ATHENAHEALTH INC
Form DEFA14A
November 14, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to Section 240.14a-12

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

athenahealth, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.

(3) Filing Party:

(4) Date Filed:

November 12, 2018

Dear [athenahealth Customer],

I have some exciting and important news to share with you as a valued athenahealth partner.

This morning, with the unanimous approval of our Board of Directors, we announced an agreement under which athenahealth will be acquired by an affiliate of Veritas Capital and Evergreen Coast Capital for $135 per share in cash, in a transaction valued at approximately $5.7 billion. We are confident this planned transaction and new direction will give us the flexibility and focus to drive long-term success and value for our customers.

Following the closing of the transaction, expected to occur in the first quarter of 2019, Veritas and Evergreen plan to combine athenahealth with Virence Health, the GE Healthcare Value-based Care assets that Veritas acquired earlier this year. This combined organization will operate under the athenahealth brand and be headquartered in Watertown, Mass. It will be led by Virence chairman and chief executive officer, Bob Segert, and a leadership team comprised of executives from both companies. I am confident athenahealth will continue to thrive under Bob s leadership, and that this transaction will bring new opportunities to drive value for our customers.

The combined business is expected to be a leading, privately-held healthcare information technology company with an extensive national provider network and the world-class products and solutions to help our customers thrive in an increasingly complex environment. athenahealth and Virence have complementary portfolios and highly-talented people, a combination that positions us to rapidly expand our network scale, our capabilities, and our reach across the continuum of care.

Excited as we are about embarking on this next chapter of our company s history, please know that we at athenahealth are operating business as usual. Your contacts remain the same and all contracts are continuing as normal.

We believe athenahealth will continue to thrive under our partnership with Veritas and Virence. By joining forces with a partner that is equally passionate about athenahealth s mission, we have the opportunity to tap into their additional expertise to help advance our products and our purpose. I m confident that together we will be in a better position than ever to transform healthcare.

As always, if you have any questions, please feel free to reach out to [me / your regular athenahealth representative].

Sincerely,

INSERT NAME

Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding management s expectations to advance value creation across the athenahealth business and to become healthcare s first platform company; statements regarding management s expectations for future financial and operational performance, expected growth, positioning in the market and business outlook; statements regarding management s focus on the execution of our strategic plan and expected outcomes, including anticipated cost savings, increased efficiencies, streamlined workflow, margin improvements, and improvements in employee engagement; statements regarding recently announced changes to the Company s leadership and governance structure and expected outcomes. Forward-looking statements may be identified with words such as will, may, expect plan, anticipate, upcoming believe, estimate, or similar terminology, and the negative of these terms. Forward-looking statements are not promises or guarantees of future performance, and are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. These risks and uncertainties include: the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the inability to complete the proposed merger due to the failure to obtain stockholder approval for the proposed merger or the failure to satisfy other conditions to completion of the proposed merger, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; risks related to disruption of management s attention from the Company s ongoing business operations due to the transaction; the effect of the announcement of the proposed merger on the Company s relationships with its customers, operating results and business generally; the risk that the proposed merger will not be consummated in a timely manner; exceeding the expected costs of the merger: our ability to successfully implement our strategic initiatives and achieve their anticipated impact; our ability to manage changes in our management team and changes resulting from our workforce reduction and office closures; our highly competitive industry and our ability to compete effectively and remain innovative; the development of the market for cloud-based healthcare information technology services; changes in the healthcare industry and their impact on the demand for our services; our ability to successfully recruit qualified new executive talent and to manage our management transition; our ability to maintain consistently high growth rates due to lengthening customer sales cycles and lower utilization; the impact of changes in our business model and structure; our ability to successfully implement operational and leadership initiatives; our ability to effectively manage our growth; our ability to protect our intellectual property; current and future litigation, including for intellectual property infringement: our dependence on third-party providers; risks and costs associated with our worldwide operations; our ability to attract and retain highly-skilled employees; our fluctuating operating results; our ability to retain our customers and maintain customer revenue; our tax liability; our variable sales and implementation cycles; the timing at which we recognize certain revenue and our ability to evaluate our prospects; defects and errors in our software or services, or interruptions or damages to our systems or those of third parties on which we rely; a data security breach; limitations on our use of data; the effect of payer and provider conduct; the failure of our services to provide accurate and timely information; changing government regulation and the costs and challenges of compliance: the potential for illegal behavior by employees or subcontractors; and the price volatility of our common stock. Forward-looking statements speak only as of the date hereof and, except as required by law, we undertake no obligation to update or revise these forward-looking statements. For additional information regarding these and other risks faced by us, refer to our public filings with the Securities and Exchange Commission (SEC), available on the Investors section of our website at www.athenahealth.com and on the SEC s website at www.sec.gov.

Additional lnformation and Where to Find It

This filing may be deemed solicitation material in respect of the proposed acquisition of the Company by Veritas. In connection with the proposed merger, the Company will file with the SEC and furnish to the Company s stockholders a proxy statement and other relevant documents. This filing does not constitute a solicitation of any vote or approval. Stockholders are urged to read the proxy statement when it becomes available and any other documents to be filed with the SEC in connection with the proposed merger or incorporated by reference in the proxy statement because they will contain important information about the proposed merger.

Investors will be able to obtain free of charge the proxy statement and other documents filed with the SEC at the SEC s website at http://www.sec.gov. In addition, the proxy statement and our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934 are or will be available free of charge through our website at www.athenahealth.com as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC.

The directors, executive officers and certain other members of management and employees of the Company may be deemed participants in the solicitation of proxies from stockholders of the Company in favor of the proposed merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of the Company in connection with the proposed merger will be set forth in the proxy statement and the other relevant documents to be filed with the SEC. You can find information about the Company s executive officers and directors in the definitive proxy statement on Schedule 14A in connection with athenahealth s 2018 Annual Meeting of Shareholders, filed with the SEC on April 26, 2018.