UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2010

OR

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

Commission file number 000-32085

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**36-4392754**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

222 Merchandise Mart, Suite 2024
Chicago, IL 60654
(Address of principal executive offices)

(866) 358-6869
(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 definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	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 November 2, 2010, there were 186,258,545 shares of the registrant's $0.01 par value common stock outstanding.

Explanatory Note

On August 24, 2010, Allscripts-Misys Healthcare Solutions, Inc. (which changed its name to Allscripts Healthcare Solutions, Inc., "Allscripts") completed the transactions contemplated by an Agreement and Plan of Merger dated June 9, 2010 by and among Allscripts-Misys Healthcare Solutions, Inc., Arsenal Merger Corp., a wholly-owned subsidiary of Allscripts, and Eclipsys Corporation ("Eclipsys"). Eclipsys became a wholly-owned subsidiary of Allscripts as a result of the merger. The results of Eclipsys are consolidated with the results of Allscripts from August 24, 2010. The merger is described in greater detail within this Form 10-Q. On August 23, 2010, the Board of Directors approved a change of fiscal year end from May 31 to December 31. As a result of this change, Allscripts is filing this quarterly report on Form 10-Q for the three and nine month periods ended September 30, 2010. Comparative financial results are provided for the three and nine month periods ended August 31, 2009.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

FORM 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	September 30, 2010	May 31, 2010	December 31, 2009
ASSETS			
Current assets:			
Cash and cash equivalents	$ 120,067	$ 143,410	$ 81,301
Restricted cash	2,225	0	0
Accounts receivable, net of allowance of $11,673, $8,531 and $6,984 at September 30, 2010, May 31, 2010 and December 31, 2009, respectively	308,377	181,920	160,566
Deferred taxes, net	14,546	29,042	1,684
Inventories	4,303	3,184	3,898
Prepaid expenses and other current assets	100,642	50,598	45,622
Total current assets	550,160	408,154	293,071
Long-term marketable securities	1,778	1,925	1,896
Fixed assets, net	101,623	24,637	18,494
Software development costs, net	45,008	29,900	21,564
Intangible assets, net	558,721	206,642	215,398
Goodwill	1,051,234	413,390	413,390
Other assets	69,119	10,042	12,009
Total assets	$ 2,377,643	$ 1,094,690	$ 975,822
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 42,739	$ 32,295	$ 7,408
Accrued expenses	76,025	56,495	45,451
Accrued compensation and benefits	41,249	18,206	13,977
Deferred revenue	200,420	103,984	89,290
Other current liabilities	24,827	1,113	731
Total current liabilities	385,260	212,093	156,857
Long-term debt	506,500	0	23,995
Deferred revenue	5,930	0	0
Deferred taxes, net	63,143	71,264	22,377
Other liabilities	48,327	4,508	4,001
Total liabilities	1,009,160	287,865	207,230
Commitments and contingencies			
Stockholders' equity:			
Preferred stock:			
Undesignated, $0.01 par value, 1,000 shares authorized, no shares issued and outstanding at September 30, 2010, May 31, 2010 and December 31, 2009	0	0	0
Common stock:			
$0.01 par value, 349,000 shares authorized; 247,937 and 186,148 shares issued and outstanding at September 30, 2010, respectively, 146,367 shares issued and outstanding at May 31, 2010, 145,971 shares issued and outstanding at December 31, 2009	2,479	1,464	1,460
Treasury stock, 61,308 shares at cost	(613)	0	0
Additional paid-in capital	1,449,946	889,738	883,947
Accumulated deficit	(83,763)	(84,421)	(116,803)
Accumulated other comprehensive income/(loss)	434	44	(12)
Total stockholders' equity	1,368,483	806,825	768,592
Total liabilities and stockholders' equity	$ 2,377,643	$ 1,094,690	$ 975,822

The accompanying notes are an integral part of these consolidated financial statements.

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ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009
Revenue:				
System sales	$ 46,913	$ 33,457	$ 135,573	$ 98,135
Professional services	38,948	15,918	82,341	48,557
Maintenance	76,827	59,419	206,472	172,215
Transaction processing and other	79,705	56,116	193,772	163,318
Total software and related services	242,393	164,910	618,158	482,225
Prepackaged medications	0	0	0	9,721
Total revenue	242,393	164,910	618,158	491,946
Cost of revenue:				
System sales	22,199	19,579	70,250	52,203
Professional services	33,556	15,503	71,553	48,472
Maintenance	26,806	20,949	68,352	61,258
Transaction processing and other	35,420	19,809	74,961	57,923
Total software and related services	117,981	75,840	285,116	219,856
Prepackaged medications	0	0	0	7,626
Total cost of revenue	117,981	75,840	285,116	227,482
Gross profit	124,412	89,070	333,042	264,464
Selling, general and administrative expenses	103,826	52,959	227,165	155,849
Research and development	16,697	11,978	44,545	32,524
Amortization of intangible assets	5,576	2,563	10,552	8,004
(Loss) income from operations	(1,687)	21,570	50,780	68,087
Interest expense	(3,069)	(685)	(3,851)	(2,142)
Interest income and other, net	250	101	979	432
(Loss) income before income taxes	(4,506)	20,986	47,908	66,377
Benefit (provision) for income taxes	5,879	(8,054)	(14,868)	(26,829)
Net income	$ 1,373	$ 12,932	$ 33,040	$ 39,548
Earnings per share:				
Basic	$ 0.01	$ 0.09	$ 0.22	$ 0.27
Diluted	$ 0.01	$ 0.09	$ 0.21	$ 0.27

The accompanying notes are an integral part of these consolidated financial statements.

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ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Nine Months Ended	
	September 30, 2010	August 31, 2009
Cash flows from operating activities:		
Net income	$ 33,040	$ 39,548
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	35,985	25,489
Stock-based compensation expense	13,524	8,047
Excess tax benefits from stock-based compensation	605	(5,463)
Provision for doubtful accounts	6,372	3,357
Deferred taxes	13,375	9,875
Other gains	(417)	0
Asset impairment losses	0	1,800
Loss on sale of prepackaged medications business	0	1,588
Changes in operating assets and liabilities:		
Accounts receivable	(16,452)	(11,629)
Inventories	547	669
Prepaid expenses and other assets	(46,499)	(5,538)
Accounts payable	15,167	(3,087)
Accrued expenses	14,684	(3,274)
Accrued compensation and benefits	6,358	(11,295)
Deferred revenue	5,435	20,675
Other liabilities	589	(951)
Net cash provided by operating activities	82,313	69,811
Cash flows from investing activities:		
Capital expenditures	(18,622)	(4,521)
Capitalized software	(28,767)	(14,946)
Purchases of marketable securities	(16)	(6,474)
Sales and maturities of marketable securities and other investments	2,804	12,752
Change in restricted cash	2,216	0
Net cash acquired in merger with Eclipsys	170,102	0
Net proceeds from the sale of the prepackaged medications business	0	8,000
Net cash provided by (used in) investing activities	127,717	(5,189)
Cash flows from financing activities:		
Proceeds from exercise of common stock options	1,491	5,177
Proceeds from employee stock purchase plan, net	1,422	1,449
Excess tax benefits from stock-based compensation	(605)	5,463
Payments of capital lease obligations	(958)	(1,880)
Credit facility payments	(63,995)	(10,005)
Credit facility borrowings	570,000	0
Payments on promissory note	0	296
Change in parent’s net investment	0	10,548
Repurchase of senior convertible notes	0	(8,164)
Repurchase of common stock	(679,000)	(51,547)
Net cash used in financing activities	(171,645)	(48,663)
Effect of exchange rates on cash and cash equivalents	381	0
Net increase in cash and cash equivalents	38,766	15,959
Cash and cash equivalents, beginning of period	81,301	68,890
Cash and cash equivalents, end of period	$ 120,067	$ 84,849

The accompanying notes are an integral part of these consolidated financial statements.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

1. Summary of Significant Accounting Policies

Basis of Presentation

On August 24, 2010, Allscripts-Misys Healthcare Solutions, Inc. (which changed its name to Allscripts Healthcare Solutions, Inc., “Allscripts”) completed the transactions contemplated by an Agreement and Plan of Merger dated June 9, 2010 (“Merger Agreement”) by and among Allscripts-Misys Healthcare Solutions, Inc., Arsenal Merger Corp., a wholly-owned subsidiary of Allscripts, and Eclipsys Corporation, an enterprise provider of solutions and services to hospitals and clinicians (“Eclipsys”). Eclipsys became a wholly-owned subsidiary of Allscripts as a result of the merger. The results of Eclipsys are consolidated with the results of Allscripts from August 24, 2010.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). The accompanying unaudited interim consolidated financial statements include the consolidated accounts of Allscripts Healthcare Solutions, Inc. and its wholly-owned subsidiaries with all significant intercompany transactions eliminated. In management’s opinion, all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods presented have been made. The Company derived its consolidated balance sheet at May 31, 2010 from the audited consolidated financial statements at that date. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to SEC rules and regulations. These financial statements should be read in conjunction with the consolidated financial statements for the year ended May 31, 2010 and the notes thereto in our Annual Report on Form 10-K for the year ended May 31, 2010. Operating results for the three and nine months ended September 30, 2010 are not necessarily indicative of the results for the full year.

Change in Fiscal Year

On August 23, 2010, the Company’s Board of Directors approved a change in the Company’s fiscal year from May 31 to December 31. As a result of this change, the Company has a transition period for the seven months ended December 31, 2010 (“December Transition Period”). The audited results of operations and changes in stockholders’ equity and cash flows for the December Transition Period will be included in the Company’s Annual Report on Form 10-K for the year ending December 31, 2010.

The Company will report the following comparative periods for calendar year 2010 and fiscal year 2009 in its Form 10-Q and Form 10-K filings:

Period	2010	2009
December Transition Period	Seven months ended December 31, 2010	Seven months ended December 31, 2009 (unaudited)
Fourth quarter	Three months ended December 31, 2010	Three months ended November 30, 2009
Third quarter	Three and nine months ended September 30, 2010	Three and nine months ended August 31, 2009

We did not recast the results for the 2009 fiscal periods because our financial reporting processes in place at the time included certain procedures that were only performed on a quarterly basis. Consequently, to recast those periods would have been impractical and would not have been cost-justified. Furthermore, we believe the comparative quarters reported for fiscal year 2009 provide a meaningful comparison to the calendar year 2010 quarters and there are no factors, seasonal or otherwise, that materially impact the comparability of information or trends.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

Revenue Recognition

Revenue represents the fair value of consideration received or receivable from clients for goods and services provided by the Company. Revenue from system sales includes software and related hardware. Revenue from professional services includes implementation, training and consulting services. Revenue from maintenance includes post contract customer support and maintenance services. Revenue from transaction processing and other includes electronic data interchange ("EDI") services, remote hosting of our software and outsourcing. For some clients, we host the software applications licensed from us remotely on our own servers, which saves these clients the cost of procuring and maintaining hardware and related facilities. For other clients, we offer an outsourced solution in which we assume partial to total responsibility for a healthcare organization's information technology operations using our employees. Revenue from prepackaged medications includes the sale of medications and pharmaceutical products. Prepackaged medications revenue is only included in operating results for the nine months ended August 31, 2009, as the related business was disposed in March 2009 (see Note 2).

Revenue from software licensing arrangements where the service element is not considered essential to the functionality of the other elements of the arrangement is recognized upon shipment of the software or as services are performed, provided persuasive evidence of an arrangement exists, fees are considered fixed or determinable, and collection of the receivable is considered probable. The revenue recognized for each separate element of a multiple-element software contract is based upon vendor-specific objective evidence of fair value, which is based upon the price the customer is required to pay when the element is sold separately or renewed. For arrangements in which vendor-specific objective evidence of fair value only exists for the undelivered elements, the delivered elements (software license revenues) are accounted for using the residual method. For agreements that are deemed to have extended payment terms, revenue recognition is limited to amounts due and payable.

Revenue from software licensing arrangements, where the service element is considered essential to the functionality of the other elements of the arrangement, is accounted for on an input basis under percentage of completion accounting using actual hours worked as a percentage of total expected hours required by the arrangement, provided that persuasive evidence of an arrangement exists, the fee is fixed or determinable and collection of the receivable is probable. Maintenance and support from these agreements is recognized over the term of the support agreement based on vendor-specific objective evidence of fair value of the maintenance revenue, which is generally based upon contractual renewal rates. For agreements accounted for under percentage of completion accounting and deemed to have extended payment terms, revenue is recognized using the input method but is limited to the amounts due and payable. For income statement presentation, consideration from agreements accounted for under percentage of completion accounting is allocated between software and services based on vendor specific evidence of our hourly services rate multiplied by the amount of hours performed with the residual amount allocated to software license fee.

Revenue from certain value-added reseller ("VAR") relationships in which software is directly sold to VARs is recognized upon delivery of the software assuming all other revenue recognition criteria have been met. Revenue recognition is deferred until the software is delivered to the ultimate end user if the written and implied arrangement terms do not satisfy the criteria for revenue recognition upon delivery of the software to the VAR.

Certain of our customer arrangements encompass multiple deliverables. If the deliverables meet the separation criteria described below, the deliverables are separated into distinct units of accounting, and revenue is allocated to the units based on their fair values. The separation criteria are that the delivered item has value to the customer on a stand-alone basis, there is objective and reliable evidence of the fair value of the undelivered item, and if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item is considered probable and substantially in the control of the vendor. Applicable revenue recognition criteria are considered separately for each separate unit of accounting.

Management applies judgment to ensure appropriate accounting for multiple deliverables, including the allocation of arrangement consideration among multiple units of accounting, the determination of whether undelivered elements are essential to the functionality of delivered elements and the timing of revenue recognition, among others. For those arrangements where the deliverables do not qualify as separate units of accounting, revenue recognition is evaluated for the combined deliverables as a single unit of accounting and generally the recognition pattern of the final deliverable will dictate the revenue recognition pattern for the single, combined unit of accounting. Changes in circumstances and customer data may affect management's analysis of separation criteria, which may cause Allscripts to adjust upward or downward the amount of revenue recognized under the arrangement.

The Company records reimbursements for out-of-pocket expenses incurred as professional services revenue in the statement of operations. These amounts totaled approximately $2,313 and $1,273 for the three months ended September 30, 2010 and August 31, 2009, respectively, and $4,823 and $3,637 for the nine months ended September 30, 2010 and August 31, 2009, respectively.

Maintenance fees are recognized ratably over the period of the contract based on vendor specific objective evidence of fair value based upon contractual renewal rates. Revenue from EDI services is recognized as services are provided and is determined based on the volume of transactions processed. Prior to the sale of the Company's prepackaged medications business in March 2009, revenue from the sale of prepackaged medications, net of provisions for estimated returns, was recognized upon shipment of the pharmaceutical products, the point at which the customer took ownership and assumed risk of loss, when no performance obligations remain and collection of the receivable was probable.

Business Combinations

Goodwill as of the acquisition date is measured as the excess of consideration transferred and the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions as a part of the purchase price allocation process to accurately value assets acquired, including intangible assets, and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Goodwill and Intangible Assets

Goodwill and intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized in accordance with accounting guidance, but accounting guidance requires the Company to perform an impairment test at least annually. This is a two step test. In step one the estimated fair value of a reporting unit is compared to its carrying value. Step two is required only if there is a deficiency (the estimated fair value is less than the carrying value). In step two the actual amount of the goodwill impairment is calculated by comparing the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. The implied fair value is determined in the same manner as the amount of goodwill recognized in a business combination.

The Company performs its annual impairment test of goodwill and indefinite lived intangible assets as of May 31, and completed step one of its annual goodwill impairment test as of May 31, 2010 for its reporting units. For each reporting unit, the fair value of the reporting unit is estimated using the income approach by discounting to present value the estimated future cash flows of the reporting unit. For each reporting unit fair value substantially exceeded its carrying value as of May 31, 2010 and no indicators of impairment were identified as a result of its annual impairment test; therefore, step two was not required. The Company will also test for impairment between annual test dates if an event occurs or circumstances change that would indicate the carrying amount may be impaired. If we determine that the value of the indefinite lived intangible assets and goodwill may not be recoverable from future cash flows, a write-down of the value of the asset may be required.

Accounting guidance also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives and reviewed for impairment. We estimate the useful lives of our intangible assets and amortize the value over the remaining estimated economic lives of those assets, including the period being reported on. If the actual useful life is shorter than our estimated useful life, we will amortize the remaining book value over the remaining useful life or the asset may be deemed to be impaired and, accordingly, a write-down of the value of the asset may be required.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

Fair Value

At September 30, 2010, May 31, 2010 and December 31, 2009, the carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued expenses approximated their estimated fair values due to the short-term nature of these financial instruments.

The Company's debt obligation has an interest rate that approximates current market rates; therefore, the carrying value of such debt approximates fair value.

The fair values of assets and liabilities required to be measured at fair value are categorized based upon the level of judgment associated with the inputs used to measure their value. Hierarchical levels are as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Inputs, other than quoted prices included in Level 1, are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets, and inputs other than quoted prices that are observable for the asset or liability.

Level 3: Inputs are unobservable for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

The following table summarizes the Company's financial assets measured at fair value on a recurring basis as of the respective balance sheet dates:

	Balance Sheet Classifications	September 30, 2010			May 31, 2010			December 31, 2009		
		Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
Money market funds	Cash Equivalents	$52,843	$ 0	$ 52,843	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Marketable securities	Long-term marketable securities	0	1,778	1,778	0	1,925	1,925	0	1,896	1,896
Total		$52,843	$1,778	$54,621	$ 0	$1,925	$1,925	$ 0	$1,896	$1,896

The Level 1 money market funds are valued daily by the fund companies, and the valuation is based on the publicly reported net asset value of each fund.

The Level 2 marketable securities are classified as available-for-sale and consist of mortgage and asset-backed bonds. Marketable securities are recorded at fair value determined using a market approach, based on prices and other relevant information generated by market transactions involving identical or comparable assets which are considered to be Level 2 inputs.

Unrealized gains and losses are reported net of tax in a separate component of stockholders' equity. Realized gains and losses and declines in value determined to be other-than-temporary on available-for-sale securities are included in interest income and other, net. The cost of securities sold is based on specific identification. Interest and dividends on securities classified as available-for-sale are included in interest income. There were no other-than-temporary declines for the three and nine months ended September 30, 2010 and August 31, 2009.

(Unaudited, dollar and share amounts in thousands, except per-share amounts)

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2. Business Combinations and Divestitures

On August 24, 2010, the transactions contemplated by the Merger Agreement were completed and Eclipsys became a wholly-owned subsidiary of Allscripts, the accounting acquirer. Pursuant to the terms of the Merger Agreement, each outstanding share of Eclipsys common stock, other than shares held by Eclipsys in its treasury, by any wholly owned subsidiary of Eclipsys, by Allscripts or by any wholly owned subsidiary of Allscripts, was converted into the right to receive 1.2 shares (the "Exchange Ratio") of Allscripts common stock (plus cash in lieu of fractional shares). Additionally, each outstanding Eclipsys stock option, restricted stock award, restricted stock unit, deferred stock unit and performance stock unit award was converted into an Allscripts option, restricted stock award, restricted stock unit, deferred stock unit or performance stock unit award, as the case may be, with appropriate adjustments to the number of shares subject to the award and, if applicable, the per share exercise price to reflect the Exchange Ratio.

Under the acquisition method of accounting, the purchase price was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The fair value of the assets acquired and liabilities assumed represent management's estimate of fair value.

The results of Eclipsys are included in the accompanying consolidated statements of operations for periods subsequent to the completion of the merger, August 24, 2010.

The total purchase price for the acquisition is comprised of the following:

Fair value of Eclipsys (69,130 Allscripts common shares at $17.47, the closing stock price of Allscripts on August 24, 2010)	$ 1,207,701
Share-based compensation value	21,911
Total purchase price	$1,229,612

Acquisition-related costs included in selling, general and administrative expenses for the three and nine months ended September 30, 2010 totaled $27,081 and $31,431, respectively.

The purchase price has been allocated to the tangible and intangible assets acquired and liabilities assumed based on management's estimates of their current fair values.

The purchase price has been allocated as follows:

Acquired cash and cash equivalents, and restricted cash	$ 174,543
Accounts receivable, net	137,035
Prepaid expenses and other current assets	31,891
Fixed assets and other long-term assets	83,681
Goodwill	637,844
Intangible assets	364,000
Deferred tax liability, net	(13,997)
Accounts payable and accrued liabilities	(57,030)
Deferred revenue	(111,753)
Other liabilities	(16,602)
Net assets acquired	$1,229,612

The preliminary allocation of the purchase price was based upon a preliminary valuation and our estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). The primary areas of the preliminary purchase price allocation that are not yet finalized relate to the fair values of certain tangible and intangible assets and liabilities acquired, and residual goodwill. We expect to continue to obtain information to assist us in finalizing these preliminary valuations during the measurement period.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

Goodwill was determined based on the residual difference between the purchase price and the value assigned to tangible and intangible assets and liabilities, and is not deductible for tax purposes. Among the factors that contributed to a purchase price resulting in the recognition of goodwill were Eclipsys' history of profitability and high operating margins, strong sales force and overall employee base, and position in the healthcare information technology market.

