

IT Considerations in Health Care M&A

Aligning Goals and Priorities to Achieve Successful Growth

Introductions



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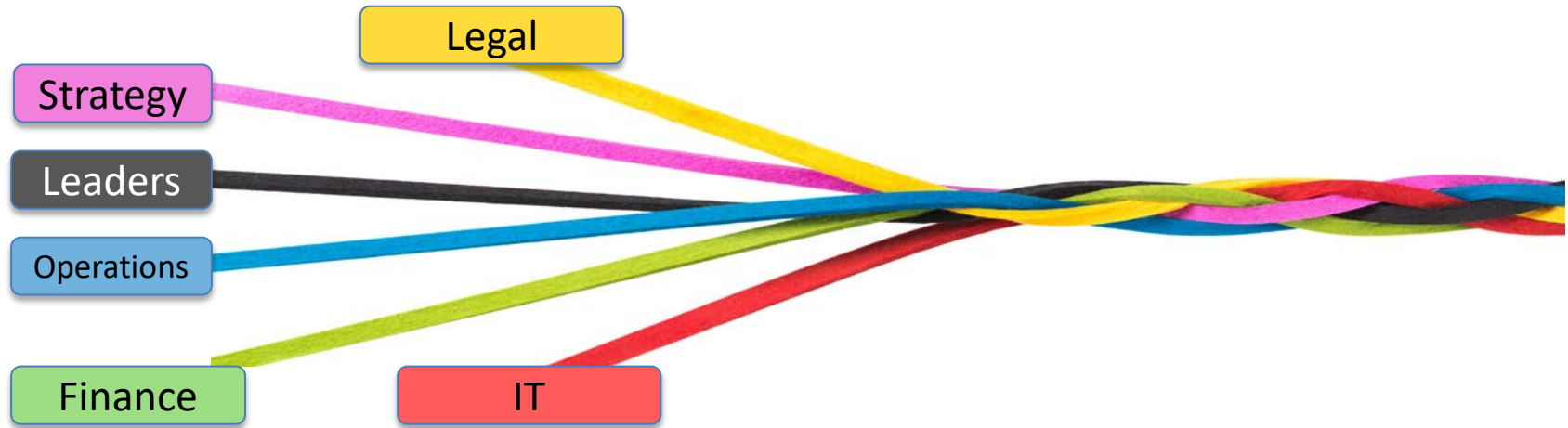
We've all found ourselves here...



Agenda

- How Do Legal and IT Work Together?
 - Push and Pull of when to engage IT
- The IT Environment in Healthcare
- What to Know About Diligence
 - Go/No-Go
 - Operational Diligence
- Timing – How Fast Can This Get Done?
- Transition Service Agreements (TSAs)

How Do Legal and IT Work Together?



