

## Fiserv to sell health businesses to United Healthcare for \$775M

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**Brookfield, Wis.** - [Fiserv](#), a Brookfield-based provider of information technology services to the financial and insurance industries, has agreed to sell nearly all of its health businesses to [UnitedHealthcare](#) for \$775 million in cash.

The transaction, subject to regulatory approvals, should close by the end of 2007 or in the first quarter of 2008.

Fiserv said the divestiture will increase its focus on the financial services industry. Among its healthcare-related units, the company will retain its workers' compensation services organization, which includes the recently announced WorkingRx acquisition, and CareGain, Inc., a technology business involved in health banking solutions.

"This combination will allow Fiserv health clients to benefit from the wide range of capabilities within UnitedHealth Group, and create more opportunities for our Health group employees," Jeffery Yabuki, president and chief executive officer of Fiserv, said in a release. "Now, Fiserv will be completely focused on expanding its technology leadership position across the financial services landscape."

In addition to several ancillary businesses, the sale includes the following business units:

- Fiserv Health Plan Administration, a third-party administrator of self-funded health plans.
- Fiserv Health Plan Management, an outsourcing service for mid-sized health plans and healthcare payer organizations.
- Innoviant, a prescription benefits administrator.
- Innoviant Pharmacy, a prescription mail-order service.
- Avidyn Health, a care-management company.

For UnitedHealthcare, a business unit of the Minneapolis-based UnitedHealth Group, the acquisitions will establish the company in the market for customized benefit services.

Fiserv expects to receive approximately \$475 million of net transaction proceeds, and depending upon reinvestment, it might experience a slight dilution to its 2008 earnings per share in a range of 1 to 3 percent. The company, which reported more than \$4.4 billion in total revenue for 2006, expects the transaction to be reflected in its 2008 financial reporting.