As of the acquisition date of August 24, 2010, goodwill and intangible assets have been attributed to the hospital solutions segment. The acquired intangible assets are being amortized on a straight-line basis over their useful lives and consist of the following:

Description	Useful Life in Years	Fair Value
Maintenance and outsourcing agreements	20	$ 51,000
Hosting agreements	15	30,000
Services agreements	12	33,000
Developed technology	7	67,000
Core technology	12	97,000
Trade name	3	13,000
Maintenance and outsourcing contract backlog	5	43,000
Hosting contract backlog	6	15,000
Services backlog	2	15,000
		$364,000

The following unaudited pro forma information assumes the legacy Allscripts and legacy Eclipsys merger occurred as of the beginning of the earliest period presented. The pro forma financial information for all periods presented also includes the business combination accounting effects resulting from the Merger Agreement including our amortization charges from acquired intangible assets, the elimination of certain intangible asset amortization incurred by Eclipsys, stock-based compensation changes for equity awards assumed, adjustments to interest expense for certain borrowings adjustments for transaction-related expenses and the related tax effects as though the aforementioned companies were combined at the beginning of the annual reporting period of each period presented. The unaudited pro forma supplemental results have been prepared based on estimates and assumptions, which we believe are reasonable and are not necessarily indicative of the consolidated financial position or results of operations had the merger occurred at the beginning of the annual reporting period of each period presented, nor of future results of operations. The three and nine months ended August 31, 2009 represent previously reported periods of legacy Allscripts and are comparable to the three and nine months periods ended September 30, 2009 previously reported by legacy Eclipsys. The unaudited pro forma results are as follows:

		Supplemental Pro Forma Data			
		Three Months Ended		Nine Months Ended	
	August 24, 2010 through September 30, 2010	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009
Total revenue	$ 51,228	$313,636	$275,346	$921,203	$831,396
Net (loss) income	$ (3,989)	$ 16,177	$ (320)	$ (2,899)	$ (52,441)
(Loss) earnings per share:					
Basic and diluted		$ 0.08	$ (0.01)	$ (0.02)	$ (0.28)

The unaudited pro forma information for the three and nine months ended September 30, 2010 and August 31, 2009 include the following adjustments:

- Net increase in revenues and net increase (decrease) in net income representing legacy Eclipsys pre-merger revenues and net income or loss as follows: revenues of $79,569 and net income of $2,900 for the three months ended September 30, 2010; revenues of $125,486 and net income of $3,880 for the three months ended September 30, 2009; revenues of $342,371 and net income of $9,963 for the nine months ended September 30, 2010; and revenues of $385,500 and net loss of $1,087 for the nine months ended September 30, 2009.
- Decrease in revenue for the three months ended September 30, 2010 and August 31, 2009 of approximately $8,326 and $15,050, respectively, relating to deferred revenue purchase accounting adjustments. The nine months ended September 30, 2010 and August 31, 2009 reflect decreases in revenue of approximately $39,326 and $46,050, respectively, also related to deferred revenue purchase accounting adjustments.
- Increase to amortization expense for the three months ended September 30, 2010 and August 31, 2009 of approximately $3,237 and $4,856, respectively, related to management's preliminary estimate of the fair value of intangible assets acquired as a result of the Eclipsys merger. Amortization expense increased by $12,948 and $14,567 for the nine months ended September 30, 2010 and August 31, 2009, respectively, for the same reason. These increases reflect the elimination of all legacy Eclipsys historical intangible asset and capitalized software amortization for all applicable periods.
- Increase to interest expense for the three months ended September 30, 2010 and August 31, 2009 of approximately $4,647 and $6,341, respectively, related to the debt used to finance a portion of the Coniston Transactions. Interest expense increased by $18,067 and $18,290 for the nine months ended September 30, 2010 and August 31, 2009, respectively, for the same reason. These increases reflect the elimination of previously recognized interest expense of legacy Allscripts and legacy Eclipsys.
- Increase to stock-based compensation expense for the three months ended September 30, 2010 and August 31, 2009 of approximately $0 and $1,838, respectively, related to equity awards of legacy Eclipsys assumed as part of the Merger Agreement. Stock-based compensation expense

increased $4,915 and $6,757 for the nine months ended September 30, 2010 and August 31, 2009, respectively, for the same reason.

- Operating expenses reflect a decrease of $35,720 in the three months ended September 30, 2010 and an increase of $63,355 in the nine months ended August 31, 2009 to reflect transaction-related expenses of legacy Allscripts and legacy Eclipsys as if the merger occurred as of the beginning of the earliest period presented.

Excluding the net pre-merger impacts of legacy Eclipsys described above, all pro forma adjustments are reflected in pro forma earnings/(loss) assuming an effective income tax rate of 39%.

(Unaudited, dollar and share amounts in thousands, except per-share amounts)

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Sale of Prepackaged Medications Business

On March 16, 2009, Allscripts completed the sale of its Medications Services business pursuant to the Asset Purchase Agreement (the "Meds Agreement") with A-S Medication Solutions LLC ("A-S") for a total of $8,000 in cash consideration. Also at that time, Allscripts entered into a five-year marketing agreement (the "Marketing Agreement") with A-S which requires that Allscripts provide various marketing services to A-S for compensation of $900 per quarter over the five year term for a total of approximately $18,000. Allscripts has continuing obligations requiring substantive performance under the Marketing Agreement, including the use of the Allscripts trade name, promotion of the products and service offerings of A-S with existing and future Allscripts' customers, participation in the development and promotion of joint marketing materials, sharing of certain customer and sales lead information, and other related marketing service obligations. The Marketing Agreement contains a provision that could result in a reduction of annual fees not to exceed $1,200 per year if a material adverse change in law, as defined, results in a significant reduction in Medications Services customer revenues related to the Meds Agreement, as defined.

The sale of the prepackaged medication business resulted in a loss of approximately $1,588, which has been recorded in selling, general and administrative expenses for the nine months ended August 31, 2009. The loss on the sale was calculated as follows:

Consideration received for the sale of prepackaged medications business	$ 8,000
Less net assets sold:	
Accounts receivable, net	5,871
Inventories, net	2,163
Fixed assets, net	816
Intangible assets, net	2,751
Other, net	194
Accounts payable and accrued expenses	(2,207)
Net assets sold	9,588
Loss on sale of prepackaged medications business	($1,588)

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

3. Reduction of Misys plc Share Ownership

On June 9, 2010, Allscripts entered into a Framework Agreement with Misys plc ("Misys"), which was subsequently amended on July 26, 2010 (as amended, the "Framework Agreement"). Pursuant to the Framework Agreement, Allscripts and Misys agreed to reduce Misys' existing indirect ownership interest in Allscripts. As of June 8, 2010, Misys held indirectly 79.8 million shares of Allscripts' common stock, representing approximately 54.5% of the aggregate voting power of Allscripts' capital stock.

Subject to the terms and conditions of the Framework Agreement, Misys and Allscripts agreed that:

100% of the issued and outstanding shares of an indirect subsidiary of Misys ("Newco"), which held 61.3 million shares of our common stock, would be transferred to Allscripts in exchange for 61.3 million newly issued shares of Allscripts common stock (such shares being referred to as the "Exchange Shares" and the transaction described in this bullet being referred to as the "Exchange");

Misys, directly or through one or more of its subsidiaries, would sell shares of our common stock in an underwritten secondary public offering (the "Secondary Offering");

Allscripts would repurchase from Misys or from one or more of its indirect subsidiaries 24.4 million Exchange Shares at an aggregate purchase price of $577.4 million (the "Share Repurchase"), which included a payment of a premium of $117.4 million in connection with the sale by Misys of its controlling interest in Allscripts; and

Upon completion of the Eclipsys Merger, Misys would have the right to require that Allscripts repurchase from Misys or from one or more of its indirect subsidiaries approximately 5.3 million additional shares of Allscripts common stock at an aggregate purchase price of $101.6 million (the "Contingent Share Repurchase"), which right would be exercised for up to 10 days after the closing of the Eclipsys Merger.

The Exchange, Secondary Offering and Share Repurchase are referred to as the "Coniston Transactions."

The Coniston Transactions were completed on August 20, 2010 as a condition of the merger with Eclipsys. Allscripts did not receive any proceeds from the Secondary Offering. The Contingent Share Repurchase was completed on August 27, 2010. Accordingly, Misys' equity stake in Allscripts has been reduced to approximately 10.2% of the outstanding shares of Allscripts common stock.

In accordance with GAAP and the Company's accounting policy, when the repurchased stock was retired the $678.7 million excess of the repurchase price over par was allocated to additional paid-in capital.

4. Comprehensive Income (Loss)

The components of comprehensive income are as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009
Net income (loss)	$ 1,373	$12,932	$ 33,040	$39,548
Foreign currency translation adjustments	381	0	381	0
Net change in unrealized holding gains (losses), net of tax	4	10	65	(153)
Total comprehensive income (loss)	$ 1,758	$12,942	$ 33,486	$39,395

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

5. Basic and Diluted Earnings Per Share

Basic income per share is computed by dividing net income, as adjusted for income allocated to participating securities, by the weighted-average shares of outstanding common stock. For purposes of calculating diluted earnings per share, the denominator includes both the weighted average shares of common stock outstanding and dilutive potential common stock equivalents. Dilutive common stock equivalent shares consist primarily of stock options, restricted stock unit awards and conversion of the 3.50% Senior Convertible Debentures (the "Debentures").

The calculations of earnings per share under the two-class method are as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009
Basic Earnings per Common Share:				
Net income	$ 1,373	$ 12,932	$ 33,040	$ 39,548
Less: Income allocated to participating securities	(29)	(294)	(693)	(747)
Net income available to common shareholders	$ 1,344	$ 12,638	$ 32,347	$ 38,801
Weighted average common shares outstanding	156,112	143,029	149,545	144,006
Basic Earnings per Common Share	$ 0.01	$ 0.09	$ 0.22	$ 0.27
Earnings per Common Share Assuming Dilution:				
Net income	$ 1,373	$ 12,932	$ 33,040	$ 39,548
Less: Income allocated to participating securities	(28)	(288)	(677)	(734)
Add: Interest expense on Debentures, net of tax	0	69	0	380
Net income available to common shareholders	$ 1,345	$ 12,713	$ 32,363	$ 39,194
Weighted average common shares outstanding	156,112	143,029	149,545	144,006
Dilutive effect of stock options and restricted stock units awards	3,502	3,124	3,608	2,546
Dilutive effect of Debentures	0	1,811	0	608
Weighted average common shares outstanding assuming dilution	159,614	147,964	153,153	147,160
Earnings per Common Share Assuming Dilution:	$ 0.01	$ 0.09	$ 0.21	$ 0.27

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

6. Goodwill, Intangible Assets and Impairments

Goodwill and intangible assets consist of the following:

	September 30, 2010			May 31, 2010			December 31, 2009		
	Gross Assets	Accumulated Amortization	Intangible Assets, Net	Gross Assets	Accumulated Amortization	Intangible Assets, Net	Gross Assets	Accumulated Amortization	Intangible Assets, Net
Intangibles subject to amortization									
Proprietary technology	$361,660	$135,457	$ 226,203	$197,660	$129,959	$ 67,701	$197,660	$125,349	$ 72,311
Customer contracts and relationships	521,355	240,837	280,518	321,355	234,465	86,890	321,355	230,374	90,981
Strategic agreements	0	0	0	19,656	19,605	51	19,656	19,550	106
Total	$ 883,015	$376,294	$ 506,721	$538,671	$ 384,029	$154,642	$538,671	$375,273	$163,398
Intangibles not subject to amortization									
Registered trademarks			$ 52,000			$ 52,000			$ 52,000
Goodwill			1,051,234			413,390			413,390
Total			$ 1,103,234			$465,390			$465,390

The purchase price allocations for all acquisitions are preliminary for up to 12 months after the acquisition date and are subject to revision as more detailed analyses are completed and additional information about fair value of the assets and liabilities become available. Any change in the fair value of the net assets of the acquired company within this timeframe will change the amount of the purchase price allocable to goodwill. Changes in the carrying amount of goodwill by segment were as follows:

	Clinical Solutions Segment	Hospital Solutions Segment	Health Solutions Segment	Total
Balance as of December 31, 2009				
Goodwill	$341,286	$ 0	$72,104	$ 413,390
Accumulated impairment losses	0	0	0	0
	341,286	0	72,104	413,390
Balance as of May 31, 2010				
Goodwill	341,286	0	72,104	413,390
Accumulated impairment losses	0	0	0	0
	341,286	0	72,104	413,390
Acquisition	0	637,844	0	637,844
Balance as of September 30, 2010				
Goodwill	341,286	637,844	72,104	1,051,234
Accumulated impairment losses	0	0	0	0
	$341,286	$637,844	$72,104	$1,051,234

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

7. Other Assets

Perpetual License

On September 15, 2008, MHS entered into an agreement with iMedica (now Aprima Medical Software, Inc., or "Aprima") (the "Aprima Agreement"), under which the Company has a perpetual license to certain software code developed by Aprima, which the Company has incorporated into its Allscripts MyWay product. The perpetual license is being amortized over its estimated useful life of seven years. The net value of this perpetual license was $7,811, $8,311 and $8,936 as of September 30, 2010, May 31, 2010 and December 31, 2009, respectively, and is included in other assets on the consolidated balance sheets. Amortization expense related to this license was $375 and $375 for the three months ended September 30, 2010 and August 31, 2009, respectively, and $1,125 and $1,064 for the nine months ended September 30, 2010 and August 31, 2009, respectively. On July 17, 2009, the Company and Aprima entered into an amendment to the License Agreement to settle a dispute relating to certain terms of the License Agreement. As consideration for entering into this amendment, Allscripts paid Aprima $2,000, which is reflected in selling, general and administrative expenses on the consolidated statement of operations for the three and nine months ended August 31, 2009.

8. Debt

Debt outstanding as of September 30, 2010, May 31, 2010 and December 31, 2009 consisted of the following:

	September 30, 2010	May 31, 2010	December 31, 2009
Senior Secured Credit Facilities (long-term portion)	$506,500	$ 0	$ 23,995
Senior Secured Credit Facilities (current portion)	23,500	0	0
Total debt	$ 530,000	$ 0	$ 23,995

Interest expense for the three months ended September 30, 2010 and August 31, 2009 was $3,069 and $685, respectively, which includes debt issuance cost amortization of $486 and $88, respectively. Interest expense for the nine months ended September 30, 2010 and August 31, 2009 was $3,851 and $2,142, respectively, which includes debt issuance cost amortization of $811 and $436, respectively.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

Credit Agreement

In connection with the Coniston Transactions, on August 20, 2010 (the "Closing Date"), Allscripts entered into a Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, UBS Securities LLC and Barclays Capital, as co-syndication agents, and a syndicate of banks as co-documentation agents (the "Credit Agreement").

The Credit Agreement provides for a $470 million senior secured term loan facility (the "Term Facility") and a $250 million senior secured revolving facility (the "Revolving Facility"), each of which has a five year term (collectively the "Senior Secured Credit Facilities"). In connection with the closing of the Coniston Transactions, Allscripts borrowed $470 million under the Term Facility and $100 million under the Revolving Facility. The proceeds thereof have been used by Allscripts to finance a portion of the Coniston Transactions. The Revolving Facility is available to finance working capital needs and general corporate purposes.

The Term Facility shall mature in quarterly installments commencing on December 31, 2010, provided that, notwithstanding the above, the remaining principal balance as of the fifth anniversary of the Closing Date shall be due and payable on the fifth anniversary of the Closing Date:

Quarterly Installments	Quarterly Principal Amount
December 31, 2010 to September 30, 2011	$ 5,875
December 31, 2011 to September 30, 2012	11,750
December 31, 2012 to September 30, 2013	17,625
December 31, 2013 to September 30, 2014	23,500
December 31, 2014 to June 30, 2015	29,375
August 20, 2015	Remaining balance

A total of $50 million of the Revolving Facility is available for the issuance of letters of credit and $10 million of the Revolving Facility is available for swingline loans. Allscripts is also permitted to add one or more incremental revolving and/or term loan facilities in an aggregate amount of up to $250 million, subject to certain conditions.

Borrowings under the Senior Secured Credit Facilities bear interest, at Allscripts' option, at a rate per annum equal to either (1) the highest of (a) the rate of interest publicly announced by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City, (b) the federal funds effective rate from time to time plus 0.5%, and (c) the rate for Eurodollar deposits as reflected on the applicable Reuters Screen LIBOR01 for a one month interest period, as such rate may be adjusted for certain reserve requirements, plus 1.0%, or (2) the rate for Eurodollar deposits as reflected on the applicable Reuters Screen LIBOR01 for the interest period relevant to such borrowing, as such rate may be adjusted for certain reserve requirements, plus, in each case, the applicable margin. The applicable margin for borrowings under the Senior Secured Credit Facilities is fixed until the date that is three business days after Allscripts' financial statements are delivered to lenders with respect to the first fiscal period ending after September 30, 2010, and thereafter the applicable margin for borrowings under the Senior Secured Credit Facilities will be subject to further adjustment based on an agreed leverage grid.

All obligations under the Senior Secured Credit Facilities are guaranteed by, subject to certain agreed upon exceptions, each of Allscripts' existing and future direct and indirect material domestic subsidiaries, other than Newco (the "Guarantors").

The obligations of Allscripts and each Guarantor under the Senior Secured Credit Facilities, any swap agreements and any cash management arrangements provided by any lender, are secured, subject to permitted liens and other agreed upon exceptions, by a perfected first priority security interest in all of the tangible and intangible assets (including, without limitation, intellectual property, material owned real property and all of the capital stock of each Guarantor and, in the case of foreign subsidiaries, up to 65% of the capital stock of first tier material foreign subsidiaries) of Allscripts and the Guarantors.

Subject to certain exceptions, the Credit Agreement requires Allscripts to prepay the Term Facility: (i) with 100% of the net cash proceeds received from the incurrence of certain indebtedness for borrowed money; (ii) with 100% of the net cash proceeds of the sale of any assets in excess of $5 million outside the ordinary course of business (including, without limitation, insurance and condemnation proceeds) in any fiscal year, subject to reinvestment rights; and (iii) with 50% of Allscripts' excess cash flow for each fiscal year, beginning with the 2012 fiscal year. No prepayments under clauses (ii) or (iii) above are required to the extent that Allscripts' total leverage ratio is less than 2.5 to 1.0. Allscripts may voluntarily prepay outstanding loans under the Senior Secured Credit Facilities, in whole or in part, at Allscripts' option at any time upon prior notice.

The Senior Secured Credit Facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, Allscripts' ability to:

- incur indebtedness (including guarantee obligations);
- create liens on and sell assets;
- engage in mergers or consolidations;
- declare dividends and other payments in respect of our capital stock;
- make investments, loans and advances;
- engage in transactions with affiliates;
- enter into sale and leaseback transactions; and
- change lines of business.

In addition, the Senior Secured Credit Facilities include a maximum leverage ratio of 3.0 to 1.0 and a minimum interest coverage ratio of 4.5 to 1.0. The leverage ratio is calculated by dividing total indebtedness by earnings before interest expense, income tax expense, depreciation and amortization expense. The minimum interest coverage ratio is calculated by dividing earnings before interest expense and income tax expense by cash interest expense.

The facilities also contain certain customary events of default, including relating to non-payment, breach of covenants, cross-default, bankruptcy and change of control.

Allscripts terminated the Second Amended and Restated Credit Agreement dated February 10, 2009 among Allscripts, Allscripts, LLC, A4 Health Systems, Inc., A Realty, LLC, Extended Care Information Network, Inc. and Misys Healthcare Systems, LLC, as borrowers, JPMorgan Chase Bank, N.A., as the sole administrative agent, JPMorgan Securities, Inc., as lead arranger, and Fifth Third Bank, as syndication agent and co-lead arranger, as amended on November 20, 2009 (the "Old Credit Facility"). The Old Credit Facility provided for a total unsecured commitment of $150 million and matured on August 15, 2012. No early termination penalties were incurred by Allscripts in connection with the termination of the Old Credit Facility. In connection with the closing of the Coniston Transactions, the Old Credit Facility was terminated, and the related $468 of unamortized deferred debt issuance costs of the Old Credit Facility was written off and is reflected in selling, general and administrative expenses on the consolidated statement of operations for the three and nine months ended September 30, 2010.

As of September 30, 2010, $530,000 in borrowings and $2,421 in letters of credit were outstanding under the Credit Agreement. As of September 30, 2010, the interest rate on the Senior Secured Credit Facilities was LIBOR plus 3.00%, which totaled 3.26%. There was no default under the Credit Agreement as of September 30, 2010.

Senior Convertible Debentures

In July 2004, Allscripts completed a private placement of $82,500 of the Debentures. Holders of $54,632 principal amount of the Debentures exercised their right to convert the Debentures into an aggregate of 4,854 shares of Allscripts common stock.

On November 7, 2008, Allscripts launched an offer to purchase for cash all of the $27,868 of Debentures then outstanding at a purchase price equal to 100% of the principal amount of the Debentures being repurchased ($1,000 per each $1,000 principal amount outstanding) plus any accrued and unpaid interest, pursuant to the terms of the indenture governing the Debentures. The offer to purchase the outstanding Debentures expired on December 9, 2008, with $8,164 of the $27,868 outstanding Debentures being repurchased for cash.

During July 2009, Allscripts exercised its call option on the remaining $19,704 of Debentures for redemption. As a result of the call exercised by Allscripts, the holders of the Debentures had the right to convert the Debentures into common stock prior to payment redemption. During July and August 2009, holders of all of the outstanding Debentures exercised their right to convert the Debentures into an aggregate of 2,451 shares of Allscripts common stock. There were no outstanding Debentures as of September 30, 2010, May 31, 2010 or December 31, 2009.

(Unaudited, dollar and share amounts in thousands, except per-share amounts)

9. Income Taxes

We account for income taxes in accordance with authoritative accounting guidance which establishes financial accounting and reporting standards for the effect of income taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Judgment is required in addressing the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns.

