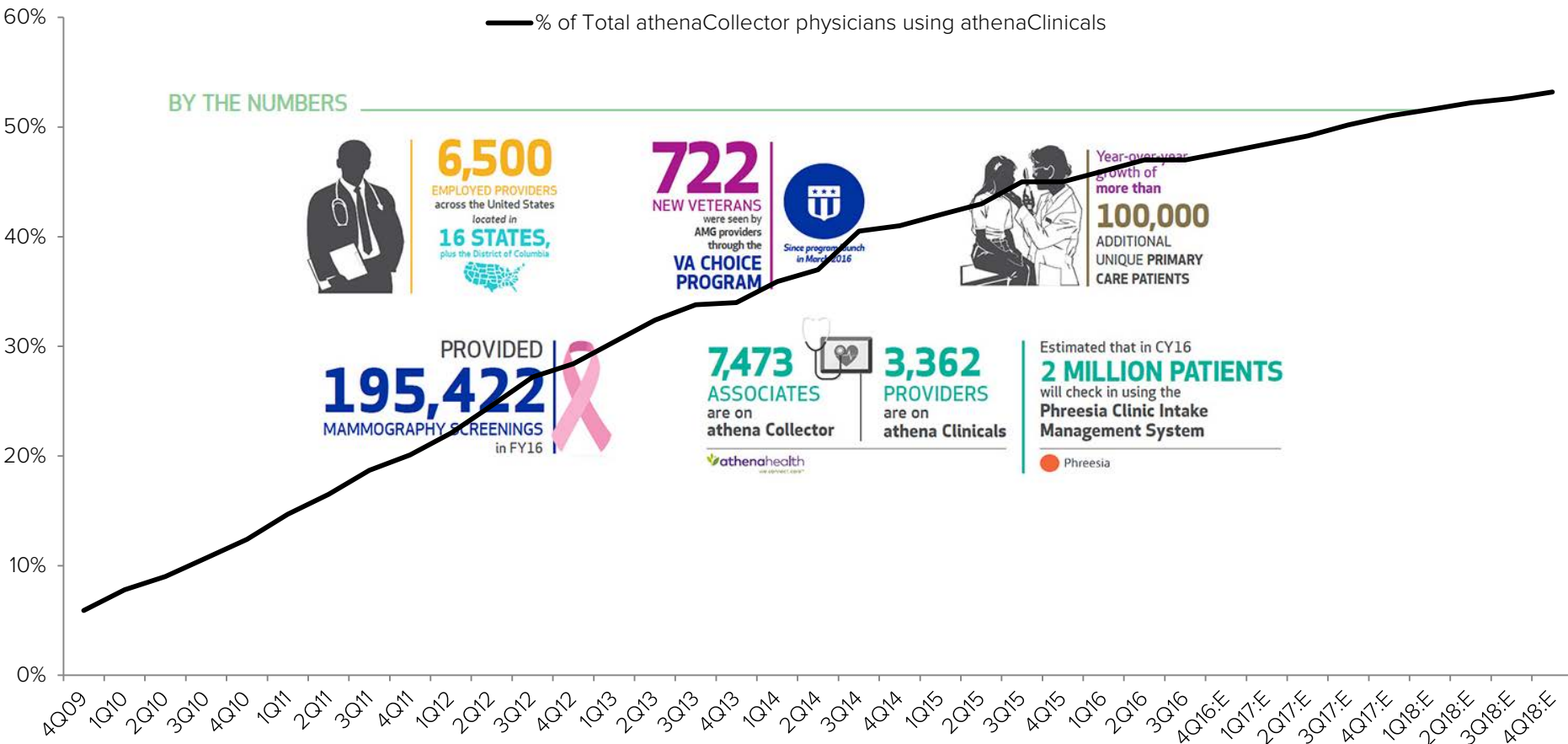
athenahealth  
www.athenahealth.com



**3,362**  
PROVIDERS  
are on  
athena Clinicals

Estimated that in CY16  
**2 MILLION PATIENTS**  
will check in using the  
**Phreesia Clinic Intake  
Management System**

Phreesia



# POTENTIAL ENTERPRISE OPPORTUNITIES



Wheaton  
Franciscan  
Healthcare

**+350 Providers**

Acquired in 2015 by Ascension

Part of Columbia St. Mary's



Dignity Health™

**+1,500 Providers**

Signed Contract w/Cerner for Ambulatory Early 2016

Revenue Cycle Partnership with Optum Not Going Well

CHI Merger Game Changer



HealthCare Partners.

