

INTEGRAMED AMERICA INC

Form 10-Q

May 07, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended March 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transition period from      to

Commission File No. 0-20260

IntegraMed America, Inc.  
(Exact name of Registrant as specified in its charter)

Delaware

06-1150326

(State or other jurisdiction of incorporation or  
organization)

(IRS employer identification no.)

Two Manhattanville Road

Purchase, NY

10577

(Address of principal executive  
offices)

(Zip code)

(914) 253-8000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

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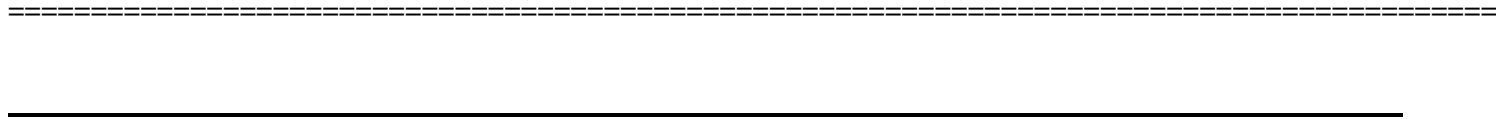
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes " No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer "	Accelerated Filer x
Non-Accelerated filer "	Smaller Reporting Company "

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes " No x

The aggregate number of shares of the Registrant's Common Stock, \$.01 par value, outstanding on April 30, 2010 was approximately 11,733,000.



INTEGRAMED AMERICA, INC.  
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CERTIFICATIONS PURSUANT TO RULE 13A-14(A), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002	EXHIBITS	
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CERTIFICATIONS PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002	EXHIBITS	
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INTEGRAMED AMERICA, INC.  
CONSOLIDATED BALANCE SHEETS  
(All amounts in thousands, except share amounts)

	March 31, 2010 (unaudited)	December 31, 2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$46,622	\$28,865
Patient and other receivables, net	7,447	6,964
Deferred taxes	3,012	2,883
Other current assets	10,522	7,653
<b>Total current assets</b>	<b>67,603</b>	<b>46,365</b>
<b>Fixed assets, net</b>		
Intangible assets, Business Service Rights, net	17,123	16,705
Goodwill	23,886	24,210
Trademarks	30,334	30,334
Other assets	4,442	4,442
<b>Total assets</b>	<b>\$145,445</b>	<b>\$124,309</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$2,436	\$2,846
Accrued liabilities	15,036	15,119
Current portion of long-term notes payable and other obligations	11,299	11,317
Due to Fertility Medical Practices	7,376	6,424
Attain IVF deferred revenue and other patient deposits	14,528	13,362
<b>Total current liabilities</b>	<b>50,675</b>	<b>49,068</b>
Deferred and other tax liabilities	2,370	2,199
Long-term notes payable and other obligations	13,848	14,849
<b>Total liabilities</b>	<b>66,893</b>	<b>66,116</b>
<b>Commitments and Contingencies</b>		
<b>Shareholders' equity:</b>		
Common Stock, \$.01 par value – 15,000,000 shares authorized on March 31, 2010 and December 31, 2009, respectively, 11,816,486 and 8,831,558 shares issued on March 31, 2010 and December 31, 2009, respectively	118	88
Capital in excess of par	75,804	56,354
Other comprehensive loss	(124 )	(188 )
Treasury stock, at cost – 85,018 and 46,408 shares on March 31, 2010 and December 31, 2009, respectively	(681 )	(375 )
Retained earnings	3,435	2,314
<b>Total shareholders' equity</b>	<b>78,552</b>	<b>58,193</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$145,445</b>	<b>\$124,309</b>

See accompanying notes to consolidated financial statements.

INTEGRAMED AMERICA, INC  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(all amounts in thousands, except per share amounts)  
(unaudited)

	For the Three-month period ended March 31,	
	2010	2009
<b>Revenues, net</b>		
Fertility Centers	\$ 37,957	\$ 36,283
Consumer Services	6,086	5,226
Vein Clinics	12,981	10,846
<b>Total revenues</b>	<b>57,024</b>	<b>52,355</b>
<b>Costs of services and sales</b>		
Fertility Centers	34,902	33,643
Consumer Services	4,696	3,713
Vein Clinics	12,114	10,092
<b>Total costs of services and sales</b>	<b>51,712</b>	<b>47,448</b>
<b>Contribution</b>		
Fertility Centers	3,055	2,640
Consumer Services	1,390	1,513
Vein Clinics	867	754
<b>Total contribution</b>	<b>5,312</b>	<b>4,907</b>
<b>General and administrative expenses</b>		
General and administrative expenses	3,196	3,138
Interest income	(73 )	(77 )
Interest expense	277	297
<b>Total other expenses, net</b>	<b>3,400</b>	<b>3,358</b>
<b>Income before income taxes</b>	<b>1,912</b>	<b>1,549</b>
<b>Income tax provision</b>	<b>791</b>	<b>629</b>
<b>Net income</b>	<b>\$ 1,121</b>	<b>\$ 920</b>
<b>Basic and diluted net earnings per share of Common Stock</b>		
Basic earnings per share	\$ 0.11	\$ 0.10
Diluted earnings per share	\$ 0.11	\$ 0.10
<b>Weighted average shares – basic</b>	<b>10,217</b>	<b>8,762</b>
<b>Weighted average shares - diluted</b>	<b>10,269</b>	<b>8,827</b>

See accompanying notes to consolidated financial statements.





INTEGRAMED AMERICA, INC.  
 CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
 (all amounts in thousands)  
 (unaudited)

	Common Stock				Treasury Shares		Retained Earnings	Total Equity
	Shares	Amount	Capital in Excess of Par	Accumulated Comprehensive Income (loss)	Shares	Amount		
Balance at December 31, 2009	8,832	\$88	\$56,354	\$ (188 )	46	\$(375 )	\$2,314	\$58,193
Stock awards granted, net	171	1	(1 )	—	39	(306 )	—	(306 )
Restricted stock award and stock option expense amortization	—	—	366	—	—	—	—	366
Stock options exercised and related tax benefits	13	1	24	—	—	—	—	25
Unrealized gain on hedging transaction	—	—	26	64	—	—	—	90
Secondary Offering	2,800	28	19,035	—	—	—	—	19,063
Net income for the three months ended March 31, 2010	—	—	—	—	—	—	1,121	1,121
Balance at March 31, 2010	11,816	\$118	\$75,804	\$ (124 )	85	\$(681 )	\$3,435	\$78,552

See accompanying notes to consolidated financial statements.

INTEGRAMED AMERICA, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(all amounts in thousands)

	For the three-month period ended March 31, 2010                  2009 (unaudited)	
<b>Cash flows from operating activities:</b>		
Net income	\$ 1,121	\$ 920
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>		
Depreciation and amortization	1,676	1,803
Deferred income tax provision	28	(343)
Stock-based compensation	366	384
<b>Changes in assets and liabilities —</b>		
<b>Decrease (increase) in assets</b>		
Patient and other accounts receivable	(483)	(580)
Other current assets	(2,869)	(1,331)
Other assets	196	165
<b>(Decrease) increase in liabilities</b>		
Accounts payable	(410)	(1,038)
Accrued liabilities	(389)	(1,515)
Due to fertility medical practices	952	977
Attain IVF deferred revenue and other patient deposits	1,166	(25)
Net cash provided by (used in) operating activities	1,354	(583)
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets, net		(1,770)