In addition, we are subject to the continuous examination of our income tax returns by the Internal Revenue Service and other tax authorities. A change in the assessment of the outcomes of such matters could materially impact our consolidated financial statements. The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax regulations. In accordance with authoritative accounting guidance, we recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes may be required. If we ultimately determine that payment of these amounts is unnecessary, then we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is more likely than not that our positions will be sustained if challenged by the taxing authorities. To the extent we prevail in matters for which liabilities have been established, or are required to pay amounts in excess of our liabilities, our effective tax rate in a given period may be materially affected. An unfavorable tax settlement would require cash payments and may result in an increase in our effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution. We report interest and penalties related to uncertain income tax positions as income taxes.

In connection with the Eclipsys Merger, the Company acquired federal net operating losses totaling approximately $262 million. Due to the change in control in Eclipsys, these net operating losses are subject to annual limitation on their usage of approximately $48 million per year.

Additionally, during the three months ended September 30, 2010, the Company established unrecognized tax benefit liabilities related to the Eclipsys Merger and the Coniston Transactions. The following table reconciles unrecognized tax benefits:

Beginning Balance at June 1, 2010	$ 2,808
Increases for tax positions related to the current year - Allscripts	0
Increases for tax positions related to the current year - Eclipsys merger	12,805
Increases for tax positions related to the current year - Coniston Transactions	25,863
Reductions due to lapsed statute of limitations	0
Ending Balance at September 30, 2010	$ 41,476

The acquired tax position related to the Coniston Transactions is indemnified by Misys plc in accordance with the Framework Agreement. Accordingly, an indemnification asset totaling $27,273, including related interest, has been recorded and is included in other assets. The recoverability of the indemnification is supported by bank guarantee.

The provision for income taxes reflects the Company's estimate of the effective tax rate expected to be applicable for the full year. To the extent that actual pre-tax results for the year differ from the forecasted estimates applied at the end of the most recent interim period, the actual tax rate recognized during calendar 2010 could be different from the forecast rate. The effective tax rate was 130.5% and 38.4% for the three months ended September 30, 2010 and August 31, 2009, respectively. The effective tax rate was 31.0% and 40.4% for the nine months ended September 30, 2010 and August 31, 2009, respectively. The effective tax rate increased significantly for the three months ended September 30, 2010 compared to the three months ended August 31, 2009 due to nondeductible expenses incurred related to the Eclipsys Merger and Coniston Transactions. The decrease in the effective tax rate for the nine months ended September 30, 2010 as compared to the comparable period in the prior year is due to the reduction in state income tax expense and the utilization of federal research and development credits which is partially offset by the nondeductible expenses incurred related to the Eclipsys Merger and Coniston Transactions.

10. Stock Repurchase Agreement with Misys plc and its Affiliates

In connection with the closing of the Coniston Transactions, the Stock Repurchase Agreement, dated as of February 10, 2009, by and among Misys, Misys Patriot Ltd., Misys Patriot US Holdings LLC and Allscripts (the "Stock Repurchase Agreement") was terminated. Pursuant to the Stock Repurchase Agreement, Allscripts had agreed to purchase from Misys, and Misys had agreed to sell to Allscripts, the number of shares of Allscripts' common stock needed to keep Misys' ownership percentage in Allscripts unaffected by certain open market repurchases being made by Allscripts. No early termination penalties were incurred by Allscripts in connection with the termination of the Stock Repurchase Agreement. Through May 31, 2010, the Company repurchased 5,424 shares of common stock at an average price (excluding commissions) of $9.50 per share for an aggregate purchase price of $51,547. There were no shares repurchased under the Stock Repurchase Agreement during the nine months ended September 30, 2010.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

11. Business Segments

Authoritative guidance establishes standards for reporting information about operating segments in annual financial statements and requires selected information about operating segments in interim financial reports issued to stockholders. Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

Allscripts has organized its business around groups of similar customers, which resulted in four reportable segments: clinical solutions, hospital solutions, health solutions and prepackaged medications. The clinical solutions segment derives its revenue from the sale of clinical and practice management solutions and related services to physicians. Clinical solutions include electronic medical records software, practice management software, related installation and training services, electronic claims administration services and the resale of related hardware. The hospital solutions segment is a new segment established to capture the operating results of the former legacy Eclipsys business. The hospital solutions segment derives its revenue from the sale of clinical and practice management solutions and related services to hospital providers. Hospital solutions include software, related installation and training services, the resale of related hardware, hosting of our software and outsourced solutions. The health solutions segment derives its revenue from the sale of clinical and practice management solutions and related services to hospital and homecare providers. Health solutions include software, related installation and training services, the resale of related hardware and hosting of our software. The prepackaged medications segment derived its revenue from the prepackaged medications business, including wholesale medication sales and on-site medication dispensing. As discussed in Note 2, the prepackaged medications business was disposed in March 2009.

The Company does not track its assets by segment. The Company does not allocate interest or income taxes to its operating segments. In addition, the Company records corporate selling, general, and administrative expenses and amortization of intangibles in its unallocated corporate costs. These costs are not included in the evaluation of the financial performance of the operating segments.

	Three Months Ended		Nine Months Ended	
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009
Revenue				
Clinical solutions	$ 160,957	$ 139,102	$ 478,557	$ 406,460
Hospital solutions	51,228	0	51,228	0
Health solutions	30,208	25,808	88,373	75,765
Prepackaged medications	0	0	0	9,721
Total revenue	$ 242,393	$ 164,910	$ 618,158	$ 491,946
(Loss) income from operations				
Clinical solutions	$ 40,574	$ 37,676	$ 128,070	$ 115,123
Hospital solutions	8,005	0	8,005	0
Health solutions	16,570	12,524	46,593	33,684
Prepackaged medications	0	0	0	1,137
Unallocated corporate expenses	(66,836)	(28,630)	(131,888)	(81,857)
Total (loss) income from operations	($ 1,687)	$ 21,570	$ 50,780	$ 68,087

(Unaudited, dollar and share amounts in thousands, except per-share amounts)

12. Related Parties

Shared Services Agreement and Transition Services Agreement

On March 1, 2009, Allscripts and Misys entered into a Shared Services Agreement dated as of March 1, 2009 and effective as of October 10, 2008 (the "Shared Services Agreement"). The Shared Services Agreement was approved by the Audit Committee of Allscripts' Board of Directors. The services provided to Allscripts under the Shared Services Agreement included: (1) human resource functions such as administration, selection of benefit plans and designing employee survey and training programs, (2) management services, (3) procurement services such as travel arrangements, disaster recovery and vendor management, (4) research and development services such as software development, (5) access to information technology, telephony, facilities and other related services at Misys' customer support center located in Manila, The Philippines; and (6) information system services such as planning, support and database administration. Under the Shared Services Agreement, Allscripts has provided Misys with certain tax, facility space and payroll processing services. The Shared Services Agreement expired in accordance with its terms on August 20, 2010.

Pursuant to the Framework Agreement, on August 20, 2010, Allscripts and Misys entered into a Transition Services Agreement (the "Transition Services Agreement") pursuant to which each party will continue to provide to the other certain services and personnel to support the other's business, which services were previously provided under the Shared Services Agreement. The services that Misys agreed to provide Allscripts under the Transition Services Agreement include research and development services, customer support services and information systems services while Allscripts agreed to provide Misys financial services and tax services.

As of September 30, 2010, May 31, 2010 and December 31, 2009, $1,209, $1,635 and $1,991, respectively, was owed to Misys under these agreements. Expenses incurred under these services agreements were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009
Cost of services agreements	$ 3,725	$ 3,541	$ 11,104	$10,544

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

13. Recent Accounting Pronouncements

In April 2010, the Financial Accounting Standards Board ("FASB") issued accounting guidance on defining the milestone and determining when the use of the milestone method of revenue recognition for research or development transactions is appropriate. It provides criteria for evaluating if the milestone is substantive and clarifies that a vendor can recognize consideration that is contingent upon achievement of a milestone as revenue in the period in which the milestone is achieved, if the milestone meets all the criteria to be considered substantive. This accounting guidance is effective for fiscal years beginning on or after June 15, 2010 and should be applied prospectively. Early adoption is permitted. If we were to adopt this guidance prior to the first quarter of 2011, we must apply it retrospectively to the beginning of the year of adoption and to all interim periods presented. We are currently evaluating the impact of the pending adoption of accounting guidance on our consolidated financial statements.

In February 2010, the FASB revised the guidance to include additional disclosure requirements related to fair value measurements. The guidance adds the requirement to disclose transfers in and out of Level 1 and 2 measurements and the reasons for the transfers and a gross presentation of activity within the Level 3 roll forward. The guidance also includes clarifications to existing disclosure requirements on the level of disaggregation and disclosures regarding inputs and valuation techniques. The guidance applies to all entities required to make disclosures about recurring and nonrecurring fair value measurements. The guidance was adopted by the Company on June 1, 2010 for interim and annual reporting, except for the gross presentation of the Level 3 roll forward information, which will be required for interim and annual periods beginning June 1, 2011. This guidance did not have a material impact on the Consolidated Financial Statements.

In October 2009, the FASB issued updated guidance that amends existing revenue recognition accounting pronouncements that have multiple element arrangements. This updated guidance provides accounting principles and application guidance on whether multiple deliverables exist, how the arrangement should be separated, and the consideration allocated. This new approach is effective for fiscal years beginning on or after June 15, 2010 and may be applied retrospectively or prospectively for new or materially modified arrangements. In addition, early adoption is permitted. The Company is currently evaluating the potential impact of this guidance on its Consolidated Financial Statements.

In October 2009, the FASB issued updated guidance related to certain arrangements that contain software elements, which amends revenue recognition to exclude tangible products that include software and non-software components that function together to deliver the product's essential functionality. This updated guidance will be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Earlier application is permitted as of the beginning of a company's fiscal year provided the company has not previously issued financial statements for any period within that year. An entity shall not elect early application of this update unless it also elects early application of the update related to multiple element arrangements. This guidance is not expected to have a material impact on the Consolidated Financial Statements.

In December 2007, the FASB revised the authoritative guidance for business combinations. The purchase method of accounting will continue to be required for all business combinations, but the revised guidance significantly changes the accounting for other aspects of business combinations. Under the guidance, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. The revised guidance will change the accounting treatment for certain specific acquisition related items including: (1) expensing acquisition related costs as incurred; (2) valuing non-controlling interests at fair value at the acquisition date; and (3) expensing restructuring costs associated with an acquired business. It also includes a substantial number of new disclosure requirements. This new guidance was adopted by the Company on June 1, 2009 and is to be applied prospectively to business combinations for which the acquisition date is on or after June 1, 2009. The Company's business combination transactions are now being accounted for under this new guidance, including the Eclipsys Merger (see Note 2).

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

14. Contingencies

On August 4, 2009, a lawsuit was filed in the United States District Court for the Northern District of Illinois against the Company, Glen Tullman and William Davis by the Plumbers and Pipefitters Local Union No. 630 Pension-Annuity Trust Fund on behalf of a purported class consisting of stockholders who purchased Allscripts common stock between May 8, 2007 and February 13, 2008. On October 13, 2009, David Robb was appointed lead plaintiff, and on November 25, 2009, an amended complaint was filed containing allegations that the Company, Tullman and Davis made materially false and misleading statements and/or omissions in connection with the release of TouchWorks EHR, Version 11. On January 11, 2010, the Company filed a motion to dismiss the lawsuit. On April 13, 2010, the court granted the Company's motion to dismiss on the grounds that plaintiffs failed to sufficiently describe the confidential sources upon which the allegations in the amended complaint were based. On May 12, 2010, the court granted plaintiffs leave to replead. On May 14, 2010, plaintiffs filed a second amended complaint, which attributed certain allegations to four different confidential witnesses, but made no other substantive changes. On June 11, 2010, the Company filed a motion to dismiss the second amended complaint. The motion is fully briefed and awaiting ruling.

In addition to commitments and obligations in the ordinary course of business, we are subject to various claims, other pending and potential legal actions for damages and other matters arising in the normal conduct of our business, including intellectual property infringement, misappropriation or other intellectual property violation claims. Certain matters described below relate to intellectual property claims asserted against the Company. The Company believes that the matters described in the next paragraph are not material and do not relate to the core of the Company's applications. The Company also believes that it has strong defensive positions in such matters, but the outcomes of patent and other intellectual property lawsuits are often uncertain and such lawsuits are typically expensive to litigate.

On September 8, 2008, Pegasus Imaging Corporation ("Pegasus") filed a lawsuit against the Company and Allscripts, LLC, in the United States District Court for the Middle District of Florida. Pegasus' claims against the Company include breach of license agreement, copyright infringement, misappropriation of trade secrets, unfair trade practices and unfair competition based on the Company's allegedly unauthorized use of a software development toolkit related to barcode recognition. Following substantial further pretrial proceedings before the Court and a subsequent mediation session, the parties agreed to submit this dispute to binding arbitration, and in connection therewith, the Company and Pegasus entered into a partial settlement agreement pursuant to which the Company paid Pegasus $2,000 for a nine-year new license agreement for several Pegasus products. The arbitration began on July 26, 2010 and concluded on August 17, 2010. On August 26, 2010, the arbitrator awarded Pegasus $2,999 in damages and legal interest which was offset by the $2,000 license fee payment, resulting in an additional payment by the Company of $999.

On September 14, 2010, Pegasus filed a lawsuit against the Company and AllscriptsMisys, LLC in the Circuit Court of the Thirteenth Judicial Circuit of the State of Florida in and for Hillsborough County, Florida. The lawsuit also named former officers Jeffrey Amrein and John Reinhart, as well as two now-defunct Florida corporations which formerly did business with the Company, as co-defendants. Prior to serving the complaint, Pegasus filed an amended complaint dropping two of the claims that had been asserted. The amended complaint asserts causes of action against defendants for fraudulent misrepresentations, negligent misrepresentations, and deceptive and unfair trade practices under Florida law, arising from a license agreement entered into by Advanced Imaging Concepts, Inc. in November 2002. Defendants have moved for an extension of time to respond to the amended complaint, and have moved to transfer the case to the special court for complex business litigation that resides in Hillsborough County, Florida.

On April 22, 2009, Doctors Administrative Solutions, LLC ("DAS"), a former reseller of Misys MyWay software, filed a lawsuit against Allscripts, LLC in state court in Tampa, Florida alleging breach of warranty, breach of contract, and tortious interference with prospective business relationships. Allscripts, LLC removed the case to the United States District Court for the Middle District of Florida, after which DAS filed an amended complaint adding additional claims for breach of contract, specific performance, and declaratory judgment, and seeking damages and injunctive relief. The Company answered and counterclaimed against DAS for breaches of contract and trademark infringement. The case is currently scheduled for a bench trial in April 2011.

On or about June 15, 2010, Rajesh Nama, on behalf of himself and the public stockholders of Eclipsys, filed a purported class action complaint in the Superior Court of DeKalb County, State of Georgia, captioned *Nama v. Pead, et al*. The lawsuit names Allscripts, Arsenal Merger Corp. ("Arsenal"), Eclipsys, and each of the directors of Eclipsys as defendants. On or about June 17, 2010, John Scoggins, on behalf of himself and the public stockholders of Eclipsys, filed a second purported class action complaint in the same court and against the same defendants (except not Arsenal) captioned *Scoggins v. Eclipsys Corp., et al*. On or about June 18, 2010, Colleen Witmer, on behalf of herself and the public stockholders of Eclipsys, filed a third purported class action complaint in the same court and against the same defendants as the first case and captioned *Witmer v. Casey, et al.* On or about June 22, 2010, Michael Hiers, on behalf of himself and the public stockholders of Eclipsys, filed a fourth purported class action complaint in the same court and against the same parties as the first case and captioned *Hiers v. Casey, et al.* On or about June 22, 2010, the Iron Workers of Western Pennsylvania Pension Plan, on behalf of itself and the public stockholders of Eclipsys, filed a fifth purported class action complaint in the Superior Court of Fulton County, State of Georgia, and against the same defendants as the first case (except not Allscripts or Arsenal) and captioned *Iron Workers of W. Pennsylvania Pension Plan v. Pead, et al.*

On or about June 30, 2010, the plaintiff in the Iron Workers case dismissed its complaint in the Superior Court of Fulton County, State of Georgia and refiled its complaint in the Superior Court of Gwinnett County, State of Georgia. On or about July 9, 2010, the plaintiff in the Iron Workers case filed an Amended Complaint. On or about July 9, 2010, Jody Madala, individually and on behalf of the public stockholders of Eclipsys, filed a sixth purported class action complaint in the Superior Court of Gwinnett County, State of Georgia against the same defendants as the first case (except not Allscripts or Arsenal) captioned *Madala v. Pead et al*. The cases in the Superior Court of DeKalb County were subsequently transferred to the Superior Court of Gwinnett County, Business Case Division.

The lawsuits allege, among other things, that the Eclipsys directors breached their fiduciary duties and that Eclipsys aided and abetted those breaches. Five of the complaints (excepting the first) also allege facts concerning the proposed secondary public offering of certain Allscripts shares owned by Misys and the buy back by Allscripts of certain shares owned by Misys. Certain lawsuits also contain allegations that the joint proxy statement/prospectus/information statement on Form S-4 is materially misleading in certain respects including the omission of information concerning certain financial projections and whether or how the parties and their financial advisors have accounted for certain proceeds to be paid to Misys in the stock buy back. Certain lawsuits also allege that Allscripts aided and abetted such alleged breaches of fiduciary duties by the directors of Eclipsys. Based on these allegations, the lawsuits seek, among other relief, rescission of the merger or damages. They also purport to seek recovery of the costs of the action, including reasonable attorneys' fees.

On or about July 27, 2010, the Superior Court of Gwinnett County, Business Case Division, granted the Eclipsys defendants' motion to dismiss the Iron Workers' Amended Complaint. On or about August 5, 2010, the Georgia Court of Appeals denied Iron Workers' emergency request for an injunction pending appeal. The appeal was then briefed in the ordinary course and is awaiting decision. The other five lawsuits have been stayed in the trial court pending resolution of the appeal.

The outcome of any such litigation is inherently uncertain. Each company may incur substantial defense costs and expenses. An unfavorable outcome may adversely affect the combined company's business, financial condition or results of operations.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited, dollar and share amounts in thousands, except per-share amounts)

15. Subsequent Events

Interest Rate Swap Agreement

We entered into an interest rate swap agreement with an effective date of October 29, 2010 that has the economic effect of modifying the variable rate component of the interest obligations associated with a portion of our variable rate debt. The initial notional amount of the interest rate swap agreement is $300 million, with scheduled step downs in the future, and a final termination date of October 31, 2014. The interest rate swap agreement converts the one-month LIBOR rate on the corresponding notional amount of debt to an effective fixed rate of 0.896% (exclusive of the applicable margin currently charged under the Senior Secured Credit Facilities). The critical terms of the interest rate swap agreement and the debt allow us to designate the interest rate swap agreement as a highly effective cash flow hedge under GAAP. The interest rate swap agreement protects us against changes in interest payments due to benchmark interest rate movements. The change in fair value of this interest rate swap agreement will be recognized in other comprehensive income with the corresponding amounts included in other assets or other non-current liabilities in our consolidated balance sheet. Amounts accumulated in other comprehensive income are indirectly recognized in earnings as periodic settlements of the swap occur and the fair value of the swap declines to zero.

We will not use this interest rate swap agreement for trading purposes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(In thousands, except per share amounts)

Overview

Eclipsys Merger and Basis of Presentation

On August 24, 2010, Allscripts-Misys Healthcare Solutions, Inc. (which changed its name to Allscripts Healthcare Solutions, Inc., "Allscripts") completed the transactions contemplated by an Agreement and Plan of Merger dated June 9, 2010 by and among Allscripts-Misys Healthcare Solutions, Inc., Arsenal Merger Corp., a wholly-owned subsidiary of Allscripts, and Eclipsys Corporation, an enterprise provider of solutions and services to hospitals and clinicians ("Eclipsys"). Eclipsys became a wholly-owned subsidiary of Allscripts as a result of the merger. The results of Eclipsys are consolidated with the results of Allscripts from August 24, 2010.

The merger with Eclipsys has been accounted for as a purchase business combination. Under the acquisition method of accounting, the purchase price was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The operating results of Eclipsys are included in the accompanying consolidated statements of operations for periods subsequent to the completion of the merger, August 24, 2010.

On August 23, 2010, the Board of Directors approved a change of fiscal year end from May 31 to December 31. As a result of this change, Allscripts is filing this quarterly report on Form 10-Q for the three and nine month periods ended September 30, 2010. Comparative financial results are provided for the three and nine month periods ended August 31, 2009. We believe the comparative quarters reported for fiscal year 2009 provide a meaningful comparison to the calendar year 2010 quarters and there are no factors, seasonal or otherwise, that materially impact the comparability of information or trends.

Business Overview

Allscripts is a leading provider of clinical, financial, connectivity and information solutions and related professional services that empower hospitals, physicians and post-acute organizations to deliver world-class outcomes. Our businesses provide innovative solutions that inform physicians and other healthcare professionals with just-right, just-in-time information, connect them to each other and to the entire community of care, and transform healthcare, improving both the quality and efficiency of care. We provide various clinical software applications for hospitals, physician practices and post-acute organizations, including acute care and ambulatory Electronic Health Records (EHR), physician practice management, revenue cycle management for hospitals and physicians, clearinghouse services, electronic prescribing, stand-alone Emergency Department Information System (EDIS) (in addition to our EDIS integrated, hospital care management and discharge management solutions, document imaging solutions), and a variety of solutions for home care and other post-acute organizations. We have reported our financial results utilizing four business segments: clinical solutions, hospital solutions, health solutions and prepackaged medications. The hospital solutions segment is a new segment established to capture the operating results of the former legacy Eclipsys business.

