



Bain Capital Private Equity and Bain Capital Ventures

Zelis and RedCard to Combine in Landmark Healthcare Technology and Payments Transaction

Combination creates leading payments optimization platform with market-leading technology to price, pay and explain healthcare claims

BEDMINSTER, NJ and ST. LOUIS, MO – August 1, 2019 - Zelis Healthcare (“Zelis”) and RedCard Systems (“RedCard”) today announced a definitive agreement to merge their respective organizations, forming the next generation leader in healthcare payments optimization. The combination of Zelis and RedCard will create the healthcare industry’s first payments optimization platform with market-leading technology and solutions to price claims, pay claims and explain claims, all at enterprise scale on a claim-by-claim basis. The strategic combination of the two technology companies creates a differentiated leader with end-to-end capability across the healthcare payments ecosystem, encompassing claim cost management and payments solutions. Financial terms of the transaction were not disclosed.

The combined company will be led by the existing management teams of Zelis and RedCard, with Doug Klinger serving as Chief Executive Officer and Joe DiMartini and Eric Schaefer serving in senior executive roles. The company will maintain its existing key locations and teams in Bedminster, New Jersey; St. Louis, Missouri; Clearwater, Florida; Atlanta, Georgia; and Kansas City, Missouri.

By bringing together RedCard’s payment data platform and Zelis’ claim cost management and payment execution capabilities, the combined company is positioned to meaningfully advance the integrated solutions available to payers, providers and consumers. The combined company will drive efficiency and performance at the claim level, simplify the process of paying healthcare claims, and provide a comprehensive, fully-integrated platform to take a claim through the entire pre-payment to payment lifecycle. On a combined basis, Zelis and RedCard serve over 700 payer clients, including the top five national health plans, Blue Cross Blue Shield plans, regional health plans, TPAs and self-insured employers, and 600,000+ providers, delivering approximately \$5 billion of claim savings, \$50 billion of provider payments and more than 500 million payment data communications annually.

“The key focus of this combination is to deliver deeper electronic penetration, best-in-class claim cost savings performance and a transformational billing and payments experience, all for the benefit of payers, providers and consumers,” said Klinger, who currently serves as CEO of Zelis. “Zelis and RedCard have both been disrupting the industry status quo, and we are thrilled



to join forces to bring leading-edge payment optimization technology and solutions to our clients and the market broadly.”

“The combined company’s payment optimization solution combines the three critical activities along the payment value chain: the payment data platform or software ‘brain’ to manage and communicate payment data, a highly attractive payment network and payment execution technology, and proprietary processes and expertise to organize every step required to efficiently and effectively take a complete payment file from start to finish,” added DiMartini, Chairman of RedCard. “RedCard has worked in partnership with Zelis for many years with many clients, and we are ecstatic to be formally joining forces to change the future of our industry.”

The transaction is being supported by Parthenon Capital, a growth-oriented private equity firm and an existing investor in both Zelis and RedCard, and Bain Capital Private Equity and Bain Capital Ventures. Bain Capital brings deep experience across the healthcare, technology and B2B payments landscape and significant growth resources to its partner companies. The existing shareholders of Zelis and RedCard, including management and founding shareholders, will retain significant ownership positions in the new company.

The transaction is expected to close during the third quarter of 2019 and is subject to customary closing conditions and regulatory approvals.

About Zelis Healthcare

Zelis Healthcare (zelis.com) is a healthcare technology growth company and a leading provider of integrated healthcare cost management and payments solutions including network analytics, network access, network cost management, payment integrity and electronic payments, serving payers, healthcare providers and consumers in the medical, dental and workers’ compensation markets nationwide.

About RedCard

RedCard Systems (redcard.com) is a leading provider of healthcare payments and communications optimization. RedCard’s gateway technology drives effective communications between healthcare payers, providers and consumers, delivering mission critical claims, payments, benefits and individual financial responsibility information via secure communication modalities. RedCard has redefined the way that healthcare communications work, coordinating communication schedules and driving efficiencies within the healthcare payer and provider communication process, while delivering faster, more efficient and effective claims and payment outcomes.



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