Medical Group and Affiliated Physicians

**+3,000 Providers**

Large NextGen / Allscripts Customer

LIFEPOINT  
HEALTH

**+800 Providers**

~50% LifePoint eClinicalWorks

Inpatient Opportunity?

# POTENTIAL ENTERPRISE OPPORTUNITIES



## **+500 Providers**

Capella Currently on athenahealth

RegionalCare on NextGen



## **+1,500 Providers**

Revenue Cycle Not Optimized

Cerner PowerWorks, GE Centricity,  
Quadramed, MedAssets, eClinicalWorks,  
Allscripts



Trinity Health  
Livonia, MI

## **+3,00 Providers**

~1,200 Currently Live

\$30 million Likely to Close 1H17

# POTENTIAL ENTERPRISE OPPORTUNITIES



**+850 Providers**

Concierge Medicine Founded in 2000 w/6 docs

~125 Physicians Live



**661 Health Centers / \$1.3 bill Revenue**

Currently on NextGen w/MSO Voxnet

3 out of 63 regions on athenahealth

# ACQUIRING/PARTNERING SMALL VENDORS



## IMPORTANT UPDATE: CLINIXMD TO DISCONTINUE AMBULATORY EHR SERVICE IN 2016.

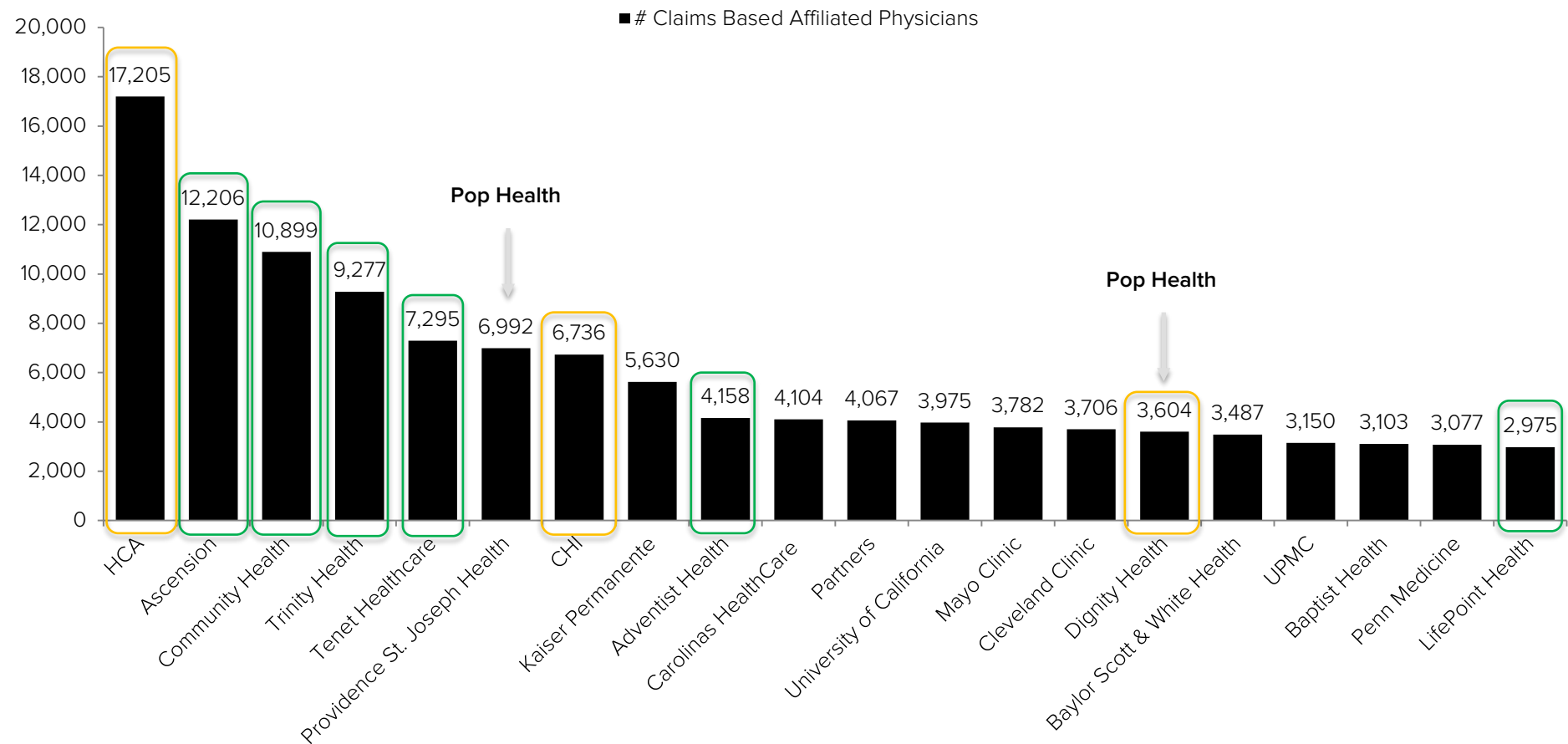
By clin6606 - On 15 Sep, 2015 - 0 comments