Our ambulatory solutions for physician practices include our Enterprise solution for large physician practices and Integrated Delivery Networks; our Professional solution for mid-size primary care and single specialty practices; our PeakPractice solution designed for the same market; and the Allscripts MyWay solution for smaller or independent physician practices. Our award-winning EHR solutions are designed to enhance physician productivity using tablet PCs, wireless handheld devices and smartphones, or desktop workstations for the purpose of automating the most common physician activities, including prescribing, dictating, ordering lab tests and viewing results, documenting clinical encounters and capturing charges, among others. Our electronic prescribing solutions include a Web-based stand-alone solution offered free-of-charge to any licensed prescriber, and solutions that are integrated into each of our EHRs.

Our practice management solutions combine scheduling and revenue cycle management tools in a single package with functionality including rules-based appointment scheduling, multi-resource and recurring appointment features, referral and eligibility indicators, and appointment and claims management. Our Web-based clearinghouse solutions are available on a stand-alone basis or integrated into our practice management solutions.

Our acute solutions for hospitals and health systems include integrated enterprise solutions that provide clinical, revenue cycle and performance management software for use by physicians, nurses and other members across a healthcare organization's team. Sunrise Enterprise is the Allscripts software family of solutions, including the following clinical, access, financial and departmental solutions: 1) Sunrise Clinical Manager, which includes the major integrated applications Sunrise Acute Care Sunrise Ambulatory Care, Sunrise Critical Care, Sunrise Emergency Care and Sunrise Pharmacy, in addition to related modules and capabilities, such as Knowledge-Based Charting, Knowledge-Based Medication Administration and others. Sunrise Clinical Manager enables a physician or other authorized clinician to view patient data and conduct computerized physician order entry (CPOE) quickly at the point of care, from virtually any other point in the enterprise or through secure remote access, providing evidence-based clinical decision support at the time of order entry; 2) Sunrise Access Manager, which shares the Sunrise Clinical Manager platform and health data repository and includes Sunrise Enterprise Scheduling and Sunrise Enterprise Registration, enabling healthcare providers to identify a patient at any time within a healthcare organization and to collect and maintain patient information on an enterprise-wide basis; 3) Sunrise Patient Financials, which provides centralized enterprise-wide business office capabilities that help healthcare organizations improve financial workflows and more effectively manage their patient billing, accounts receivable, and contract management functions, helping to reduce costs for this important function and maximize and accelerate appropriate reimbursements from patients and other parties.

Our acute solutions also include the Enterprise Performance Management solution suite, a grouping of our executive tools that support direct patient care-related activities, as well as operational performance management. Allscripts solutions focus on three critical areas for healthcare performance management: financial decision support; hospital patient flow and throughput; and clinical analytics. These solutions bring together integrated data from across the enterprise to analyze dependencies, trends and patterns, bottlenecks and areas of concern from a high level, down to the individual patient, clinician or resource. The Enterprise Performance Management Suite includes: 1) Sunrise EPSi , a fully integrated, Web-based solution that provides integrated analytics, budgeting and knowledge-based decision support designed to bring together all the major components of financial management — strategic planning, product line budgeting, cost accounting, and operational and capital budgeting — to plan more effectively and accurately for the future and address the financial challenges facing healthcare organizations today; 2) Sunrise Patient Flow, which gives hospitals effective management and visibility of patients' movements throughout the enterprise enabling hospital management to identify bottlenecks and operational constraints and better coordinate resources to optimize patient flow; 3) Sunrise Clinical Analytics, an advanced clinical business intelligence solution that enables organizations to effectively track and measure clinical performance and identify how clinician actions impact outcomes, helping organizations to monitor and improve performance related to core measures, hospital-acquired complications and other quality initiatives.

Other clinical and ancillary solutions for the acute market include Sunrise Record Manager, a health information management (HIM) solution that automates the workflow associated with the collection, maintenance and distribution of information to maximize EHR benefits, helping hospitals better meet regulatory reporting requirements; Sunrise Laboratory, which helps high-volume hospital laboratories improve operational performance by automating laboratory workflow from end to end, with decision-making and reporting driven by real-time clinical information; and Sunrise Radiology, a comprehensive radiology information system, and the Sunrise PACS picture archiving and communications system (the latter powered by Sectra), which can be implemented together, separately, or as part of an image-enabled clinical information system to deliver imaging data as an integrated part of the overall patient record accessible using any Sunrise Enterprise-enabled device.

Our acute solutions also include offerings for hospitals that are seeking a stand-alone Emergency Department Information System (EDIS) and care management solutions, as well as post-acute facilities such as home health providers, hospices and skilled nursing facilities. Allscripts ED is an EDIS that electronically streamlines processes for hospital Emergency Departments, including tracking, triage, nurse and physician charting, disposition and reporting. EmSTAT, a legacy EDIS product, offers similar functionality for streamlining the Emergency Department care process in small hospitals. Allscripts Care Management is a Web-based solution that streamlines and speeds the patient care management process by automating utilization, case, discharge and quality management processes relating to patient hospital visits. Allscripts Post Acute solutions include: Referral Management, Referral Management Plus, and Allscripts Mobile. These solutions streamline the transition of care process between hospitals and post-acute care facilities. Our solution for home health providers is an integrated system that combines business, clinical, and scheduling features into a single package, providing home health, hospice, and private duty organizations with a user friendly product that enables staff to work more effectively both inside and outside the office.

Related to the implementation and use of our software, we also offer 1) professional services, 2) remote hosting, and 3) information technology outsourcing of software from Allscripts and from a number of third-parties. Our professional services are associated with the implementation of our software, the conversion and integration of clients' historical data into our software and systems, ongoing training and support in the use of our software, and consulting services to help clients improve their operations. The Allscripts Speed to Value methodology helps our clients quickly achieve value from their investment in Allscripts solutions through accelerated software installation and systems configuration. Our remote hosting services help our clients manage their complex healthcare IT solutions infrastructure while freeing up physical space, resources and costs associated with maintaining computer servers and deploying client-based applications on-site. Under this offering, we assume responsibility for processing Allscripts and/or non-Allscripts applications for our clients using equipment and personnel at our facilities. Other remote services, such as remote monitoring and remote help desk, are also offered. Software installation, upgrades and patches and network configuration and repairs are handled by Allscripts IT professionals behind the scenes, so hospital IT departments can focus on more strategic initiatives. Our information technology outsourcing provides full, partial or transitional IT outsourcing services to our clients. This service allows healthcare organizations to concentrate on their core mission while leveraging our knowledge of healthcare processes and proven healthcare IT methodologies to build and manage an IT infrastructure that helps organizations derive value from their technology investments. We assume partial to total responsibility for a healthcare organization's IT operations using our employees and assets. These services may also include facilities management, remote hosting and/or other remote services to help our clients to minimize the capital investment involved in staffing and maintaining its IT operations.

On March 16, 2009, Allscripts completed the sale of its Medications Services business pursuant to the Asset Purchase Agreement (the "Meds Agreement") with A-S Medication Solutions LLC ("A-S"). Also at that time, Allscripts entered into a five-year marketing agreement (the "Marketing Agreement") with A-S which requires that Allscripts provide various marketing services to A-S for compensation of $900 per quarter over the five year term for a total of approximately $18,000. Allscripts has continuing obligations requiring substantive performance under the Marketing Agreement, including the use of the Allscripts trade name, promotion of the products and service offerings of A-S with existing and future Allscripts' customers, participation in the development and promotion of joint marketing materials, sharing of certain customer and sales lead information, and other related marketing service obligations. As a result of the Meds Agreement, prepackaged medications revenue is only included in operating results for the nine months ended August 31, 2009.

We principally derive our revenue and cash flow from sales of our proprietary software and related hardware and professional services in the segments described above. These sales also are the basis for our complementary recurring service contracts for maintenance and transaction processing. See below for a discussion of our outlook for new orders and other factors that could have an impact on our revenue and cash flows.

We believe a combination of executive and legislative leadership at the federal level, industry standards, and federal incentives that exist today for e-prescribing and pay-for-quality initiatives, will quickly make electronic health records as common as practice management systems in all provider offices. We believe the stimulus and other provisions provided by the American Recovery and Reinvestment Act of 2009 (the “Stimulus”) will be the single biggest driver of healthcare IT adoption in our industry’s history since the requirement of electronic claims submissions. We believe that we are well positioned in the market to take advantage of the material opportunity presented by the Stimulus and have seen a positive impact on new orders, particularly in our Enterprise products, in our three and nine months ended September 30, 2010. However, we believe that the impact on new orders related to the Stimulus have been tempered by continued uncertainty around the Stimulus and related funding requirements and also due to the challenging economic conditions which have motivated customers and prospective customers to defer capital investments, conserve cash and move towards software subscription arrangements versus traditional licensing arrangements. We believe that the continuation of these challenging economic conditions and uncertainty around the Stimulus may continue until physicians and hospitals begin receiving the first stimulus payments in early 2011. Additionally, we face the following other material opportunities, challenges and risks related to the Stimulus, which are further described below: (i) developing adequate capacity to satisfy the potential increased demand; (ii) ensuring that all of our products obtain applicable product certifications and our customers are able to achieve “meaningful use” as required by the Stimulus; (iii) taking advantage of demand trends; and (iv) positioning the Company as a provider to potential government-funded health care providers.

Management has taken steps to position the Company to have what we believe will be adequate capacity to meet the significant additional demand that could result from new orders related to the Stimulus. These steps include supplementing our internal direct sales force with strategic distribution partners with established sales forces focused on practices with one to five providers. Further, we have taken steps to improve the efficiency of our approach to new system installations. Recently, the Company launched its “Ready” implementation program, which standardizes certain key processes across customer sites and decreases the number of hours required by our professional services team to enable installations of our clinical and practice management solutions. This strategy is predicated on repeatable, best practice workflows and was designed collaboratively by our services and development teams and is proprietary to the Company. Early results indicate that the Ready program has significantly reduced installation timeframes for an initial portion of our client base. Finally, the Company is exploring additional sources of potential capacity to complement its internal professional services organization through various third-party implementation alternatives in order to meet additional market demand.

In order for our customers to qualify for Stimulus funding, our products must meet various requirements for product certification under the Stimulus regulations, and must enable our customers to achieve “meaningful use,” as such term is currently defined under the July 28, 2010 CMS Final Rule and under any future Stimulus regulations and guidance that CMS may release. The CMS Final Rule provides for a phased approach to implementation of the meaningful use standards, with Stage 1 set forth in the proposed rule and Stages 2 and 3 reserved for future rulemaking based upon the experiences with Stage 1. Also, an interim final rule has been implemented by the Office of National Coordinator, U.S. Department of Health and Human Services, to adopt an initial set of standards, implementation specifications, and certification criteria to enhance the use of health information technology and support its meaningful use. Given that CMS will release future regulations related to electronic health records, our industry is presented with a challenge in preparing for compliance. Similarly, our ability to achieve product certification by CCHIT and/or other regulatory bodies, and the length, if any, of additional related development and other efforts required to meet meaningful use standards could materially impact our ability to maximize the market opportunity. Our Allscripts Professional EHR version 9.0 and Allscripts PeakPractice EHR version 5.5 were certified as 2011/2012 compliant and as Complete EHRs on September 30 and October 29, respectively, by CCHIT in accordance with the applicable eligible provider certification criteria adopted by the Secretary of Health and Human Services (HHS). Allscripts ED Version 6.3 Release 4 was certified 2011/2012 compliant and as an EHR Module on Sept. 30, 2010 by CCHIT, in accordance with the applicable hospital certification criteria of HHS. The 2011/2012 criteria support the Stage 1 meaningful use measures required to qualify eligible providers and hospitals for funding under ARRA. Currently, given the maturity of our products, management does not believe the incremental development effort, if any, required for our remaining acute care and ambulatory EHRs to meet the final meaningful use standards, as set in the July 28, 2010 CMS Final Rule, will be significant. Management has made product development a strategic focus, with development funding expected to be as high as 10% of revenues this calendar year. Management has also positioned the current product portfolio to achieve certification in time for our customers to take maximum advantage of the Stimulus incentives offered to physicians under ARRA.

The market for acute care solutions is highly competitive. Sales cycles can occur over an extended period of time and require hospitals to secure external funding to finance their purchases of new clinical information systems. Several companies that we compete with are privately held which can provide certain advantages in capturing new client relationships. In addition, the market has increasingly moved toward adoption of integrated solutions that connect various venues of care including hospitals, physician offices, clinics, laboratories, post acute facilities and other care delivery settings. The merger of Allscripts and Eclipsys was meant to respond to these emerging market dynamics by providing a full complement of solutions across the community of care. However other vendors may be better known or be perceived as a more integrated solutions provider currently. The company has product integration plans that demonstrate the future direction for integrated solutions as well as current efforts that illustrate interoperability in common client settings. However, it will take time and resources to complete the product integration plan to meet current and evolving market demand for such solutions.

In addition, implementation of clinical systems in hospitals is a highly complex undertaking and can take longer to complete than originally planned. While the company believes it has established itself as a leading provider of computerized physician order entry and related solutions, the complexities of individual health systems, local health care environments, native IT environments and other factors can extend implementation times and result in delays.

We are currently experiencing different demand trends between large and small physician practices, as well as a trend towards community-based purchasing decisions. Management believes that the federal Stimulus has resulted in additional related new orders for our Enterprise EHR products, primarily from larger physician practices, and expects this to remain the case in the short term. Management believes this is because these larger physician practices, as a function of their size and complexity, generally require longer installation periods and may take more lead time to satisfy meaningful use requirements as required by the Stimulus in order to qualify for funding. Therefore, these practices are motivated to begin the buying process as early as possible in order to implement EHR systems and meet the requirements on a timely basis, to take advantage of the Stimulus funding.

We believe small physician offices may defer EHR buying decisions due to a number of factors. First is the scarcity of capital, which defers decision making until such time as Stimulus funding is available. We have seen greater demand in small physician offices for subscription based arrangements as opposed to pure licensing arrangements, which reflects a motivation to reduce capital outlays. This shift to subscription from license (which is the manner in which we have traditionally sold our Professional offering) will result in recurring revenue over a longer period of time than we have achieved historically, as opposed to revenue recognized on license fees. Second, these offices typically require less time to implement and train than larger offices, so the need to plan implementations well in advance is not as acute as in larger physician organizations.

We have also seen an evolution of buying decisions toward an increase in local community-based buying activity whereby individual hospitals, health systems and integrated delivery networks are subsidizing the purchase of EHR licenses or related services for their affiliated physicians in order to leverage buying power and take advantage of the Stimulus across their employed physician base. This activity has also resulted in a "pull-through" effect where smaller practices affiliated with the community hospital are also incentivized to participate so the subsidizing health system can expand connectivity within the local provider community and optimize its referral base. This pull-through effect has resulted in new orders for our Professional EHR and our MyWay offering. Management believes that the focus on new orders driven by the federal Stimulus program and related to Enterprise EHR and community-related activity will continue in the near term, with additional activity increasing for our Professional EHR products as we move closer to calendar 2011, the first year for disbursement of Stimulus-based funding by the federal government. The associated challenge facing our management is to successfully position and sell our products to the hospital, health system or integrated delivery network that is subsidizing its affiliated physicians.

Management has also dedicated senior level resources toward developing our capability to take advantage of incentives that may become available to government-funded health care providers as a result of the Stimulus. The Stimulus contains discretionary funding for the Health and Human Services Secretary in the form of grants and loans to organizations such as Federally Qualified Health Centers (FQHC), the Indian Health Service (IHS) and other providers.

Although the Company believes it has and continues to take the proper steps to take advantage of the opportunity presented by the Stimulus, given the effects the Stimulus is having on our customers, there can be no assurance that the Stimulus will result in significant new orders for the Company in the near term, and if it does, that the Company will have the capacity to meet the additional market demand in a timely fashion.

We believe the combination of Allscripts and Eclipsys will allow the combined company to become a larger, more competitive "end-to-end" solutions provider within the healthcare information technology industry. Combining the companies' respective solution sets will result in one of the most comprehensive solution offerings for healthcare organizations of every size and setting. By combining physician-office and post acute care solutions from Allscripts with Eclipsys' enterprise solutions for hospitals and health systems, the combined company will offer a single platform of clinical, financial, connectivity and information solutions.

After the Eclipsys Merger, given the unique breadth of solutions and customer types, the company expects to be uniquely positioned to connect physicians, other care providers and patients across all health care provider settings including hospitals, small or large physician practices, extended care facilities, or in a home care setting. The Eclipsys Merger establishes significant breadth and critical mass to compete for opportunities among large hospital and health systems that increasingly are looking to one information technology vendor to provide a single, end-to-end solution across all points of care.

Additionally, recently enacted public laws reforming the U.S. healthcare system may have an impact on our business. The Patient Protection and Affordable Care Act (H.R. 3590; Public Law 111-148) ("PPACA") and The Health Care and Education and Reconciliation Act of 2010 (H.R. 4872) (the "Reconciliation Act"), which amends the PPACA (collectively the "Health Reform Laws"), were signed into law in March 2010. The Health Reform Laws contain various provisions which may impact the Company and the Company's customers. Some of these provisions may have a positive impact, by expanding the use of electronic health records in certain federal programs, for example, while others, such as reductions in reimbursement for certain types of providers, may have a negative impact due to fewer available resources. Increases in fraud and abuse penalties may also adversely affect participants in the health care sector, including the Company.

Cost of revenue for Allscripts' clinical solutions segment consists primarily of salaries, bonuses and benefits of Allscripts billable professionals, third-party software costs, hardware costs, third-party transaction processing costs, amortization of acquired proprietary technology, depreciation and amortization and other direct engagement costs. Cost of revenue for Allscripts' hospital solutions segment and health solutions segment consists primarily of salaries, bonuses and benefits of Allscripts billable professionals, third-party software costs, hardware costs, depreciation and amortization and other direct engagement costs. Cost of revenue for the prepackaged medications segment consists primarily of the cost of the medications, cost of salaries, bonuses and benefits for repackaging personnel, shipping costs, repackaging facility costs and other costs. In addition, the cost of revenue for the clinical solutions and health solutions segments includes certain services performed by Misys under the Shared Services Agreement and Transition Services Agreement.

Selling, general and administrative expenses consist primarily of salaries, bonuses and benefits for management and support personnel, commissions, facilities costs, depreciation and amortization, general operating expenses, product solutions management expenses and selling and marketing expenses. Selling, general and administrative expenses for each segment consist of expenses directly related to that segment. In addition, selling, general and administrative expenses include certain services performed by Misys under the Shared Services Agreement and Transition Services Agreement.

Research and development expenses consist primarily of salaries, bonuses and benefits, third party contractor costs and other costs directly related to development of new products and upgrading and enhancing existing products.

Amortization of intangibles consists of amortization of customer relationships, trade names and other intangibles acquired under purchase accounting related business combinations.

Interest expense consists primarily of interest on our previously outstanding 3.50% Senior Convertible Debentures (the "Debentures"), interest on capital leases and interest expense on outstanding debt.

Interest income and other, net consists primarily of interest earned on cash and marketable securities, and realized gains on investments.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted ("GAAP") in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Revenue Recognition

Revenue represents the fair value of consideration received or receivable from clients for goods and services provided by the Company. Revenue from system sales includes software and related hardware. Revenue from professional services includes implementation, training and consulting services. Revenue from maintenance includes post contract customer support and maintenance services. Revenue from transaction processing and other includes electronic data interchange ("EDI") services, remote hosting of our software and outsourcing. For some clients, we host the software applications licensed from us remotely on our own servers, which saves these clients the cost of procuring and maintaining hardware and related facilities. For other clients, we offer an outsourced solution in which we assume partial to total responsibility for a healthcare organization's information technology operations using our employees. Revenue from prepackaged medications includes the sale of medications and pharmaceutical products. Prepackaged medications revenue is only included in operating results for the nine months ended August 31, 2009, as the related business was disposed in March 2009.

Revenue from software licensing arrangements where the service element is not considered essential to the functionality of the other elements of the arrangement is recognized upon shipment of the software or as services are performed, provided persuasive evidence of an arrangement exists, fees are considered fixed or determinable, and collection of the receivable is considered probable. The revenue recognized for each separate element of a multiple-element software contract is based upon vendor-specific objective evidence of fair value, which is based upon the price the customer is required to pay when the element is sold separately or renewed. For arrangements in which vendor-specific objective evidence of fair value only exists for the undelivered elements, the delivered elements (software license revenues) are accounted for using the residual method. For agreements that are deemed to have extended payment terms, revenue recognition is limited to amounts due and payable.

Revenue from software licensing arrangements, where the service element is considered essential to the functionality of the other elements of the arrangement, is accounted for on an input basis under percentage of completion accounting using actual hours worked as a percentage of total expected hours required by the arrangement, provided that persuasive evidence of an arrangement exists, the fee is fixed or determinable and collection of the receivable is probable. Maintenance and support from these agreements is recognized over the term of the support agreement based on vendor-specific objective evidence of fair value of the maintenance revenue, which is generally based upon contractual renewal rates. For agreements accounted for under percentage of completion accounting and deemed to have extended payment terms, revenue is recognized using the input method but is limited to the amounts due and payable. For income statement presentation, consideration from agreements accounted for under percentage of completion accounting is allocated between software and services based on vendor specific evidence of our hourly services rate multiplied by the amount of hours performed with the residual amount allocated to software license fee.

Revenue from certain value-added reseller ("VAR") relationships in which software is directly sold to VARs is recognized upon delivery of the software assuming all other revenue recognition criteria have been met. Revenue recognition is deferred until the software is delivered to the ultimate end user if the written and implied arrangement terms do not satisfy the criteria for revenue recognition upon delivery of the software to the VAR.