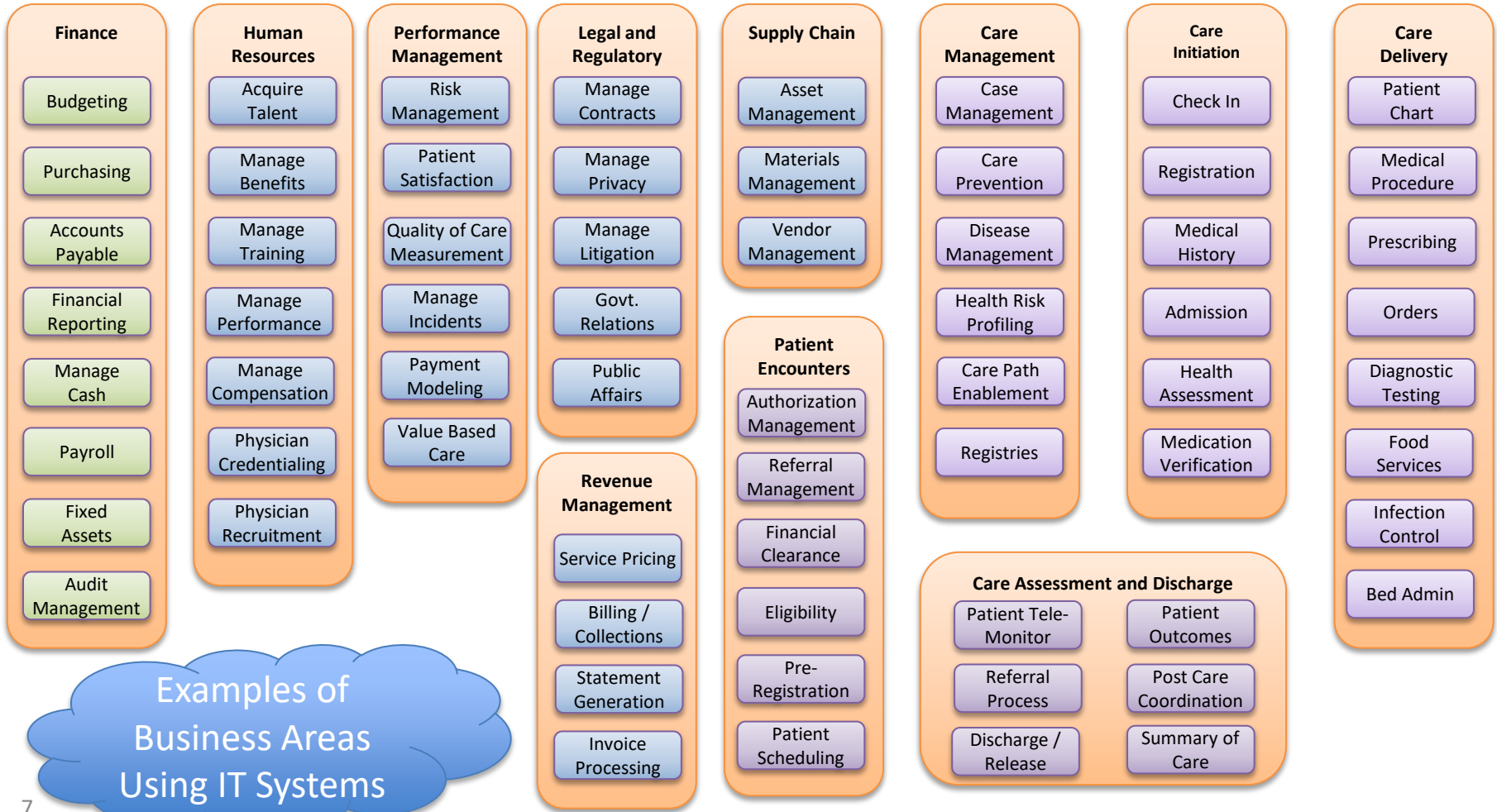
Merger & Acquisition Process – An IT Perspective



★ Signature

★ Effective

<ul style="list-style-type: none"> • Define possible Business M&A Integration approaches • Develop Integrated M&A Playbook templates for each approach (i.e. business, HR, IT, legal) • Develop supporting processes and create artifacts / workbooks • Define application portfolio and IT dependencies 	<ul style="list-style-type: none"> • Evaluate candidate company's applications and IT environment • Review candidate company's applications • Preliminary IT Resource discovery • Determine preliminary Integration activities, costs, risks, timeline • Negotiate IT Transition Services Agreement (TSA) 	<ul style="list-style-type: none"> • Detailed IT activity planning and sequencing to achieve business objectives and outcomes • Detailed IT Talent Mgmt Transition Planning & Augmentation • Asset discovery and transition planning • Detailed review of Application Contracts and transfer options • Communication Strategy Development 	<ul style="list-style-type: none"> • Communication Announcements • Onboarding new employees and staff augmentation • Establish and staff who will do Integration Management • Fill key leadership positions 	<ul style="list-style-type: none"> • Execution of IT integration Plan • TSA oversight and monitoring • Staff training and process integration • Status reporting and governance • Deployment / replacement of new assets • Complete Contract assignment or negotiating new contracts • Establish value realization monitoring and scorecard 	<ul style="list-style-type: none"> • Update artifacts and processes with improvements • Assess M&A outcomes achievement • Rationalize and Right size IT people, applications, processes and technology
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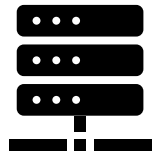
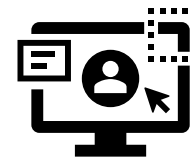
What is the IT Environment?

What to Know About Due Diligence?



