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New deals fuel TriZetto's growth

BY ERIC WICKLUND, Managing Editor

NEWPORT BEACH, CA – While The TriZetto Group edges toward a June 30 shareholder vote on plans to go private, the company has been keeping busy with a flurry of new deals.

The Newport Beach, Calif.-based provider of benefits-based information technology services for health-care payers and providers was bought by Apax Partners, a London-based private equity firm, for \$1.4 billion in April. Since then, TriZetto has forged an alliance with Microsoft's HealthVault platform and announced an expansion to Europe through a deal with Dutch-based Unisys Nederland NV.

"Our customers want to better serve providers, members and employers," said Hans F. van der Zweth, a client account executive for Unisys Nederland, an IT services provider to five of the country's nine health insurers. "Health insurers here are taking a strategic, progressive view, wanting not just to adjudicate payments for medical services but to help manage members' health."

TriZetto officials say the company's applications, which are designed to improve the efficiency of claims processing and other core administrative operations, are used by payers providing healthcare coverage for more than half of those insured in the United States. They note that TriZetto has worked with international clients before, but this non-exclusive, revenue-sharing agreement is the first channel partner deal.

"We're delighted to be working with Unisys Nederland," said Chuck Sanders, TriZetto's vice president of strategic alliances. "In addition to its well-established technology expertise, the importance of Unisys' longstanding relationships with health insurers in The Netherlands cannot be overstated."

According to van der Zweth, TriZetto's products will greatly help the Dutch payer market, where many existing systems are more than 20 years old.

According to the agreement, Unisys Nederland will bundle and market TriZetto's enterprise administrative system for claims processing, claims re-pricing, premium billing, membership administration, customer

service and other core operation functions, as well as the company's workflow add-on component application to automate manual processes and its set of extensions, drivers, adaptors and other technology that allows for third-party integration. In addition, TriZetto's applications are code-formatted to allow for easy translation from English to Dutch.

In the Microsoft deal, TriZetto officials announced that the company will develop a connector for its payer customers that will enable health plan members to use TriZetto's Member Benefit Profile application with Microsoft HealthVault.

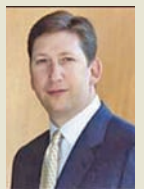
"This agreement is another example of our commitment to enabling Integrated Healthcare Management (IHM), the systematic application of processes and shared information to optimize the coordination of benefits and care for the consumer," said Jeff Hensley, chief technology officer at TriZetto. "With IHM, we empower consumers with tools to take a more active role in managing their own health and care through access to information. The connector between the Member Benefit Profile software and HealthVault will provide improved portability of information for consumers, as well as provide a health information portability solution for payers that will enhance their ability to serve employer groups."

In other deals, TriZetto announced on June 11 a contract with the Universal American Corporation health plan, which serves more than 240,000 seniors through its Medicare Advantage plan, to implement the company's CareAdvance Medicare software module. In May, the company announced deals with Dallas-based TelaDoc Medical Services – to push its technology into the telehealth sector – and with Health Alliance Medical Plans, a managed care organization serving 250,000 people in Illinois and Iowa, to host its QNXTM core administration system.

Under terms of the acquisition, Apax Partners will

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– TriZetto CEO Jeff Margolis



control 71 percent of TriZetto's shares, while Blue Cross Blue Shield of Tennessee and The Regence Group will each hold a 12.5 percent interest in the company.

In an April 28 conference call following the release of First Quarter earnings, TriZetto CEO Jeff Margolis said the decision to go private would help the company expand its options.

"I ... believe that going private will give us greater flexibility in thinking about longer-term investments in product development, acquisitions and partnerships that will benefit our customers," he said.

"Under any circumstance, TriZetto will remain an independent organization, maintaining its vision, mission and focus on the creation and deployment of software and services, to enable healthcare payers to play a leading role in transforming the nation's healthcare system through integrated healthcare management. Our commitment to our customers will not change. Blue Cross Blue Shield of Tennessee and the Regence Group are minority investors in this transaction. As innovative and longstanding customers, their participation is a strong endorsement of TriZetto's strategy and vision." ■



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