Certain of our customer arrangements encompass multiple deliverables. If the deliverables meet the separation criteria described below, the deliverables are separated into distinct units of accounting, and revenue is allocated to the units based on their fair values. The separation criteria are that the delivered item has value to the customer on a stand-alone basis, there is objective and reliable evidence of the fair value of the undelivered item, and if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item is considered probable and substantially in the control of the vendor. Applicable revenue recognition criteria are considered separately for each separate unit of accounting.

Management applies judgment to ensure appropriate accounting for multiple deliverables, including the allocation of arrangement consideration among multiple units of accounting, the determination of whether undelivered elements are essential to the functionality of delivered elements and the timing of revenue recognition, among others. For those arrangements where the deliverables do not qualify as separate units of accounting, revenue recognition is evaluated for the combined deliverables as a single unit of accounting and generally the recognition pattern of the final deliverable will dictate the revenue recognition pattern for the single, combined unit of accounting. Changes in circumstances and customer data may affect management's analysis of separation criteria, which may cause Allscripts to adjust upward or downward the amount of revenue recognized under the arrangement.

The Company records reimbursements for out-of-pocket expenses incurred as professional services revenue in the statement of operations.

Maintenance fees are recognized ratably over the period of the contract based on vendor specific objective evidence of fair value based upon contractual renewal rates. Revenue from EDI services is recognized as services are provided and is determined based on the volume of transactions processed. Prior to the sale of the Company's prepackaged medications business in March 2009, revenue from the sale of prepackaged medications, net of provisions for estimated returns, was recognized upon shipment of the pharmaceutical products, the point at which the customer took ownership and assumed risk of loss, when no performance obligations remain and collection of the receivable was probable.

Allowance for Doubtful Accounts Receivable

We rely on estimates to determine our bad debt expense and the adequacy of our allowance for doubtful accounts. These estimates are based on our historical experience and the industry in which we operate. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances and related bad debt expense may be required.

Business Combinations

Goodwill as of the acquisition date is measured as the excess of consideration transferred and the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions as a part of the purchase price allocation process to accurately value assets acquired, including intangible assets, and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Goodwill and Intangible Assets

We evaluate the value of intangible assets based upon the present value of the future economic benefits expected to be derived from the assets. We assess the impairment of the identifiable intangibles and goodwill annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. If we determine that the value of the intangible assets and goodwill may not be recoverable from future cash flows, a write-down of the value of the asset may be required.

We estimate the useful lives of our intangible assets and amortize the value over that estimated life. If the actual useful life is shorter than our estimated useful life, we will amortize the remaining book value over the remaining useful life or the asset may be deemed to be impaired and, accordingly, a write-down of the value of the asset may be required.

Software Capitalization

The carrying value of capitalized software is dependent upon the ability to recover its value through future revenue from the sale of the software. If we determine in the future that the value of the capitalized software could not be recovered, a write-down of the value of the capitalized software to its recoverable value may be required.

We estimate the useful life of our capitalized software and amortize the value over that estimated life. If the actual useful life is shorter than our estimated useful life, we will amortize the remaining book value over the remaining useful life or the asset may be deemed to be impaired and, accordingly, a write-down of the value of the asset may be required.

Income Taxes

We account for income taxes in accordance with authoritative accounting guidance which establishes financial accounting and reporting standards for the effect of income taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Judgment is required in addressing the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns.

In addition, we are subject to the continuous examination of our income tax returns by the Internal Revenue Service and other tax authorities. A change in the assessment of the outcomes of such matters could materially impact our consolidated financial statements. The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax regulations. In accordance with authoritative accounting guidance, we recognize liabilities for anticipated tax audit issues based on our estimate of whether, and the extent to which, additional taxes may be required. If we ultimately determine that payment of these amounts is unnecessary, then we reverse the liability and recognizes a tax benefit during the period in which we determine that the liability is no longer necessary. We also recognize tax benefits to the extent that it is more likely than not that our positions will be sustained if challenged by the taxing authorities. To the extent we prevail in matters for which liabilities have been established, or are required to pay amounts in excess of our liabilities, our effective tax rate in a given period may be materially affected. An unfavorable tax settlement would require cash payments and may result in an increase in our effective tax rate in the year of resolution. A favorable tax settlement would be recognized as a reduction in our effective tax rate in the year of resolution. We report interest and penalties related to uncertain income tax positions as income taxes.

Refer to Note 1—Summary of Significant Accounting Policies in the Notes to our Consolidated Financial Statements for further discussions of our accounting policies.

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Overview of Consolidated Results

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

	Three Months Ended		Nine Months Ended		% Change	% Change
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009	Three Months Ended	Nine Months Ended
Revenue:						
System sales	$ 46,913	$ 33,457	$ 135,573	$ 98,135	40.2%	38.1%
Professional services	38,948	15,918	82,341	48,557	144.7%	69.6%
Maintenance	76,827	59,419	206,472	172,215	29.3%	19.9%
Transaction processing and other	79,705	56,116	193,772	163,318	42.0%	18.6%
Total software and related services	242,393	164,910	618,158	482,225	47.0%	28.2%
Prepackaged medications	0	0	0	9,721	N/M	N/M
Total revenue	242,393	164,910	618,158	491,946	47.0%	25.7%
Cost of revenue:						
System sales	22,199	19,579	70,250	52,203	13.4%	34.6%
Professional services	33,556	15,503	71,553	48,472	116.4%	47.6%
Maintenance	26,806	20,949	68,352	61,258	28.0%	11.6%
Transaction processing and other	35,420	19,809	74,961	57,923	78.8%	29.4%
Total software and related services	117,981	75,840	285,116	219,856	55.6%	29.7%
Prepackaged medications	0	0	0	7,626	N/M	N/M
Total cost of revenue	117,981	75,840	285,116	227,482	55.6%	25.3%
Gross profit	124,412	89,070	333,042	264,464	39.7%	25.9%
% of Revenue	51.3%	54.0%	53.9%	53.8%		
Selling, general and administrative expenses	103,826	52,959	227,165	155,849	96.0%	45.8%
Research and development	16,697	11,978	44,545	32,524	39.4%	37.0%
Amortization of intangible assets	5,576	2,563	10,552	8,004	117.6%	31.8%
(Loss) income from operations	(1,687)	21,570	50,780	68,087	(107.8%)	(25.4%)
Interest expense	(3,069)	(685)	(3,851)	(2,142)	348.0%	79.8%
Interest income and other, net	250	101	979	432	147.5%	126.6%
(Loss) income before income taxes	(4,506)	20,986	47,908	66,377	(121.5%)	(27.8%)
Benefit (provision) for income taxes	5,879	(8,054)	(14,868)	(26,829)	(173.0%)	(44.6%)
Effective tax rate	130.5%	38.4%	31.0%	40.4%		
Net income	$ 1,373	$ 12,932	$ 33,040	$ 39,548	(89.4%)	(16.5%)

N/M – not meaningful

Revenue

Revenue for the three and nine months ended September 30, 2010 includes the results of Eclipsys from the date of the merger, August 24, 2010. All software and related services revenue categories reflect increases from the prior year comparable quarter. Excluding the impact of Eclipsys revenue totaling $51,228 from August 24, 2010 through September 30, 2010, software and related services revenue for the three and nine months ended September 30, 2010 consists of the following:

	Three Months Ended		Nine Months Ended		% Change Three Months Ended	% Change Nine Months Ended
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009		
Revenue:						
System sales	$ 40,276	$ 33,457	$ 128,936	$ 98,135	20.4%	31.4%
Professional services	28,054	15,918	71,447	48,557	76.2%	47.1%
Maintenance	64,444	59,419	194,089	172,215	8.5%	12.7%
Transaction processing and other	58,391	56,116	172,458	163,318	4.1%	5.6%
Total software and related services revenue	$191,165	$164,910	$566,930	$482,225	15.9%	17.6%

Three Months Ended September 30, 2010 Compared to the Three Months Ended August 31, 2009

Excluding the revenues contributed by Eclipsys during the three months ended September 30, 2010, system sales and professional services reflect the most significant increases in revenue during the three months ended September 30, 2010 as compared to the prior year comparable period. System sales increased as a result of an increase in customer orders compared to the three months ended August 31, 2009. Professional services revenue increased as a result of an increase in customer orders as well as an increase in professional services headcount which increased our capacity to provide more billable hours. Maintenance revenue and transaction processing revenue increased primarily related to growth in our customer base.

Nine Months Ended September 30, 2010 Compared to the Nine Months Ended August 31, 2009

Excluding the revenues contributed by Eclipsys during the nine months ended September 30, 2010, system sales increased during the nine months ended September 30, 2010 as a result of an increase in customer orders compared to the nine months ended August 31, 2010. Professional services revenue increased primarily from an increase in professional services headcount which increased our ability to provide more billable hours. The increase in customer orders also contributed to the increase in professional services revenue. Maintenance revenue and transaction processing revenue both increased primarily related to growth in our customer base and annual maintenance fee increases under existing contracts.

Gross Profit

Consolidated gross profit for the three and nine months ended September 30, 2010 includes the results of Eclipsys from the date of the merger, August 24, 2010. Excluding the impact of Eclipsys gross profit totaling $20,524 for the period August 24, 2010 through September 30, 2010, software and related services gross profit for the three and nine months ended September 30, 2010 consists of the following:

	Three Months Ended		Nine Months Ended		% Change Three Months Ended	% Change Nine Months Ended
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009		
Total software and related services cost of revenue	$ 87,277	$75,840	$254,412	$219,856	15.1%	15.7%
Gross profit	$ 103,888	$89,070	$312,518	$262,369	16.6%	19.1%
% of Revenue	54.3%	54.0%	55.1%	54.4%		

Three Months Ended September 30, 2010 Compared to the Three Months Ended August 31, 2009

Excluding the impact of gross profit contributed by Eclipsys, the increase in gross profit is primarily due to higher system sales that were driven by an increase in software orders during the three months ended September 30, 2010 compared to the three months ended August 31, 2009 and an increase in maintenance revenues. Gross profit as a percentage of revenue remained in line with the prior year comparable period.

Nine Months Ended September 30, 2010 Compared to the Nine Months Ended August 31, 2009

Excluding the impact of gross profit contributed by Eclipsys, the increase in gross profit is primarily due to higher system sales that were driven by an increase in software orders during the nine months ended September 30, 2010 compared to the nine months ended August 31, 2009, an increase in professional services revenue due to the increased capacity to deliver billable hours and an increase in maintenance revenue due to growth in our customer base and annual maintenance fee increases under existing contracts. The improvement in gross profit as a percent of revenue was primarily due to an increase in the gross profit contributed by professional services due to improved utilization of professional services resources.

Income from Operations

Consolidated operating income for the three and nine months ended September 30, 2010 includes the results of Eclipsys from the date of the merger, August 24, 2010. Excluding the impact of Eclipsys loss from operations totaling ($7,231) for the period August 24, 2010 through September 30, 2010, operating income for the three and nine months ended September 30, 2010 consists of the following:

	Three Months Ended		Nine Months Ended		% Change Three Months Ended	% Change Nine Months Ended
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009		
Income from operations	$ 5,544	$21,570	$ 58,011	$68,087	(74.3%)	(14.8%)

Three Months Ended September 30, 2010 Compared to the Three Months Ended August 31, 2009

Excluding the impact of operating income contributed by Eclipsys, the decrease in operating income is primarily due to increases in selling, general and administrative expenses as a result of an increase in headcount and expenses incurred related to the Eclipsys Merger, Coniston Transactions and other integration-related costs totaling $26.5 million. Research and development expenses also increased due to an increase in headcount. The increase in expenses was partially offset by an increase in gross profit which is due to higher system sales that were driven by an increase in software orders and an increase in maintenance revenues.

Nine Months Ended September 30, 2010 Compared to the Nine Months Ended August 31, 2009

Excluding the impact of operating income contributed by Eclipsys, the decrease in operating income is primarily due to increases in selling, general and administrative expenses and research and development expenses. Selling, general and administrative expenses increased as a result of an increase in headcount and expenses incurred related to the Eclipsys Merger, Coniston Transactions, and other integration-related costs totaling $39.3 million. Research and development expenses increased as a result of increased headcount. The increase in expenses was partially offset by an increase in gross profit attributable to an increase in software orders during the nine months ended September 30, 2010 compared to the nine months ended August 31, 2009, an increase in professional services revenue due to the increased capacity to deliver billable hours and an increase in maintenance revenue due to growth in our customer base and annual maintenance fee increases under existing contracts.

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Segment Operations

Overview of Segment Results

	Three Months Ended		Nine Months Ended		% Change	% Change
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009	Three Months Ended	Nine Months Ended
Revenue:						
Clinical solutions	$ 160,957	$ 139,102	$ 478,557	$ 406,460	15.7%	17.7%
Hospital solutions	51,228	0	51,228	0	N/M	N/M
Health solutions	30,208	25,808	88,373	75,765	17.0%	16.6%
Prepackaged medications	0	0	0	9,721	N/M	N/M
Total revenue	$ 242,393	$164,910	$618,158	$491,946	47.0%	25.7%
(Loss) income from operations						
Clinical solutions	$ 40,574	$ 37,676	$ 128,070	$ 115,123	7.7%	11.2%
Hospital solutions	8,005	0	8,005	0	N/M	N/M
Health solutions	16,570	12,524	46,593	33,684	32.3%	38.3%
Prepackaged medications	0	0	0	1,137	N/M	N/M
Unallocated corporate expenses	(66,836)	(28,630)	(131,888)	(81,857)	133.4%	61.1%
Total (loss) income from operations	($ 1,687)	$ 21,570	$ 50,780	$ 68,087	(107.8%)	(25.4%)

Clinical Solutions

	Three Months Ended		Nine Months Ended		% Change	% Change
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009	Three Months Ended	Nine Months Ended
Revenue:						
System sales	$ 35,362	$ 28,949	$ 114,024	$ 84,511	22.2%	34.9%
Professional services	23,621	12,863	60,542	40,570	83.6%	49.2%
Maintenance	56,053	51,147	167,569	147,652	9.6%	13.5%
Transaction processing and other	45,921	46,143	136,422	133,727	(0.5%)	2.0%
Total revenue	160,957	139,102	478,557	406,460	15.7%	17.7%
Total cost of revenue	79,669	68,502	231,115	197,761	16.3%	16.9%
Gross profit	81,288	70,600	247,442	208,699	15.1%	18.6%
% of Revenue	50.5%	50.8%	51.7%	51.3%		
Selling, general and administrative expenses	29,176	23,103	84,626	70,315	26.3%	20.4%
Research and development	11,538	9,821	34,746	23,261	17.5%	49.4%
Income from operations	$ 40,574	$ 37,676	$ 128,070	$ 115,123	7.7%	11.2%

Revenue

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

Clinical solutions revenue increased during the three months ended September 30, 2010 due to an increase in system sales attributable to an increase in customer orders compared to the three months ended August 31, 2009, and an increase in professional services driven by an increase in professional services headcount which provided additional capacity to deliver more billable hours. The increase in customer orders also contributed to the increase in professional services revenue. Maintenance revenues also increased which was driven by continued growth in the Company’s customer base.

Clinical solutions revenue increased during the nine months ended September 30, 2010 primarily due to an increase in customer orders that drove increases in all revenue categories. The increase in professional services was also driven by an increase in professional services headcount which provided additional capacity to deliver more billable hours. Additionally, maintenance revenues increased as a result of continued growth in the clinical solutions customer base and annual maintenance fee increases under existing contracts.

Gross Profit

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

Clinical solutions gross profit increased during the three and nine months ended September 30, 2010 as compared to the prior year comparable periods primarily attributable to an increase in system sales that was driven by an increase in software orders, an increase in professional services revenue due to the increased capacity to deliver billable hours and an increase in maintenance revenue due to growth in our customer base and annual maintenance fee increases under existing contracts. Gross profit as a percentage of revenue for the three and nine months ended September 30, 2010 remained in line with the comparable prior year periods.

Selling, General and Administrative

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

The increase in selling, general and administrative costs during the three and nine months ended September 30, 2010 as compared to the three and nine months ended August 31, 2009 is primarily due to compensation related expenses.

Research and Development

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

Clinical solutions research and development costs increased during the three and nine months ended September 30, 2010 primarily due to an increase in costs related to a higher number of internal and external research and development resources required to achieve new features and functionality and meet the meaningful use guidelines stipulated by healthcare legislation. Increased costs in both periods were partially offset by increases in the capitalization of software development costs.

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Hospital Solutions

	Three Months Ended		Nine Months Ended		% Change Three Months Ended	% Change Nine Months Ended
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009		
Revenue:						
System sales	$ 6,637	$ 0	$ 6,637	$ 0	N/M	N/M
Professional services	10,894	0	10,894	0	N/M	N/M
Maintenance	12,383	0	12,383	0	N/M	N/M
Transaction processing and other	21,314	0	21,314	0	N/M	N/M
Total revenue	51,228	0	51,228	0	N/M	N/M
Total cost of revenue	30,704	0	30,704	0	N/M	N/M
Gross profit	20,524	0	20,524	0	N/M	N/M
% of Revenue	40.1%	0.0%	40.1%	0.0%		
Selling, general and administrative expenses	8,658	0	8,658	0	N/M	N/M
Research and development	3,861	0	3,861	0	N/M	N/M
Income from operations	$ 8,005	$ 0	$ 8,005	$ 0	N/M	N/M

The hospital solutions segment is a new segment that will capture the results of legacy Eclipsys. Accordingly, comparative results will first be presented when the 10-Q for the quarter ending September 30, 2011 is filed.

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Health Solutions

	Three Months Ended September 30, 2010	Three Months Ended August 31, 2009	Nine Months Ended September 30, 2010	Nine Months Ended August 31, 2009	% Change Three Months Ended	% Change Nine Months Ended
Revenue:						
System sales	$ 4,914	$ 4,508	$ 14,912	$ 13,624	9.0%	9.5%
Professional services	4,433	3,055	10,905	7,987	45.1%	36.5%
Maintenance	8,391	8,272	26,520	24,563	1.4%	8.0%
Transaction processing and other	12,470	9,973	36,036	29,591	25.0%	21.8%
Total revenue	30,208	25,808	88,373	75,765	17.0%	16.6%
Total cost of revenue	7,608	7,338	23,297	22,095	3.7%	5.4%
Gross profit	22,600	18,470	65,076	53,670	22.4%	21.3%
% of Revenue	74.8%	71.6%	73.6%	70.8%		
Selling, general and administrative expenses	4,732	3,789	12,545	13,884	24.9%	(9.6%)
Research and development	1,298	2,157	5,938	6,102	(39.8%)	(2.7%)
Income from operations	$ 16,570	$12,524	$ 46,593	$ 33,684	32.3%	38.3%

Revenue

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

The health solutions revenue increase during the three months ended September 30, 2010 is primarily attributable to increases in professional services and transaction processing which were driven by an increase in health solutions orders compared to the three months ended August 31, 2009. Transaction processing primarily consists of software sold as a service.

The increase in health solutions revenue in the nine months ended September 30, 2010 is due to an increase in system sales attributable to an increase in customer orders compared to the prior year comparable period, an increase in professional services driven by an increase in professional services headcount which provided additional capacity to deliver more billable hours and an increase in transaction processing as the result of an increase in customer orders. Maintenance revenues also increased due to growth in our customer base and annual maintenance fee increases under existing contracts.

Gross Profit

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

Health solutions gross profit increased during the three and nine months ended September 30, 2010 as compared to the prior year comparable periods primarily due to the increases in professional services revenue and transaction processing revenue related to increased customer orders.

Gross profit as a percentage of revenue for the three and nine months ended September 30, 2010 increased over the comparable prior year periods due to improved utilization of professional services personnel and an improved revenue mix driven by higher margin transaction processing revenue.

Selling, General and Administrative

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

The increase in health solutions selling, general and administrative expenses during the three months ended September 30, 2010 was primarily due to increased sales and product management expenses as compared to the prior year comparable period. The decrease in expenses during the nine months ended September 30, 2010 was due to lower compensation related expenses and marketing expenses as compared to the prior year.

Research and Development

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

Health solutions research and development costs decreased in the three months ended September 30, 2010 primarily due to an increase in capitalization of software development costs relating to increased feature and functionality development efforts that commenced in 2010. This increase was partially offset by an increase in costs related to a higher number of internal and external research and development resources compared to the prior year comparable period. Research and development costs incurred during the nine months ended September 30, 2010 are in line with the comparable prior year period as increased costs related to development resources were offset by increased capitalization of software development costs.

Prepackaged Medications

	Three Months Ended		Nine Months Ended	
	September 30, 2010	August 31, 2009	September 30, 2010	August 31, 2009
Total prepackaged medications revenue	$ 0	$ 0	$ 0	$ 9,721
Total prepackaged medications cost of revenue	0	0	0	7,626
Gross profit	0	0	0	2,095
Selling, general and administrative expenses	0	0	0	958
Income from operations	$ 0	$ 0	$ 0	$ 1,137

As discussed in the Business Overview and in Note 2 of the Notes to Consolidated Financial Statements in Part I, Item 1 of this report, the prepackaged medications business was disposed in March 2009.

Unallocated Corporate Expenses

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

The increase in unallocated corporate expenses during the three months and nine months ended September 30, 2010 as compared to the three and nine months ended August 31, 2009 is attributable to an increase in headcount and expenses incurred related to the Eclipsys Merger, Coniston Transactions, and other integration-related costs.

Amortization of Intangibles

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

Amortization of intangibles increased during the three and nine months ended September 30, 2010 as a result of increased amortization related to intangible assets acquired in the Eclipsys Merger.

Interest Expense and Interest Income and Other, Net

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

Interest expense increased during the three and nine months ended September 30, 2010 as compared to the prior year comparable periods due to interest incurred on the amounts drawn against the Senior Secured Credit Facilities in order to fund the Coniston Transactions. The Company's outstanding Debentures were converted to common stock during the three months ended August 31, 2009 which contributed to a lower amount of interest expense incurred.