After months of analysis and careful consideration, we have made the difficult decision to discontinue the ClinixMD EMR. As part of this change, we will not maintain our EHR certification with Drummond Group beyond the 2015 reporting year. While this decision has not been reached lightly, we know that the future investments required to deliver the best product and service are only going to increase in difficulty. With that in mind, we have undertaken a lengthy process to provide a replacement option that we want to share with you today.

As soon as possible, we want to help our clients find and transition to a replacement solution with a proven track record of usability, results, and stability. To that end, we strongly recommend athenahealth, whose award-winning, cloud-based EHR, practice management, and care coordination services offer you an integrated, single solution, and can help your practice thrive through change.\*



# TOP 20 HEALTH SYSTEMS IN THE UNITED STATES



# MULTIPLE PROVIDERS PER CLAIM FORM

SIGNED _____			DATE _____		
14. DATE OF CURRENT: MM DD YY			ILLNESS (First symptom) OR INJURY (Accident) OR PREGNANCY(LMP)		
17. NAME OF REFERRING PROVIDER OR OTHER SOURCE			15. IF PATIENT HAS HAD SAME OR SIMILAR ILLNESS. GIVE FIRST DATE MM DD YY		
			17a. _____		
			17b. NPI _____		
19. RESERVED FOR LOCAL USE					
21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)					
1. _____			3. _____		

76 ATTENDING	NPI	QUAL	
LAST		FIRST	
77 OPERATING	NPI	QUAL	
LAST		FIRST	
78 OTHER	NPI	QUAL	
LAST		FIRST	
79 OTHER	NPI	QUAL	
LAST		FIRST	

THE CERTIFICATIONS ON THE REVERSE APPLY TO THIS BILL AND ARE MADE A PART HEREOF.

2. _____		4. _____																	
24. A. DATE(S) OF SERVICE		B. PLACE OF SERVICE		C. EMG		D. PROCEDURES, SERVICES, OR SUPPLIES		E. DIAGNOSIS		F. \$ CHARGES		G. DAYS OR UNITS		H. EPST Family Plan		I. ID. QUAL.		J. RENDERING PROVIDER ID. #	
From	To	MM	DD	YY	MM	DD	YY	MM	DD	YY	MM	DD	YY	MM	DD	YY	MM	DD	YY
1																			
2																			
3																			
4																			
5																			
6																			
25. FEDERAL TAX I.D. NUMBER				SSN EIN		26. PATIENT'S ACCOUNT NO.				27. ACCEPT ASSIGNMENT?		28. TOTAL CHARGE		29. AMOUNT PAID		30. BALANCE DUE			

PHYSICIAN OR SUPPLIER INFORMATION

PLEASE SUBMIT QUESTIONS\* TO

**QA@HEDGEYE.COM**

*\*ANSWERED AT THE END OF THE CALL*

FOR MORE INFORMATION, CONTACT US AT:

**SALES@HEDGEYE.COM**  
**(203) 562-6500**