

Accretive Health, Inc.
Form 10-Q
November 09, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

COMMISSION FILE NUMBER: 001-34746

ACCRETIVE HEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware

02-0698101

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification Number)

401 North Michigan Avenue Suite 2700 Chicago, Illinois 60611

(Address of principal executive offices)

(Zip code)

(312) 324-7820

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated

filer

Accelerated filer

Non-accelerated filer

Smaller reporting
company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 30, 2015, the registrant had 103,361,388 shares of common stock, par value \$0.01 per share, outstanding.

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FORM 10-Q

For the period ended September 30, 2015
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PART I — FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

Accretive Health, Inc.

Condensed Consolidated Balance Sheets

(In thousands, except share and per share data)

	September 30, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 137,716	\$ 145,167
Restricted cash	—	5,000
Accounts receivable, net	5,137	4,438
Prepaid income taxes	5,425	6,138
Current deferred tax assets	99,987	62,322
Other current assets	7,798	7,389
Total current assets	256,063	230,454
Property, equipment and software, net	26,579	14,594
Non-current deferred tax assets	208,278	201,163
Goodwill and other assets, net	6	162
Total assets	\$ 490,926	\$ 446,373
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	\$ 6,340	\$ 12,488
Current portion of customer liabilities	348,828	219,998
Accrued compensation and benefits	15,290	14,983
Other accrued expenses	12,261	15,680
Total current liabilities	382,719	263,149
Non-current portion of customer liabilities	323,293	317,065
Other non-current liabilities	8,421	8,405
Total liabilities	714,433	588,619
Stockholders' equity (deficit):		
Common stock, \$0.01 par value, 500,000,000 shares authorized, 108,673,951 shares issued and 103,387,953 shares outstanding at September 30, 2015; 102,890,241 shares issued and 98,112,019 shares outstanding at December 31, 2014	1,087	1,029
Additional paid-in capital	317,543	307,075
Accumulated deficit	(487,220)	(397,517)
Accumulative other comprehensive loss	(2,465)	(1,763)
Treasury stock	(52,452)	(51,070)
Total stockholders' equity (deficit)	(223,507)	(142,246)
Total liabilities and stockholders' equity (deficit)	\$ 490,926	\$ 446,373
See accompanying notes to condensed consolidated financial statements		

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Accretive Health, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	(Unaudited)		(Unaudited)	
Net services revenue	\$ 15,842	\$ 90,745	\$ 48,898	\$ 162,684
Operating expenses:				
Costs of services	45,326	45,370	130,284	138,251
Selling, general and administrative	21,395	16,785	59,726	53,609
Restatement and other	3,964	13,846	5,850	67,907
Total operating expenses	70,685	76,001	195,860	259,767
Income (loss) from operations	(54,843)	14,744	(146,962)	(97,083)
Net interest income	73	100	147	252
Income (loss) before income tax provision	(54,770)	14,844	(146,815)	(96,831)
Income tax provision (benefit)	(21,800)	5,291	(57,112)	(34,862)
Net income (loss)	\$(32,970)	\$ 9,553	\$(89,703)	\$(61,969)
Net Income (loss) per common share:				
Basic	\$(0.34)	\$ 0.10	\$(0.93)	\$(0.65)
Diluted	\$(0.34)	\$ 0.10	\$(0.93)	\$(0.65)