The increase in interest income and other, net during the three and nine months ended September 30, 2010 is due to an increase in the cash and marketable securities balance, net of decreases due to lower interest rates earned on cash in 2010.

Income Tax Expense

Three and Nine Months Ended September 30, 2010 Compared to the Three and Nine Months Ended August 31, 2009

The effective tax rate increased significantly for the three months ended September 30, 2010 compared to the three months ended August 31, 2009 due to nondeductible expenses incurred related to the Eclipsys Merger and Coniston Transactions. The decrease in the effective tax rate for the nine months ended September 30, 2010 as compared to the comparable period in the prior year is due to the reduction in state income tax expense and the utilization of federal research and development credits which is partially offset by the nondeductible expenses incurred related to the Eclipsys Merger and Coniston Transactions.

Contract Backlog

As of September 30, 2010 and August 31, 2009, the Company had a committed contract backlog of approximately $2,592 million and $707 million, respectively. Of that amount, approximately $589 million and $150 million, as of September 30, 2010 and August 31, 2009, respectively, was related to long term software as a service contract commitments. A portion of the contracts in the committed contract backlog are accounted for under the percentage of completion accounting method. The determination of the revenue related to these contracts which will be recognized in the next twelve months is projected based upon the expected implementation period for such contracts.

Liquidity and Capital Resources

As of September 30, 2010 and August 31, 2009, our principal sources of liquidity consisted of cash, cash equivalents and marketable securities of $121,845 and $86,921, respectively. The change in our cash balance is reflective of the following:

Operating Cash Flow Activities

In thousands	Nine Months Ended September 30, 2010	Nine Months Ended August 31, 2009	$ Change 2010 to 2009
Net income	$ 33,040	$ 39,548	($ 6,508)
Non-cash adjustments to net income	69,444	44,693	24,751
Cash used in changes in operating assets and liabilities	(20,171)	(14,430)	(5,741)
Net cash provided by operating activities	$ 82,313	$69,811	$ 12,502

Net cash provided by operating activities increased in the nine months ended September 30, 2010 primarily due to increased net income as adjusted for non-cash items partially offset by the utilization of cash by working capital activities. These changes are attributable to the growth in the size of our business as well as a related increase in expenses.

Investing Cash Flow Activities

In thousands	Nine Months Ended September 30, 2010	Nine Months Ended August 31, 2009	$ Change 2010 to 2009
Capital expenditures	($ 18,622)	($ 4,521)	($ 14,101)
Capitalized software	(28,767)	(14,946)	(13,821)
Sales and maturities of marketable securities and other investments, net	2,788	6,278	(3,490)
Change in restricted cash	2,216	0	2,216
Net cash acquired in merger with Eclipsys	170,102	0	170,102
Net proceeds from the sale of the prepackaged medications business	0	8,000	(8,000)
Net cash provided by (used in) investing activities	$ 127,717	($ 5,189)	$ 132,906

Cash provided by investing activities increased during the nine months ended September 30, 2010 due to the cash and restricted cash acquired in the Eclipsys Merger. This increase was partially offset by increases in capital expenditures and software development expenditures. The increase in capital expenditures is related to the acquisition of computer equipment and software to improve our information systems infrastructure and to accommodate data management and hosting related to our products. The capitalization of software development costs increased as a result of the increased level of research and development expenditures during the nine months ended September 30, 2010 that was driven by new product initiatives.

Financing Cash Flow Activities

In thousands	Nine Months Ended September 30, 2010	Nine Months Ended August 31, 2009	$ Change 2010 to 2009
Proceeds from stock options and employee stock purchase plan	$ 2,913	$ 6,626	($ 3,713)
Excess tax benefits from stock-based compensation	(605)	5,463	(6,068)
Net payments on debt instruments	(64,953)	(11,589)	(53,364)
Credit facility borrowings	570,000	0	570,000
Change in parent's net investment	0	10,548	(10,548)
Repurchase of common stock and senior convertible notes	(679,000)	(59,711)	(619,289)
Net cash used in financing activities	($171,645)	($ 48,663)	($ 122,982)

Cash used for financing activities increased during the nine months ended September 30, 2010 compared to the prior year comparable period primarily due to the repurchase of common stock related to the reduction of Misys plc ownership in Allscripts. The increase is partially offset by proceeds from the Senior Secured Credit Facilities which were used to fund the Coniston Transactions and working capital needs. Payments on debt instruments increased as the Company reduced debt outstanding on the Old Credit Facility prior to the Coniston Transactions and the reduction of borrowings under the Revolving Facility.

Future Capital Requirements

In connection with the Coniston Transactions, on August 20, 2010 (the "Closing Date"), Allscripts entered into a Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, UBS Securities LLC and Barclays Capital, as co-syndication agents, and a syndicate of banks as co-documentation agents (the "Credit Agreement").

The Credit Agreement provides for a $470 million senior secured term loan facility (the "Term Facility") and a $250 million senior secured revolving facility (the "Revolving Facility"), each of which has a five year term (collectively the "Senior Secured Credit Facilities"). In connection with the closing of the Coniston Transactions, Allscripts borrowed $470 million under the Term Facility and $100 million under the Revolving Facility. The proceeds thereof have been used by Allscripts to finance a portion of the Coniston Transactions. The Revolving Facility is available to finance working capital needs and general corporate purposes.

The Term Facility shall mature in quarterly installments commencing on December 31, 2010, provided that, notwithstanding the above, the remaining principal balance as of the fifth anniversary of the Closing Date shall be due and payable on the fifth anniversary of the Closing Date:

Quarterly Installments	Quarterly Principal Amount
December 31, 2010 to September 30, 2011	$ 5,875
December 31, 2011 to September 30, 2012	11,750
December 31, 2012 to September 30, 2013	17,625
December 31, 2013 to September 30, 2014	23,500
December 31, 2014 to June 30, 2015	29,375
August 20, 2015	Remaining balance

A total of $50 million of the Revolving Facility is available for the issuance of letters of credit and $10 million of the Revolving Facility is available for swingline loans. Allscripts is also permitted to add one or more incremental revolving and/or term loan facilities in an aggregate amount of up to $250 million, subject to certain conditions.

Borrowings under the Senior Secured Credit Facilities bear interest, at Allscripts' option, at a rate per annum equal to either (1) the highest of (a) the rate of interest publicly announced by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City, (b) the federal funds effective rate from time to time plus 0.5%, and (c) the rate for Eurodollar deposits as reflected on the applicable Reuters Screen LIBOR01 for a one month interest period, as such rate may be adjusted for certain reserve requirements, plus 1.0%, or (2) the rate for Eurodollar deposits as reflected on the applicable Reuters Screen LIBOR01 for the interest period relevant to such borrowing, as such rate may be adjusted for certain reserve requirements, plus, in each case, the applicable margin. The applicable margin for borrowings under the Senior Secured Credit Facilities is fixed until the date that is three business days after Allscripts' financial statements are delivered to lenders with respect to the first fiscal period ending after September 30, 2010, and thereafter the applicable margin for borrowings under the Senior Secured Credit Facilities will be subject to further adjustment based on an agreed leverage grid.

All obligations under the Senior Secured Credit Facilities are guaranteed by, subject to certain agreed upon exceptions, each of Allscripts' existing and future direct and indirect material domestic subsidiaries, other than Newco (the "Guarantors").

The obligations of Allscripts and each Guarantor under the Senior Secured Credit Facilities, any swap agreements and any cash management arrangements provided by any lender, are secured, subject to permitted liens and other agreed upon exceptions, by a perfected first priority security interest in all of the tangible and intangible assets (including, without limitation, intellectual property, material owned real property and all of the capital stock of each Guarantor and, in the case of foreign subsidiaries, up to 65% of the capital stock of first tier material foreign subsidiaries) of Allscripts and the Guarantors.

Subject to certain exceptions, the Credit Agreement requires Allscripts to prepay the Term Facility: (i) with 100% of the net cash proceeds received from the incurrence of certain indebtedness for borrowed money; (ii) with 100% of the net cash proceeds of the sale of any assets in excess of $5 million outside the ordinary course of business (including, without limitation, insurance and condemnation proceeds) in any fiscal year, subject to reinvestment rights; and (iii) with 50% of Allscripts' excess cash flow for each fiscal year, beginning with the 2012 fiscal year. No prepayments under clauses (ii) or (iii) above are required to the extent that Allscripts' total leverage ratio is less than 2.5 to 1.0. Allscripts may voluntarily prepay outstanding loans under the Senior Secured Credit Facilities, in whole or in part, at Allscripts' option at any time upon prior notice.

The Senior Secured Credit Facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, Allscripts' ability to:

- incur indebtedness (including guarantee obligations);
- create liens on and sell assets;
- engage in mergers or consolidations;
- declare dividends and other payments in respect of our capital stock;
- make investments, loans and advances;
- engage in transactions with affiliates;
- enter into sale and leaseback transactions; and
- change lines of business.

In addition, the Senior Secured Credit Facilities include a maximum leverage ratio of 3.0 to 1.0 and a minimum interest coverage ratio of 4.5 to 1.0. The leverage ratio is calculated by dividing total indebtedness by earnings before interest expense, income tax expense, depreciation and amortization expense. The minimum interest coverage ratio is calculated by dividing earnings before interest expense and income tax expense by cash interest expense.

The facilities also contain certain customary events of default, including relating to non-payment, breach of covenants, cross-default, bankruptcy and change of control.

Allscripts terminated the Second Amended and Restated Credit Agreement dated February 10, 2009 among Allscripts, Allscripts, LLC, A4 Health Systems, Inc., A Realty, LLC, Extended Care Information Network, Inc. and Misys Healthcare Systems, LLC, as borrowers, JPMorgan Chase Bank, N.A., as the sole administrative agent, JPMorgan Securities, Inc., as lead arranger, and Fifth Third Bank, as syndication agent and co-lead arranger, as amended on November 20, 2009 (the "Old Credit Facility"). The Old Credit Facility provided for a total unsecured commitment of $150 million and matured on August 15, 2012. No early termination penalties were incurred by Allscripts in connection with the termination of the Old Credit Facility. In connection with the closing of the Coniston Transactions, the Old Credit Facility was terminated, and the related $468 of unamortized deferred debt issuance costs of the Old Credit Facility was written off and is reflected in selling, general and administrative expenses on the consolidated statement of operations for the three and nine months ended September 30, 2010.

As of September 30, 2010, $530,000 in borrowings and $2,421 in letters of credit were outstanding under the Credit Agreement. As of September 30, 2010, the interest rate on the Senior Secured Credit Facilities was LIBOR plus 3.00%, which totaled 3.26%. There was no default under the Credit Agreement as of September 30, 2010.

As of September 30, 2010, we had $187,579 available, net of outstanding letters of credit totaling $2,421, under the Credit Agreement. There can be no assurance that we will be able to draw on the full available balance of our Credit Agreement if the financial institutions that have extended such credit commitments become unwilling or unable to fund such borrowings.

We believe that our cash, cash equivalents and marketable securities of $121,845 as of September 30, 2010, our future cash flows from operations, and our borrowing capacity under our Credit Agreement, taken together, provide adequate resources to fund ongoing operating cash requirements for the next twelve months, funding interest payments on our debt instruments, contractual obligations, including the Transition Services Agreement with Misys, and investment needs of our current business. We cannot provide assurance that our actual cash requirements will not be greater than we expect as of the date of this report. We will, from time to time, consider the acquisition of, or investment in, complementary businesses, products, services and technologies, which might impact our liquidity requirements or cause us to issue additional equity or debt securities.

If sources of liquidity are not available or if we cannot generate sufficient cash flow from operations during the next twelve months, we might be required to obtain additional sources of funds through additional operating improvements, capital market transactions, asset sales or financing from third parties, a combination thereof or otherwise. We cannot provide assurance that these additional sources of funds will be available or, if available, would have reasonable terms.

Contractual Obligations, Commitments and Off Balance Sheet Arrangements

We have various contractual obligations, which are recorded as liabilities in our consolidated financial statements. Other items, such as operating lease contract obligations are not recognized as liabilities in our consolidated financial statements but are required to be disclosed.

The Company's off-balance sheet arrangements and contractual obligations as of May 31, 2010, are detailed in the 2010 Form 10-K. Other than as described below, there have been no material changes outside the ordinary course of business. As described in Note 8 — Debt in the Notes to Consolidated Financial Statements, the Company entered into a credit agreement whereby we borrowed $570 million to finance the repurchase of Allscripts shares held by Misys plc. The term facility provided under the credit agreement matures in quarterly installments commencing on December 31, 2010. Refer to the table under Future Capital Requirements for the complete repayment schedule.

In connection with the Eclipsys Merger and the related transactions to repurchase shares held by Misys plc, we believe we now have additional income tax exposure totaling $38,668. The acquired tax position related to the Misys share repurchase totaling $25,863 is indemnified by Misys.

As of September 30, 2010, we had letters of credit totaling $4,189 outstanding with $2,421 of such amount issued under our Credit Agreement. The letters of credit are provided as security for corporate facilities leases, to support workers' compensation insurance policies, contract bids and various other contractual arrangements. No amounts had been drawn on the letters of credit at September 30, 2010.

Recent Accounting Pronouncements

We hereby incorporate by reference Note 13, “Recent Accounting Pronouncements,” of the Notes to Consolidated Financial Statements in Part I, Item 1 of this report.

Safe Harbor for Forward-Looking Statements

This report contains forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties. We develop forward-looking statements by combining currently available information with our beliefs and assumptions. These statements relate to future events, including our future performance, and management's expectations, beliefs, intentions, plans or projections relating to the future and some of these statements can be identified by the use of forward-looking terminology such as "believes," "expects," "anticipates," "estimates," "projects," "intends," "seeks," "future," "continue," "contemplate," "would," "will," "may," "should," and the negative or other variations of those terms or comparable terminology or by discussion of strategy, plans, opportunities or intentions. As a result, actual results, performance or achievements may vary materially from those anticipated by the forward-looking statements.

Among the factors that could cause actual results, performance or achievements to differ materially from those indicated by such forward-looking statements are:

- the risk that we will not achieve the strategic benefits of the Eclipsys Merger;
- the possibility that the expected synergies and cost savings of the Eclipsys Merger will not be realized, or will not be realized within the expected time period;
- the risk that our business will not be integrated successfully with the business of Eclipsys;
- disruption from the merger and related transactions making it more difficult to maintain business relationships with customers, partners and others;
- competition within the industries in which we operate;
- failure to achieve certification under the Health Information Technology for Economic and Clinical Health Act, which could result in increased development costs, a breach of some customer obligations and could put Allscripts and Eclipsys at a competitive disadvantage in the marketplace;
- unexpected requirements to achieve interoperability certification pursuant to The Certification Commission for Health Information Technology, which could result in increased development and other costs for us;
- the volume and timing of systems sales and installations, the length of sales cycles and the installation process and the possibility that our products will not achieve or sustain market acceptance;
- the timing, cost and success or failure of new product and service introductions, development and product upgrade releases;
- competitive pressures including product offerings, pricing and promotional activities;
- errors or similar problems in our software products;
- the outcome of any legal proceeding that has been or may be instituted against us and others;
- compliance with existing laws, regulations and industry initiatives and future changes in laws or regulations in the healthcare industry, including possible regulation of our software by the U.S. Food and Drug Administration;
- the possibility of product-related liabilities;
- our ability to attract and retain qualified personnel;
- the implementation and speed of acceptance of the electronic record provisions of the American Recovery and Reinvestment Act of 2009;
- maintaining our intellectual property rights and litigation involving intellectual property rights;
- legislative, regulatory and economic developments;
- risks related to third-party suppliers and our ability to obtain, use or successfully integrate third-party licensed technology;
- breach of our security by third parties; and
- those factors discussed in "Risk Factors" in our periodic filings with the Securities and Exchange Commission.

We make these statements under the protection afforded by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Because forward-looking statements are subject to assumptions and uncertainties, actual results, performance or achievements may differ materially from those expressed or implied by such forward-looking statements. Stockholders are cautioned not to place undue reliance on such statements, which speak only as of the date such statements are made. Except to the extent required by applicable law or regulation, Allscripts undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk (Dollars in thousands)

As of September 30, 2010, we did not own any derivative financial instruments. We are exposed to market risks, primarily changes in U.S. and LIBOR interest rates. Allscripts is exposed to the risk that our earnings and cash flows could be adversely impacted by fluctuations in interest rates due to the cash borrowed under our Senior Secured Credit Facilities. Based upon our balance of $530,000 of debt under our Senior Secured Credit Facilities as of September 30, 2010, an increase in interest rates of 1.0% would cause a corresponding increase in our annual interest expense of approximately $5,300. We entered into an interest rate swap agreement with an effective date of October 29, 2010 that has the economic effect of modifying the variable rate component of the interest obligations associated with a portion of our variable rate debt. The initial notional amount of the interest rate swap agreement is $300 million, with scheduled step downs in the future, and a final termination date of October 31, 2014. The interest rate swap agreement converts the one-month LIBOR rate on the corresponding notional amount of debt to an effective fixed rate of 0.896% (exclusive of the applicable margin currently charged under the Senior Secured Credit Facilities). The interest rate swap agreement protects us against changes in interest payments due to benchmark interest rate movements.

Eclipsys has international operations; therefore, we are now exposed to risks related to foreign currency fluctuations. Foreign currency fluctuations through September 30, 2010 have not had a material impact on our financial position or results of operations. We continually monitor our exposure to foreign currency fluctuations and may use derivative financial instruments and hedging transactions in the future if, in our judgment, the circumstances warrant their use. We believe most of our international operations are naturally hedged for foreign currency risk as our foreign subsidiaries invoice their clients and satisfy their obligations primarily in their local currencies with the exception of our development center in India. Our development center in India is not naturally hedged for foreign currency risk since their obligations are paid in their local currency but are funded in U.S. dollars. There can be no guarantee that the impact of foreign currency fluctuations in the future will not be significant and will not have a material impact on our financial position or results of operations.

As of September 30, 2010, we had cash, cash equivalents and marketable securities in financial instruments of $121,845. Declines in interest rates over time will reduce our interest income from our investments. Based upon our balance of cash, cash equivalents and marketable securities as of September 30, 2010, a decrease in interest rates of 1.0% would cause a corresponding decrease in our annual interest income of approximately $1,218.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

As of September 30, 2010, our management, including our Chief Executive Officer and Chief Financial Officer, have reviewed and evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b). Based on their review and evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

Changes in Internal Control

There has been no change in our internal control over financial reporting during the quarter ended September 30, 2010 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

On August 24, 2010, Allscripts Healthcare Solutions, Inc. and Eclipsys Corporation completed the planned merger of the two entities. During the period leading up to the merger, there were no changes to either company's internal controls over financial reporting that were reasonably likely to have a material effect. For the post-merger period, management has maintained the operational integrity of each company's legacy controls over financial reporting. In addition, management designed and tested new controls over financial reporting which supported the accuracy of the financial presentation of the merged Company's operations.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

We hereby incorporate by reference Note 14, "Contingencies," of the Notes to Consolidated Financial Statements in Part I, Item 1 of this report.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities

As described in Note 3 — Reduction of Misys plc Share Ownership in the Notes to Consolidated Financial Statements, in August 2010 we completed the Share Repurchase and Contingent Share Repurchase as contemplated by the Framework Agreement between Allscripts and Misys plc.

The following table summarizes the stock repurchase activity for the three months ended September 30, 2010:

(In thousands, except per share amounts)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
August 1, 2010 – August 31, 2010	29,757	$22.87	N/A	N/A

Item 5. Other Information

On November 3, 2010, Jeff Surges, Group President, Sales of the Company, notified the Company that he would be resigning from the Company effective November 30, 2010.