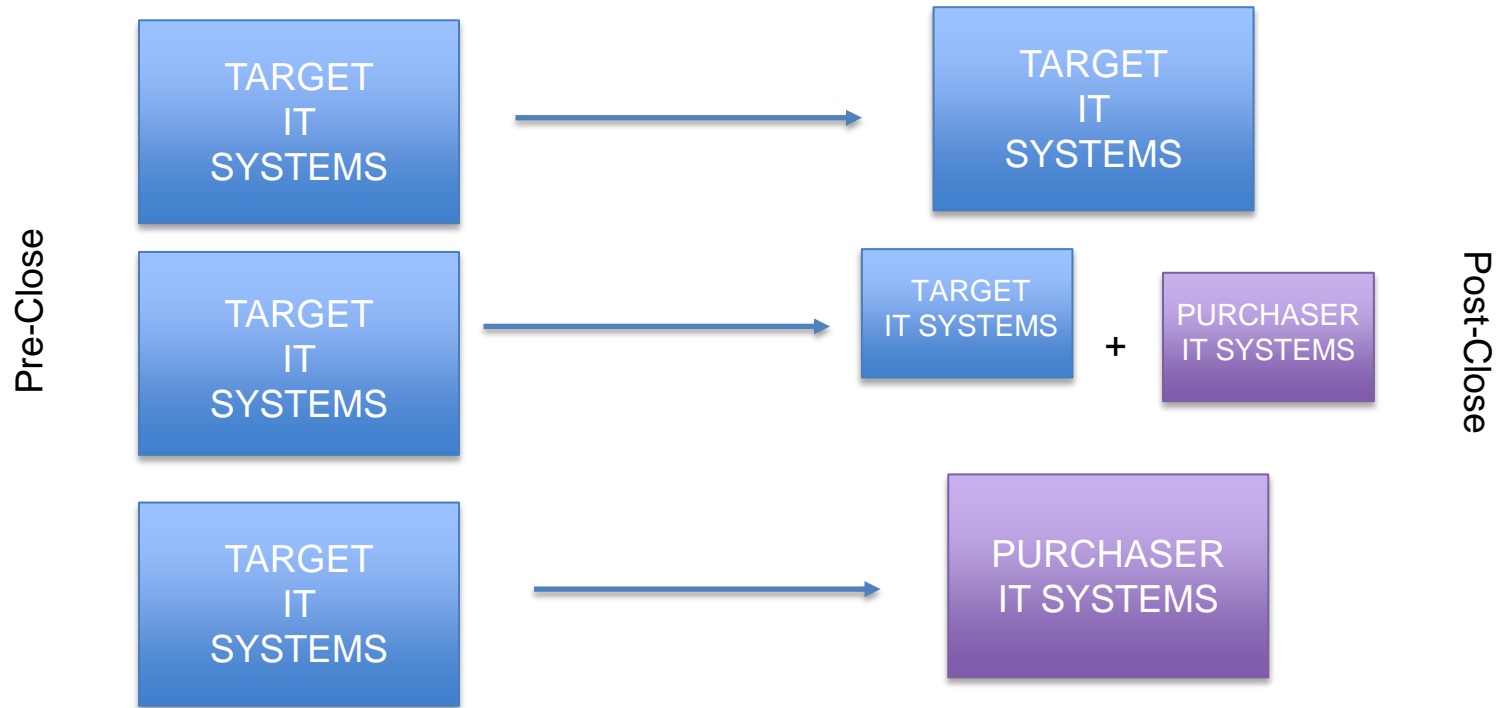
- Evaluate candidate company's applications and IT environment
- Review candidate company's applications
- Preliminary IT Resource discovery
- Determine preliminary Integration activities, costs, risks, timeline
- Negotiate IT Transition Services Agreement (TSA)

- Go/No-go – Deal Structure
- Site Visits
- Operational/Integration



Timing – How Fast Can This Get Done?

- 3 broad categories of integrations:



Transition Service Agreements

- Big source of disconnect
- Must negotiate before full diligence is complete
- Important to allow for and expect updates
- Focus on timeframes and exchange of data.



Takeaways

- When IT and Legal coordinate and work to speak the same language – it's a win/win.





For more information on any of these topics visit www.hallrender.com.

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