

PLANVISTA CORP
Form 425
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On December 8, 2003, ProxyMed, Inc. distributed to its employees a list of frequently asked questions and corresponding responses regarding the proposed merger between ProxyMed and PlanVista Corporation. The questions and responses, as well as accompanying materials distributed to the employees, follow.

To All Associates.

I am very excited to share some important announcements with you this morning. First, the ProxyMed team, and our suite of excellent offerings, will be expanding once again. We have just announced our proposed acquisition of PlanVista Corporation!

As many of you know, we have been working with PlanVista for several months now, introducing their claims repricing services to our current payer customers. And we've had much success. We already have a full pipeline, and we issued a press release on our first customer, Great West Life, this morning. Congratulations to Al Ryan and Tim Tolan for helping to close this deal!

Upon closing, this proposed acquisition has the potential to substantially accelerate our potential for revenue and EBITDA growth moving forward. Although the proposed acquisition was announced today, before we can close the deal we have to get shareholder approvals from both companies. As a result, we estimate the deal will close in March of 2004.

Who is PlanVista?

PlanVista is a leading medical cost management firm with more than 750 payer customers. Its network is one of the largest provider-based networks in the United States, comprised of approximately 400,000 physicians, 4,000 hospitals, and 55,000 ancillary providers. PlanVista's proprietary repricing technology and data platform differentiate the company from other claims repricing firms. Over 60% of PlanVista's claim volume is transmitted via electronic means, with PlanVista's clients utilizing the Internet or its electronic data interchange repricing systems.

PlanVista has 150 employees, based primarily in Tampa, Florida (their headquarters) and Middletown, New York (their development and operations center).

What does this mean for ProxyMed?

First, there will limited integration to accomplish. We've already been working together over the past five months to build connectivity and to launch our joint sales and marketing plans. Post-deal, PlanVista will operate as a wholly owned subsidiary of ProxyMed and will basically continue operation as it does today. This means that its technology will not need to be integrated into ProxyMed's platforms, and PlanVista will maintain its own implementation and customer support services. PlanVista's CEO, Phil Dingle, will report to Mike Hoover, while its President, Jeff Markle, will report to me. All other PlanVista associates will report up to Jeff, as they do today.

As for what this means globally, it means that we will now have the opportunity to cross sell these high-value, high-revenue claims repricing services to our current payer customer base. To illustrate the high-value, high-revenue points, let's compare some metrics. ProxyMed is processing over 200 million transactions on an annual run rate basis and generated \$35.1 million of revenue and \$1.9 million of EBITDA through September 30th. By contrast, PlanVista is processing approximately 4 million transactions on a run rate basis, and generated revenue of \$24 MM and EBITDA of \$7.2 MM in the same period. If you simply combine our results for the third quarter and annualize them, we could be a company doing over \$104 million in revenue and over \$18 million in EBITDA!

The proposed acquisition will not only help strengthen our relationships with our current payer customers, but it will allow those payers to solidify in turn their own relationships with their provider customers. It is truly a winning solution across the board.

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Additional Information And Where To Find It

ProxyMed intends to file a registration statement on Form S-4 in connection with the transaction, and ProxyMed and PlanVista intend to mail a joint proxy statement/prospectus to their respective stockholders in connection with the transaction. Investors and security holders of ProxyMed and PlanVista are urged to read the joint proxy statement/prospectus when it becomes available because it will contain important information about ProxyMed, PlanVista and the transaction. Investors and security holders may obtain a free copy of the joint proxy statement/prospectus (when it is available) at the SEC's web site at www.sec.gov. A free copy of the joint proxy statement/prospectus may also be obtained from ProxyMed or PlanVista. In addition, investors and security holders may obtain free copies of the documents filed with the Securities and Exchange Commission by ProxyMed by contacting ProxyMed Investor Relations, 2555 Davie Road, Suite 110, Ft. Lauderdale, FL 33317, (954) 473-1001, or by accessing ProxyMed's website at www.proxymed.com.

ProxyMed and its executive officers and directors may be deemed to be participants in the solicitation of proxies from the stockholders of ProxyMed and PlanVista in favor of the transaction. Information regarding the interests of ProxyMed's officers and directors in the transaction will be included in the joint proxy statement/prospectus.

PlanVista and its executive officers and directors also may be deemed to be participants in the solicitation of proxies from the stockholders of ProxyMed and PlanVista in favor of the transaction. Information regarding the interests of PlanVista's officers and directors in the transaction will be included in the joint proxy statement/prospectus.

In addition to the registration statement on Form S-4 to be filed by ProxyMed in connection with the transaction, and the joint proxy statement/prospectus to be mailed to the stockholders of ProxyMed and PlanVista in connection with the transaction, each of ProxyMed and PlanVista file annual, quarterly and special reports, proxy and information statements, and other information with the SEC. Investors may read and copy any of these reports, statements and other information at the SEC's public reference rooms located at 450 5th Street, N.W., Washington, D.C., 20549, or any of the SEC's other public reference rooms located in New York and Chicago. Investors should call the SEC at 1-800-SEC-0330 for further information on these public reference rooms. The reports, statements and other information filed by ProxyMed and PlanVista with the SEC are also available for free at the SEC's web site at www.sec.gov. A free copy of these reports, statements and other information may also be obtained from ProxyMed at its website www.proxymed.com or PlanVista at its website at www.planvista.com.

Forward Looking Statements

ProxyMed and PlanVista caution that forward-looking statements contained in this document are based on current plans and expectations, and that a number of factors could cause the actual results to differ materially from the guidance given at this time. These factors are described in the Safe Harbor statement below.

Except for the historical information contained herein, the matters discussed in this document may constitute forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected. These statements include those concerning the consummation of the acquisition and, if consummated, its potential benefits and effects, including but not limited to any expectations as to profitability of the combined company. In some cases, forward-looking statements can be identified by terminology such as may, will, should, potential, continue, expects, anticipates, intends, plans, believes, estimates, and similar expressions. For the risks of investing in ProxyMed or PlanVista, we refer you to the documents ProxyMed and PlanVista file from time to time with the Securities and Exchange Commission, particularly ProxyMed's Form 10-K for the year ended December 31, 2002, PlanVista's Form 10-K for the year ended December 31, 2003, as amended, and the registration statement relating to the acquisition to be filed subsequently.

In this regard, investors are cautioned that the acquisition may not be consummated on the terms proposed or at all, and, if consummated, the combined companies will be subject to numerous risks and uncertainties, including, but not limited to, the risks inherent in acquisitions of technologies and businesses, including the integration of separate workforces, the timing and successful completion of technology and product development through production readiness, integration of such technologies and businesses into the combined company, unanticipated expenditures, changing relationships with customers, suppliers and strategic partners, and other factors.

ProxyMed and PlanVista assume no obligation to update information contained in this document, including for example guidance regarding future performance, which represents the companies' expectations only as of the date of this release and should not be viewed as a statement about the companies' expectations after such date. Although this release may remain available on the companies' websites or elsewhere, its continued availability does not indicate that the companies are reaffirming or confirming any of the information contained herein.