Item 6. Exhibits

(a) Exhibits

See Index to Exhibits.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 9, 2010.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

By: /S/ WILLIAM J. DAVIS

William J. Davis
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

Date: November 9, 2010

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INDEX TO EXHIBITS

Exhibit Number	Description	Reference
3.1	Fourth Amended and Restated Certificate of Incorporation of Allscripts Healthcare Solutions, Inc.	Incorporated by reference from Exhibit 3.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 23, 2010
3.2	Amended and Restated By-Laws of Allscripts Healthcare Solutions, Inc.	Incorporated by reference from Exhibit 3.2 to the Company’s Current Report on Form 8-K filed with the SEC on August 23, 2010
10.1	Employment Agreement, dated as of July 31, 2010, by and between Allscripts-Misys Healthcare Solutions, Inc. and Glen E. Tullman	Incorporated by reference from Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 2, 2010
10.2	Amendment to Employment Agreement, dated as of July 28, 2010, by and between Allscripts-Misys Healthcare Solutions, Inc. and Lee A. Shapiro	Incorporated by reference from Exhibit 10.2 to the Company’s Current Report on Form 8-K filed with the SEC on August 2, 2010
10.3	Amendment to Employment Agreement, dated as of July 30, 2010, by and between Allscripts-Misys Healthcare Solutions, Inc. and William J. Davis	Incorporated by reference from Exhibit 10.3 to the Company’s Current Report on Form 8-K filed with the SEC on August 2, 2010
10.4	Amendment to Employment Agreement, dated as of July 29, 2010, by and between Allscripts-Misys Healthcare Solutions, Inc. and Eileen McPartland	Incorporated by reference from Exhibit 10.4 to the Company’s Current Report on Form 8-K filed with the SEC on August 2, 2010
10.5	Employment Agreement dated as of October 10, 2008 by and between Allscripts-Misys Healthcare Solutions, Inc. and Jeff Surges	Filed herewith
10.6	Amendment to Employment Agreement, dated as of September 10, 2010, by and between Allscripts Healthcare Solutions, Inc. and Jeff Surges	Filed herewith
10.7	Amended and Restated Relationship Agreement between Allscripts-Misys Healthcare Solutions, Inc. and Misys plc, dated August 20, 2010	Incorporated by reference from Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 23, 2010
10.8	Transition Services Agreement between Allscripts-Misys Healthcare Solutions, Inc. and Misys plc, dated August 20, 2010	Incorporated by reference from Exhibit 10.2 to the Company’s Current Report on Form 8-K filed with the SEC on August 23, 2010
10.9	On Demand Bank Guarantee No. 406354 issued by The Royal Bank of Scotland plc in favor of Allscripts-Misys Healthcare Solutions, Inc., dated August 17, 2010 and delivered on August 20, 2010	Incorporated by reference from Exhibit 10.3 to the Company’s Current Report on Form 8-K filed with the SEC on August 23, 2010
10.10	On Demand Bank Guarantee No. 406355 issued by The Royal Bank of Scotland plc in favor of Allscripts-Misys Healthcare Solutions, Inc., dated August 17, 2010 and delivered on August 20, 2010	Incorporated by reference from Exhibit 10.4 to the Company’s Current Report on Form 8-K filed with the SEC on August 23, 2010
10.11	Credit Agreement by and among Allscripts-Misys Healthcare Solutions, Inc., as borrower, UBS Loan Finance LLC and Barclays Capital, as co-syndication agents, Fifth Third Bank, U.S. Bank, N.A., BBVA Compass Bank, Keybank National Association, Mizuho Corporate Bank, Ltd., RBS Citizens, N.A., Sumitomo Mitsui Banking Corporation, Suntrust Bank, The Bank of Nova Scotia and Wells Fargo Bank, N.A., as co-documentation agents, and JPMorgan Chase Bank, N.A., as administrative agent, dated August 20, 2010	Incorporated by reference from Exhibit 10.5 to the Company’s Current Report on Form 8-K filed with the SEC on August 23, 2010
10.12	Eclipsys Corporation Amended and Restated 2000 Stock Incentive Plan	Incorporated by reference from Exhibit 10.1 to the Eclipsys Corporation Form 10-Q filed with the SEC on May 10, 2005
10.13	Amendment Number One to the Eclipsys Corporation Amended and Restated 2000 Stock Incentive Plan	Filed Herewith
10.14	Eclipsys Corporation 2005 Stock Incentive Plan	Incorporated by reference from Exhibit 10.1 to the Eclipsys Corporation Form 8-K filed with the SEC on July 6, 2005
10.15	Amendment Number One to the Eclipsys Corporation 2005 Stock Incentive Plan	Filed Herewith
10.16	Eclipsys Corporation Amended and Restated 2005 Inducement Grant Stock Incentive Plan	Incorporated by reference from Exhibit 10.1 to the Eclipsys Corporation Form 10-Q filed with the SEC on May 12, 2008

10.17	Amendment Number One to the Eclipsys Corporation Amended and Restated 2005 Inducement Grant Stock Incentive Plan	Filed Herewith
10.18	Eclipsys Corporation 2008 Omnibus Incentive Plan	Incorporated by reference from Exhibit 10.1 to the Eclipsys Corporation Form 10-Q filed with the SEC on August 7, 2008
10.19	Amendment Number One to the Eclipsys Corporation 2008 Omnibus Incentive Plan	Filed Herewith
10.20	Eclipsys Corporation Inducement Grant Omnibus Incentive Plan	Incorporated by reference from Exhibit 4.2 to the Eclipsys Corporation Form S-1 filed with the SEC on August 6, 2009
10.21	Amendment Number One to the Eclipsys Corporation Inducement Grant Omnibus Incentive Plan	Filed Herewith
10.22	Eclipsys Corporation Form of Performance Stock Unit Agreement	Incorporated by reference from Exhibit 10.1 to the Eclipsys Corporation Form 8-K filed with the SEC on March 19, 2010
10.23	Allscripts Healthcare Solutions, Inc. Form of Restricted Stock Unit Award Agreement	Filed Herewith
10.24	Allscripts Healthcare Solutions, Inc. Retention Plan, as amended	Filed Herewith
10.25	Eclipsys Corporation Retention Plan	Filed Herewith
Exhibit 31.1	Rule 13a - 14(a) Certification of Chief Executive Officer	Filed herewith
Exhibit 31.2	Rule 13a - 14(a) Certification of Chief Financial Officer	Filed herewith
Exhibit 32.1	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer	Filed herewith
101	Interactive Data Files Pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets as of September 30, 2010, May 31, 2010 and December 31, 2009, (ii) Consolidated Statements of Operations for the three and nine months ended September 30, 2010 and August 31, 2009, (iii) Consolidated Statements of Cash Flows for the nine months ended September 30, 2010 and August 31, 2009 and (iv) Notes to Consolidated Financial Statements	*

* To be furnished in an amendment to this Form 10-Q to be filed no later than 30 days after the filing date of this Form 10-Q, as permitted by Rule 405 of Regulation S-T.

Exhibit 10.5

Allscripts

ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "**Agreement**") is made as of this 10th day of October, 2008, by and between Allscripts-Misys Healthcare Solutions, Inc., a corporation organized and existing under the laws of the State of Delaware (" **Company**") and Jeffery A. Surges ("**Executive**").

RECITALS

WHEREAS, Company and Misys Healthcare Systems LLC have entered into an Agreement and Plan of Merger, dated as of March 17, 2008 (the "**Merger Agreement**"), pursuant to which (among other transactions contemplated in the Merger Agreement), at the " **Effective Time**" (as defined in the Merger Agreement), a subsidiary of Company shall be merged with and into Misys Healthcare Systems LLC (such merger, the " **Merger**");

WHEREAS, Executive currently serves as President – Hospital Solutions Group of Company;

WHEREAS, Company desires to continue to employ Executive in such position(s) following the Effective Time, subject to the terms and conditions of this Agreement; and

WHEREAS, Executive desires to be employed by Company in the aforesaid capacity subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing premises, of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows, effective as of immediately prior to the Effective Time (but subject to the consummation of the Merger):

AGREEMENT

1. Employment.

Company hereby agrees to employ Executive, and Executive hereby accepts employment, as President, Hospital Solutions Group of Company, pursuant to the terms of this Agreement. Executive shall have the duties and responsibilities and perform such administrative and managerial services of that position as are set forth in the bylaws of Company (the "**Bylaws**") or as shall be delegated or assigned to Executive by the Chief Executive Officer of Company from time to time. Executive shall carry out his responsibilities hereunder on a full-time basis for and on behalf of Company; provided that Executive shall be entitled to devote time to outside boards of directors, personal investments, civic and charitable activities, and personal education and development, so long as such activities do not interfere with or conflict with Executive's duties hereunder. Notwithstanding the foregoing, Executive agrees that, during the term of this Agreement, Executive shall not act as an officer of any entity other than Company without the prior written consent of Company.

2. Effective Date and Term.

The term of Executive's employment by Company under this Agreement (the " **Employment Period**") shall commence as of the date on which the Effective Time occurs (the "**Effective Date**") and shall continue in effect through the third anniversary of the Effective Date, unless earlier terminated as provided herein. Thereafter, unless Company or Executive shall elect not to renew the Employment Period upon the expiration of the initial term or any renewal term, which election shall be made by providing written notice of nonrenewal to the other party at least ninety (90) days prior to the expiration of the then current term, the Employment Period shall be extended for an additional twelve (12) months. If Company elects not to renew the Employment Period at the end of the initial term or any renewal term, such nonrenewal shall be treated as a termination of the Employment Period and Executive's employment without Cause by Company for the limited purpose of determining the payments and benefits available to Executive (i.e., Executive shall be entitled to the severance/benefits set forth in Section 4.5.1). If Executive elects not to renew the Employment Period, the same shall constitute a termination of Executive's employment and the Employment Period by Executive without Cause, and Executive shall only be entitled to the payments and benefits set forth in Section 4.5.3.

3. Compensation and Benefits.

In consideration for the services Executive shall render under this Agreement, Company shall provide or cause to be provided to Executive the following compensation and benefits:

3.1 Base Salary. During the Employment Period, Company shall pay to Executive an annual base salary at a rate of $325,000 per annum, subject to all appropriate federal and state withholding taxes, which base salary shall be payable in accordance with Company's normal payroll practices and procedures. Executive's base salary shall be reviewed annually prior to the beginning of each fiscal year of Company during the Employment Period by the Board of Directors of Company (the "**Board**"), or a committee of the Board, and may be increased in the sole discretion of the Board, or such committee of the Board, based on Executive's performance during the preceding Fiscal Year. For purposes of this Agreement, the term "**Fiscal Year**" shall mean the fiscal year of Company. Executive's base salary, as such base salary may be increased annually hereunder, is hereinafter referred to as the " **Base Salary**."

3.2 Performance Bonus.

3.2.1 Executive shall be eligible to receive cash bonuses in accordance with this Section 3.2 (each a " **Performance Bonus**"). Payment of any Performance Bonus will be subject to the sole discretion of the Board or a committee of the Board in consultation with the Chief Executive Officer, and the amount of any such Performance Bonus will be determined by, and based upon criteria selected by, the Board or such committee in consultation with the Chief

Executive Officer. Based upon the foregoing exercise of discretion, Executive's target Performance Bonus shall be 75% of his salary (the " **Target Performance Bonus**"), but may, based on performance, exceed such amount. Performances Bonuses shall be paid according the terms of the bonus plan or program in which Executive participates from time to time; provided that any Performance Bonus for the period ending on the Effective Date shall be payable in calendar year 2009.

3.3 Benefits. During the Employment Period and as otherwise provided hereunder, Executive shall be entitled to the following:

3.3.1 Vacation. Executive shall be entitled to twenty (20) business days per Fiscal Year of paid vacation, such vacation time not to be cumulative (i.e., vacation time not taken in any Fiscal Year shall not be carried forward and used in any subsequent Fiscal Year).

3.3.2 Participation in Benefit Plans. Executive shall be entitled to health and/or dental benefits, including immediate coverage for Executive and his eligible dependents, which are generally available to Company's senior executive employees and as provided by Company in accordance with its group health insurance plan coverage. In addition, Executive shall be entitled to participate in any profit sharing plan, retirement plan, group life insurance plan or other insurance plan or medical expense plan maintained by Company for its senior executives generally, in accordance with the general eligibility criteria therein.

3.3.3 Physical Examination. Executive shall be entitled to receive reimbursement for the cost of one general physical examination per twelve (12) month period during the term of the Agreement from a physician chosen by Executive in his reasonable discretion.

3.3.4 Perquisites. Executive shall be entitled to such other benefits and perquisites that are generally available to Company's senior executive employees and as provided in accordance with Company's plans, practices, policies and programs for senior executive employees of Company.

3.3.5 Indemnification. Executive shall be entitled to indemnification (including immediate advancement of all legal fees with respect to any claim for indemnification) and directors' and officers' insurance coverage, to the extent made available to other senior executives, in accordance with the Bylaws and all other applicable policies and procedures of Company.

3.4 Expenses. Company shall reimburse Executive for proper and necessary expenses incurred by Executive in the performance of his duties under this Agreement from time to time upon Executive's submission to Company of invoices of such expenses in reasonable detail and subject to all standard policies and procedures of Company with respect to such expenses.

3.5 **Stock Awards**. Executive shall be eligible to participate in any applicable stock bonus, stock option, or similar plan implemented by Company and generally available to its senior executive employees. Company intends to recommend to the Compensation Committee of the Board that Executive be granted an award under a Company stock incentive plan, with a grant-date value of $1,000,000, which award shall vest in four equal annual installments on the first four anniversaries of the Effective Date. Up to 20% of such grant may be made under an equity plan or program of Misys plc (" **Parent**") in accordance with the terms and provisions of such equity plan or program. Executive acknowledges and agrees that the portion of such grant relating to Company (as opposed to Parent) common stock (the "**Company Stock Award**") shall be conditioned upon the establishment of a new Company stock incentive plan or an amendment that increases the number of shares of Company common stock available for award under an existing Company stock incentive plan, and that such establishment or amendment must be approved by the shareholders of Company and Parent, in each case in accordance with the law, rules and regulations applicable to such approvals. If, on the day prior to each of the first four anniversaries of the grant date of the Company Stock Award, Executive has remained continuously employed since the Effective Date, but the shareholder approval conditions described in the previous sentence have not been satisfied, one-quarter of the Company Stock Award (and any rights or obligations arising therefrom) shall be canceled as of each such anniversary day without payment or other consideration therefor except Company shall pay Executive, on the tenth day after each such anniversary, a cash lump sum equal to the number of shares of Company common stock underlying the Company Stock Award so canceled on such anniversary day multiplied by the closing price per share of Company's common stock on the business day next following the applicable anniversary.

3.6 **Consummation and Retention Bonus**.

3.6.1 On the later to occur of (i) the tenth day after the Effective Date and (ii) January 2, 2009, Company shall pay Executive a cash lump sum payment equal to $413,950 (the "**Retention Payment**"). If the Retention Payment is to be made on a date later than the tenth day after the Effective Date as provided above, within 10 days of the Effective Date Company shall establish a "rabbi trust" and deposit the amounts payable under this Section 3.6.1 into such trust, which amounts shall accumulate interest calculated at the short-term Applicable Federal Rate for the month in which the Effective Date occurs and the Retention Payment (including accumulated interest) shall be made from such trust to Executive.

3.6.2 In addition, so long as (i) Executive has remained continuously employed from the Effective Date through the first anniversary of the Effective Date, (ii) Executive's employment is terminated by Company without Cause prior to the first anniversary of the Effective Date or (iii) Executive terminates employment for Constructive Discharge, Company shall pay Executive a cash lump sum equal to $73,050, on the tenth day after the first anniversary of the Effective Date.

3.7 **Payment upon a Change of Control**. So long as Executive has remained continuously employed from the Effective Date through the date of a Change of Control, (i) all unvested Company equity awards held by executive shall vest upon the Change of Control, and

(ii) Company shall pay Executive, within ten (10) days following the occurrence of the Change of Control, a cash lump sum equal to the sum of Executive's Base Salary and Target Performance Bonus. In addition, if a Change of Control occurs, and, prior to the Change of Control, Company or representatives of the third party effecting the Change of Control (as applicable) do not offer Executive a Comparable Job following the Change of Control, then, so long as Executive has remained continuously employed from the Effective Date through the date of a Change of Control, whether or not Executive continues to be employed by Company or a successor to Company following the Change of Control, Company will pay Executive, within ten (10) days following the occurrence of the Change of Control, an additional cash lump sum equal to the sum of Executive's Base Salary and Target Performance Bonus (the "**Additional Change of Control Payment**"). For purposes of this Agreement, a "**Comparable Job**" shall mean employment following the Change of Control (i) with substantially the same duties and responsibilities as were held by Executive prior to the Change of Control (excluding, for this purpose, changes following the Change of Control (x) to Executive's reporting responsibilities and (y) arising by reason of Company ceasing to be a public company), (ii) at the same location at which Executive provides services prior to the Change of Control or a location within fifty (50) miles of such location and (iii) at the same or increased Base Salary and Target Performance Bonus levels as were in effect prior to the Change of Control.

4. Termination of the Services Prior To the Expiration Date.

Executive's employment hereunder and the Employment Period may be terminated at any time as follows (the effective date of such termination hereinafter referred to as the "**Termination Date**"):

4.1 Termination upon Death or Disability of Executive.

4.1.1 Executive's employment hereunder and the Employment Period shall terminate immediately upon the death of Executive. In such event, all rights of Executive and/or Executive's estate (or named beneficiary) shall cease except for the right to receive payment of the amounts set forth in Section 4.5.4 of the Agreement.

4.1.2 Company may terminate Executive's employment hereunder and the Employment Period upon the disability of Executive. For purposes of this Agreement, Executive shall be deemed to be "disabled" if Executive, as a result of illness or incapacity, shall be unable to perform substantially his required duties for a period of three (3) consecutive months or for any aggregate period of three (3) months in any six (6) month period. In the event of a dispute as to whether Executive is disabled, Company may refer Executive to a licensed practicing physician of Company's choice, and Executive agrees to submit to such tests and examination as such physician shall deem appropriate to determine Executive's capacity to perform the services required to be performed by Executive hereunder. In such event, the parties hereby agree that the decision of such physician as to the disability of Executive's shall be final and binding on the parties. Any termination of the Employment Period under this Section 4.1.2 shall be effected without any adverse effect on Executive's rights to receive benefits under any disability policy of Company, but shall not be treated as a termination without Cause.

4.2 Termination by Company for Cause. Company may terminate Executive's employment hereunder and the Employment Period for Cause (as defined herein) upon written notice to Executive, which termination shall be effective on the date specified by Company in such notice; provided, however, that Executive shall have a period of ten (10) days (or such longer period not to exceed thirty (30) days as would be reasonably required for Executive to cure such action or inaction) after the receipt of the written notice from Company to cure the particular action or inaction, to the extent a cure is possible. For purposes of this Agreement, the term "**Cause**" shall mean:

4.2.1 the willful or grossly negligent failure by Executive to perform his duties and obligations hereunder in any material respect, other than any such failure resulting from the disability of Executive;

4.2.2 Executive's conviction of a crime or offense involving the property of Company, or any crime or offense constituting a felony or involving fraud or moral turpitude; provided that, in the event that Executive is arrested or indicted for a crime or offense related to any of the foregoing, then Company may, at its option, place Executive on paid leave of absence, pending the final outcome of such arrest or indictment;

4.2.3 Executive's violation of any law, which violation is materially and demonstrably injurious to the operations or reputation of Company;

4.2.4 Executive's material violation of any generally recognized policy of Company or Executive's refusal to follow the lawful directions of the Chief Executive Officer, or Executive's insubordination to his supervisor; or

4.2.5 Executive's failure during the Employment Period to retain the number shares of Company common stock set forth in Appendix A for a period of more than 30 days.

4.3 Termination without Cause. Either party may terminate Executive's employment and the Employment Period without Cause upon thirty (30) days' prior written notice to the other party. Upon termination of Executive's employment with Company for any reason, Executive shall be deemed to have resigned from all positions with the other members of Company and its subsidiaries (provided, that any such deemed resignations shall not affect Executive's entitlement (if any) to severance pay and benefits hereunder).

4.4 Termination by Executive for Constructive Discharge.

4.4.1 Executive may terminate Executive's employment and the Employment Period, in accordance with the process set forth below, a result of a Constructive Discharge. For purposes of this Agreement "**Constructive Discharge**" shall mean the occurrence of any of the following after the Effective Time:

(i) a failure of Company to meet its obligations in any material respect under this Agreement, including, without limitation, (x) any reduction in the Base Salary or (y) any failure to pay the Base Salary (other than, in the case of clause (y), the inadvertent failure to pay a de minimis amount of the Base Salary, which payment is immediately made by Company upon notice from Executive);

(ii) a material diminution in or other substantial adverse alteration in the nature or scope of Executive's responsibilities with Company from those in effect immediately following the Effective Time (it being understood that Company will have appointed an Executive Chairman as of the Effective Time who will serve as an officer of Company and take an active role in the management and operation of Company); or

(iii) Executive has been asked to relocate his principal place of business to a location that is more than fifty (50) miles from Company's offices located at the Merchandise Mart Plaza, Chicago, Illinois.

4.4.2 For purposes of this Agreement, a "**Change of Control**" shall mean any one of the following events following the Effective Date (it being understood that the consummation of the Merger and the other transactions contemplated by the Merger Agreement, individually or collectively, shall not constitute a Change of Control):

(i) the date of acquisition by any person or group other than Parent or any affiliate of Parent or any subsidiary of the Company (or any employee benefit plans(or related trust) of the Company or any of its subsidiaries or Parent) acquires beneficial ownership of securities possessing more than thirty percent (30%) of the total combined voting power of the Company Group's then outstanding voting securities which generally entitle the holder thereof to vote for the election of directors (" **Voting Power**"), provided, however, that no Change of Control shall be deemed to have occurred solely by reason of any such acquisition by a corporation with respect to which, after such acquisition, more than sixty percent (60%) of the then outstanding shares of common stock of such corporation and the Voting Power of such corporation are then beneficially owned, directly or indirectly, by the persons who were the beneficial owners of the stock and Voting Power of Company immediately before such acquisition, in substantially the same proportions as their ownership immediately before such acquisition; or

(ii) the date the individuals who constitute the Board as of immediately following the Effective Time (the "Incumbent Board") cease for any reason other than their deaths to constitute at least a majority of the Board; provided that any individual who becomes a director after the Effective Time whose election or nomination for election by Company's stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered, for purposes of this Section, as though such individual were a member of the Incumbent

Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of Company (as such terms are used in Rule 14a-11 under the 1934 Act); or

(iii) Company effects (a) a merger or consolidation of Company with one or more corporations or entities, as a result of which the holders of the outstanding Voting Stock of Company immediately prior to such merger, reorganization or consolidation hold less than 50% of the Voting Power of the surviving or resulting corporation or entity immediately after such merger or consolidation; (b) a liquidation or dissolution of Company; or (c) a sale or other disposition of all or substantially all of the assets of Company other than to an entity of which Company owns at least 50% of the Voting Power;

provided, however, that in no event shall the acquisition by any person or group of the beneficial ownership of any amount of stock or voting securities of Parent (including an acquisition by a merger, reorganization or consolidation) constitute a Change of Control.

4.4.3 For purposes of the foregoing definition, the terms "beneficially owned" and "beneficial ownership" and "person" shall have the meanings ascribed to them in SEC rules 13d-5(b) under the 1934 Act, and "group" means two or more persons acting together in such a way to be deemed a person for purposes of Section 13(d) of the 1934 Act. Further, notwithstanding anything herein to the contrary, the definition of Change of Control set forth herein shall not be broader than the definition of "change in control event" as set forth under Section 409A of the Code, and the guidance promulgated thereunder, and if a transaction or event does not otherwise fall within such definition of change of control event, it shall not be deemed a Change of Control for purposes of this Agreement.

4.4.4 In the event of a Constructive Discharge, Executive shall have the right to terminate his employment hereunder and receive the benefits set forth in Section 4.5.1 below, upon delivery of written notice to Company no later than the close of business on the sixtieth (60th) day following the effective date of a Constructive Discharge; provided, however, that such termination shall not be effective until the expiration of thirty (30) days after receipt by Company of such written notice if Company has not cured such Constructive Discharge within the 30-day period. If Company so effects a cure, the Constructive Discharge notice shall be deemed rescinded and of no force or effect. Notwithstanding the foregoing, such notice and lapse of time shall not be required with respect to any event or circumstance which is the same or substantially the same as an event or circumstance with respect to which notice and an opportunity to cure has been given within the previous six (6) months. The effective date of a Constructive Discharge shall be the date of the Executive's "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)).

4.5 <u>Rights upon Termination</u>. Upon termination of Executive's employment and the Employment Period, the following shall apply:

4.5.1 Termination by Company Without Cause or for Constructive Discharge. If Company terminates Executive's employment and the Employment Period without Cause, or if Executive terminates Executive's employment and the Employment Period as a result of a Constructive Discharge, in each case either (x) prior to a Change of Control, or (y) after the second anniversary of a Change of Control, Executive shall be entitled to receive payment of any Base Salary amounts that have accrued but have not been paid as of the Termination Date, and the unpaid Performance Bonus, if any, with respect to the Fiscal Year preceding the Fiscal Year in which the Termination Date occurs (such Performance Bonus, if any, to be determined in the manner that it would have been determined, and payable at the time it would have been payable, under Section 3.2 had there been no termination of the Employment Period). In addition, subject to Sections 4.5.2 and 4.7, below, Company shall, subject to Section 10.14, be obligated to pay Executive (or provide Executive with) the following benefits as severance:

(i) provided such termination is after the first anniversary of the Effective Date, an amount equal to Executive's Base Salary plus Executive's Target Performance Bonus, payable in twelve (12) equal monthly installments commencing on the Termination Date, such amount to be payable regardless of whether Executive obtains other employment and is compensated therefor (but only so long as Executive is not in violation of Section 5 hereof) (with the first two installments to be paid on the sixtieth (60th) day following the Termination Date and the remaining ten (10) installments being paid on the ten following monthly anniversaries of such date);

(ii) continuation of Executive's then current enrollment (including family enrollment, if applicable) in all health and/or dental insurance benefits set forth in Section 3.2.2 for a period of twelve (12) months following the Termination Date, with Executive's contribution to such plans as if Executive were employed by Company, such contributions to be paid by Executive in the same period (e.g., monthly, bi-weekly, etc.) as all other employees of Company; provided, however that Company may terminate such coverage if payment from Executive is not made within ten (10) days of the date on which Executive receives written notice from Company that such payment is due; and provided, further, that such benefits may be discontinued earlier to the extent that Executive becomes entitled to comparable benefits from a subsequent employer; and

(iii) provided such termination is after the first anniversary of the Effective Date, upon the Termination Date (or, for awards subject to the satisfaction of a performance condition, subject to the satisfaction of such performance condition and upon the satisfaction of such performance condition, and based on the level of performance achieved) a pro-rata portion of any unvested stock option, restricted stock, restricted stock unit or other equity award granted to Executive pursuant to Section 3.5 equal shall vest, which pro-rata portion shall be equal to (a) the number of shares of such award that would vest on the normal vesting date of such award, multiplied by (b) a fraction, the numerator of which is the number of days elapsed since the last regular vesting date of such award (or the grant date, if no portion of such award has yet vested), and the denominator of which is the number of days between the last regular vesting date (or grant date, as the case may be) and the normal vesting date.

4.5.2 **Severance Upon Termination following a Change of Control**. If Executive terminates Executive's employment and the Employment Period pursuant to Section 4.4 or Company terminates Executive's employment pursuant to Section 4.3 within the period beginning on the date of a Change of Control and ending on the second anniversary of the Change of Control, then Executive shall, subject to Section 4.7, be entitled to receive the benefits described in Sections 4.5.1(ii) (but not the payments described in Section 4.5.1(i)) and a lump sum amount of cash equal to (x) the sum of (A) Executive's Base Salary plus (B) Executive's Target Performance Bonus minus (y) the Additional Change of Control Payment, if previously paid to Executive (or, if clause (x) minus clause (y) would produce a negative number, then the payment pursuant to this Section 4.5.2 shall be zero). Subject to Sections 10.14, the lump sum to which Executive is entitled hereunder shall be paid on the sixtieth (60th) day following the Termination Date.

4.5.3 **Termination With Cause by Company or Without Constructive Discharge by Executive**. If Company terminates Executive's employment and the Employment Period with Cause, or if Executive terminates Executive's employment and the Employment Period other than as a result of a Constructive Discharge, Company shall be obligated to pay Executive **(i)** any Base Salary amounts that have accrued but have not been paid as of the Termination Date; and **(ii)** subject to Section 10.14, the unpaid Performance Bonus, if any, with respect to the Fiscal Year preceding the Fiscal Year in which the Termination Date occurs (such Performance Bonus, if any, to be determined in the manner it would have been determined, and payable at the time it would have been payable, under Section 3.2 had there been no termination of the Employment Period).

4.5.4 **Termination Upon Death or Disability**. If Executive's employment and the Employment Period is terminated because of the death or disability of Executive, Company shall, subject to Section 10.14, be obligated to pay Executive or, if applicable, Executive's estate, the following amounts: (i) earned but unpaid Base Salary; and (ii) the unpaid Performance Bonus, if any, with respect to the Fiscal Year preceding the Fiscal Year in which the Termination Date occurs (such Performance Bonus, if any, to be determined in the manner it would have been determined, and payable at the time it would have been payable, under Section 3.2 had there been no termination of the Employment Period).

4.6 **Effect of Notice of Termination**. Any notice of termination by Company, whether for Cause or without Cause, may specify that, during the notice period, Executive need not attend to any business on behalf of Company.

4.7 **Requirement of a Release; Exclusivity of Severance Payments under this Agreement** . As a condition to the receipt of the severance payments and termination benefits to be provided to Executive pursuant to this Section 4 upon termination of Executive's employment, Executive shall execute and deliver to Company a general release of employment claims against Company and its affiliates in a form reasonably satisfactory to Company within forty-five (45) days following the Termination Date (provided, that Executive shall not be required to release any rights under this Agreement). In addition, the severance payments and termination benefits to be provided to Executive pursuant to this Section 4 upon termination of Executive's employment shall constitute the exclusive payments in the nature of severance or termination pay or salary continuation which shall be due to Executive upon a termination of employment and shall be in lieu of any other such payments under any severance plan, program, policy or other arrangement which has heretofore been or shall hereafter be established by Company or any of its affiliates.

5. **Noncompetition and Confidentiality** .

5.1 **Covenant Not to Compete** . During the Employment Period and for a period of one (1) year after the expiration or earlier termination of the Employment Period, Executive shall not, **(i)** directly or indirectly act in concert or conspire with any person employed by Company or any of its Subsidiaries in order to engage in or prepare to engage in or to have a financial or other interest in any business which is a Direct Competitor (as defined below); or **(ii)** serve as an employee, agent, partner, shareholder, director or consultant for, or in any other capacity participate, engage or have a financial or other interest in any business which is a Direct Competitor (provided, however, that notwithstanding anything to the contrary contained in this Agreement, Executive may own up to two percent (2%) of the outstanding shares of the capital stock of a company whose securities are registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "**1934 Act**"). For purposes of this Agreement, the term " **Direct Competitor**" shall mean any person or entity engaged in the business of marketing or providing within the continental United States prescription products or services for pharmacy benefit management products or services, including, without limitation, (i) prepackaged prescription products or services, (ii) point of care pharmacy dispensing systems, (iii) point of care decision support software for physicians, (iv) mail service pharmacy products or services, (v) pharmaceuticals or pharmaceutical delivery systems, (vi) electronic medical record or practice management software, (vii) homecare, home health or hospice support software, and (vii) electronic processing of healthcare transactions.

5.2 **No Solicitation of Employees** . During the Employment Period and for a period of one (1) year following the expiration or earlier termination of the Employment Period for any reason, Executive shall not, directly or indirectly, whether for its own account or for the account of any other individual or entity, **(i)** employ, hire or solicit for employment, or attempt to employ, hire or solicit for employment, any Employee (as defined below), **(ii)** divert or attempt to divert, directly or indirectly, or otherwise interfere in a material fashion with or circumvent the relationship of Company or any of its Subsidiaries with, any Employees, or **(iii)** induce or attempt to induce, directly or indirectly, any Employee to terminate his employment or other business relationship with Company or any of its Subsidiaries. For purposes of this Section 5.2, "Employee" shall mean any person who is or was employed by Company or any of its Subsidiaries during the Employment Period; provided, however, that "**Employee**" shall not include any person **(a)** whose employment with Company or a Subsidiary of Company was terminated by Company or such Subsidiary without cause, or **(b)** who was not employed by Company or any of its Subsidiaries at any time during the six (6) month period immediately prior to the Termination Date.

5.3 **Confidential Information**. Company has advised Executive, and Executive acknowledges, that it is the policy of Company to maintain as secret and confidential all Protected Information (as defined below), and that Protected Information has been and will be developed at substantial cost and effort to Company and its Subsidiaries. Executive shall not at any time, directly or indirectly divulge, furnish or make accessible to any person, firm, corporation, association or other entity (otherwise than as may be required in the regular course of Executive's employment), nor use in any manner, either during the Employment Period or after the termination of the Employment Period for any reason, any Protected Information, or cause any such information of Company or any of its Subsidiaries to enter the public domain, except as required by law or court order. " **Protected Information**" means trade secrets, confidential and proprietary business information of Company, and any other information of Company or any of its Subsidiaries, including, without limitation, customer lists (including potential customers), sources of supply, processes, plans, materials, pricing information, internal memoranda, marketing plans, internal policies, and products and services which may be developed from time to time by Company or any of its Subsidiaries and the agents or employees of any of them, including Executive; provided, however, that information that is in the public domain (other than as a result of a breach of this Agreement), approved for release by Company or a Subsidiary (as applicable) or lawfully obtained from third parties who are not bound by a confidentiality agreement with Company or any of its Subsidiaries, is not Protected Information.

5.4 **Injunctive Relief**. Executive acknowledges and agrees that the restrictions imposed upon him by this Section 5 and the purpose for such restrictions are reasonable and are designed to protect the Protected Information and the continued success of Company without unduly restricting Executive's future employment by others. Furthermore, Executive acknowledges that in view of the Protected Information of Company and its Subsidiaries which Executive has or will acquire or has or will have access to and the necessity of the restriction contained in this Section 5, any violation of the provisions of this Section 5 would cause irreparable injury to Company and its successors in interest with respect to the resulting disruption in their operations. By reason of the foregoing, Executive consents and agrees that if he violates any of the provisions of this Section 5, Company and its successors in interest, as the case may be, shall be entitled, in addition to any other remedies that they may have, including monetary damages, to an injunction to be issued by a court of competent jurisdiction, restraining Executive from committing or continuing any violation of this Section 5.

6. <u>Certain Additional Payments by Company</u> .

Company agrees that:

6.1 Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by Company to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 6) (a " **Payment**") would be subject to the excise tax imposed by Section 4999 of the Code or if any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, being hereafter collectively referred to as the "**Excise Tax**"), then Executive shall be entitled to receive an additional payment (a " **Gross-Up Payment**") in an amount such that after payment by Executive of all taxes (including interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment.

6.2 Subject to the provisions of Section 6.3, below, all determinations required to be made under this Section 6, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the accounting firm which is then serving as the auditors for Company (the " **Accounting Firm**"), which shall provide detailed supporting calculations both to Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity, or group effecting the Change of Control, Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by Company. Any Gross-Up Payment, as determined pursuant to this Section 6, shall be paid by Company to Executive (or to the applicable taxing authority on Executive's behalf) within five (5) days of the receipt of the Accounting Firm's determination or, if later, on the due date for such taxes. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall furnish Executive with a written opinion that failure to report the Excise Tax on Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any good faith determination by the Accounting Firm shall be binding upon Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by Company should have been made (" **Underpayment**"), consistent with the calculations required to be made hereunder. In the event that Company exhausts its remedies pursuant to Section 6.3, below, and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by Company to or for the benefit of Executive.

6.3 Executive shall notify Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than fifteen (15) business days after Executive is informed in writing of such claim and shall apprise Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which Executive gives such notice to Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

6.3.1 Give Company any information reasonably requested by Company relating to such claim;

6.3.2 Take such action in connection with contesting such claim as Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by Company;

6.3.3 Cooperate with Company in good faith in order effectively to contest such claim; and

6.3.4 Permit Company to participate in any proceedings relating to such claim; provided, however, that Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs an expenses. Without limiting the foregoing provisions of this Section 6.3, Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner; and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as Company shall determine; provided further, however, that if Company directs Executive to pay such claim and sue for a refund, Company shall advance the amount of such payment to Executive on an interest-free basis and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

6.4 If, after the receipt by Executive of an amount advanced by Company pursuant to Section 6.3 above, Executive becomes entitled to receive any refund with respect to such claim, Executive shall (subject to Company's complying with the requirements of said interest paid or credited thereon, after taxes applicable thereto) promptly pay such refund to Company. If, after the receipt by Executive of an amount advanced by Company pursuant to said Section 6.3, a determination is made that Executive shall not be entitled to any refund with respect to such claim and Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid; and the amount of such advance shall offset, to the extent thereof, the amount of the Gross-Up Payment required to be paid.

6.5 Subject to any earlier time limits set forth in this Section 6, all payments and reimbursements to which Executive is entitled under this Section 6 shall be paid to or on behalf of Executive not later than the end of the taxable year of Executive next following the taxable year of Executive in which Executive (or Company, on Executive's behalf) remits the related taxes (or, in the event of an audit or litigation with respect to such tax liability, not later than the end of the taxable year of Executive next following the taxable year of Executive in which there is a final resolution of such audit or litigation (whether by reason of completion of the audit, entry of a final and non-appealable judgment, final settlement, or otherwise)).

7. No Set-Off or Mitigation.

Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and, except as otherwise provided herein, such amounts shall not be reduced whether or not Executive obtains other employment.

8. Payment of Certain Expenses.

Company agrees to pay promptly as incurred and not less than on a monthly basis, to the fullest extent permitted by law, all legal fees and expenses which Executive may reasonably incur as a result of any contest by Company, Executive or others of the validity or enforceability of or liability under, any provision of the Agreement (including as a result of any contest initiated by Executive about the amount of any payment due pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code; provided, however, that Company shall not be obligated to make such payment with respect to any contest in which Company prevails over Executive, and, in such case, Executive shall return to Company any payments previously paid to or on behalf of Executive.

9. Indemnification.

To the fullest extent permitted by law, Company shall indemnify Executive (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, incurred by Executive in connection with the defense of any lawsuit or other claim to which Executive is made a party by reason of being an officer, director or employee of Company or any of its Subsidiaries.

10. Miscellaneous.

10.1 Valid Obligation. This Agreement has been duly authorized, executed and delivered by Company and has been duly executed and delivered by Executive and is a legal, valid and binding obligation of Company and of Executive, enforceable in accordance with its terms.

10.2 No Conflicts. Executive represents and warrants that the performance by him of his duties hereunder will not violate, conflict with, or result in a breach of any provision of, any agreement to which he is a party.

10.3 Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Illinois, without reference to Illinois' choice of law statutes or decisions.

10.4 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity or enforceability of any other provision. In the event any clause of this Agreement is deemed to be invalid, the parties shall endeavor to modify that clause in a manner which carries out the intent of the parities in executing this Agreement.

10.5 No Waiver. The waiver of a breach of any provision of this Agreement by any party shall not be deemed or held to be a continuing waiver of such breach or a waiver of any subsequent breach of any provision of this Agreement or as nullifying the effectiveness of such provision, unless agreed to in writing by the parties.

10.6 Notices. All demands, notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by facsimile machine (with a confirmation copy sent by one of the other methods authorized in this Section), or by commercial overnight delivery service, to the parties at the addresses set forth below:

To Company: Allscripts-Misys Healthcare Solutions, Inc.
222 Merchandise Mart Plaza
Suite 2024
Chicago, IL 60654
Attention: Company Secretary or General Counsel

To Executive: At the address or fax number most recently contained in Company's records

Notices shall be deemed given upon the earliest to occur of **(i)** receipt by the party to whom such notice is directed, if hand delivered; **(ii)** if sent by facsimile machine, on the day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) such notice is sent if sent (as evidenced by the facsimile confirmed receipt) prior to 5:00 p.m. Central Time and, if sent after 5:00 p.m. Central Time, on the day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) after which such notice is sent; or **(iii)** on the first business day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) following the day the same is deposited with the commercial carrier if sent by commercial overnight delivery service. Each party, by notice duly given in accordance therewith may specify a different address for the giving of any notice hereunder.

10.7 **Assignment of Agreement**. This Agreement shall be binding upon and inure to the benefit of Executive and Company, their respective successors and permitted assigns and Executive's heirs and personal representatives. Neither party may assign any rights or obligations hereunder to any person or entity without the prior written consent of the other party. This Agreement shall be personal to Executive for all purposes.

10.8 **Entire Agreement; Amendments**. Except as otherwise provided herein, this Agreement contains the entire understanding between the parties, and there are no other agreements or understandings between the parties with respect to Executive's employment by Company and his obligations thereto. Without limiting the generality of the preceding sentence, as of immediately prior to the Effective Time (but subject to the occurrence thereof), this Agreement shall supersede in its entirety the Employment Agreement, dated as of December 31, 2007, to which Executive and Company are parties (the " **Prior Employment Agreement**"), except that the provision of Section 6 of the Prior Agreement shall not be superseded and shall continue to apply in respect of the Merger, which the parties acknowledge constituted a Change of Control under the Prior Employment Agreement. Executive acknowledges that he is not relying upon any representations or warranties concerning his employment by Company except as expressly set forth herein. No amendment or modification to the Agreement shall be valid except by a subsequent written instrument executed by the parties hereto. In the event that the transactions contemplated by the Merger Agreement shall be abandoned or otherwise terminated, (i) this Agreement shall cease to be of force or effect, and (ii) the Prior Employment Agreement shall remain in full force and effect.

10.9 **Dispute Resolution and Arbitration**. The following procedures shall be used in the resolution of disputes:

10.9.1 **Dispute**. In the event of any dispute or disagreement between the parties under this Agreement (excluding an action for injunctive relief as provided in Section 5.4), the disputing party shall provide written notice to the other party that such dispute exists. The parties will then make a good faith effort to resolve the dispute or disagreement. If the dispute is not resolved upon the expiration of fifteen (15) days from the date a party receives such notice of dispute, the entire matter shall then be submitted to arbitration as set forth in Section 10.9.2.

10.9.2 Arbitration. If the dispute or disagreement between the parties has not been resolved in accordance with the provisions of Section 10.9.1 above, then any such controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration to be held in Chicago, Illinois, in accordance with the rules of the American Arbitration Association then in effect. Any decision rendered herein shall be final and binding on each of the parties and judgment may be entered thereon in the appropriate state or federal court. The arbitrators shall be bound to strict interpretation and observation of the terms of this Agreement. Company shall pay the costs of arbitration.

10.10 Survival. For avoidance of doubt, the provisions of Sections 4.5, 5, 8 and 9 of this Agreement shall survive the expiration or earlier termination of the Employment Period.

10.11 Headings. Section headings used in this Agreement are for convenience of reference only and shall not be used to construe the meaning of any provision of this Agreement.

10.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

10.13 Taxes. Executive shall be solely responsible for taxes imposed on Executive by reason of any compensation and benefits provided under this Agreement and all such compensation and benefits shall be subject to applicable withholding.

10.14 Section 409A of the Code. It is intended that this Agreement will comply with Section 409A of the Code (and any regulations and guidelines issued thereunder) to the extent the Agreement is subject thereto, and the Agreement shall be interpreted on a basis consistent with such intent. If an amendment of the Agreement is necessary in order for it to comply with Section 409A, the parties hereto will negotiate in good faith to amend the Agreement in a manner that preserves the original intent of the parties to the extent reasonably possible. No action or failure by Company in good faith to act, pursuant to this Section 10.14, shall subject Company to any claim, liability, or expense, and Company shall not have any obligation to indemnify or otherwise protect Executive from the obligation to pay any taxes pursuant to Section 409A of the Code.

In addition, notwithstanding any provision to the contrary in this Agreement, if Executive is deemed on the date of his "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)) to be a "specified employee" (within the meaning of Treas. Reg. Section 1.409A-1(i)), then with regard to any payment that is required to be delayed pursuant to Section 409A(a)(2)(B) of the Code (the " **Delayed Payments**"), such payment shall not be made prior to the earlier of (i) the expiration of the six (6) month period measured from the date of his "separation from service" and (ii) the date of his death. Any payments due under this Agreement other than the Delayed Payments shall be paid in accordance with the normal payment dates specified herein. In no case will the delay of any of the Delayed Payments by Company constitute a breach of Company's obligations under this Agreement. For all purposes under this Agreement, reference to Executive's "termination of employment" (and corollary terms) with Company shall be construed to refer to Executive's "separation from service" (as determined under Treas. Reg. Section 1.409A-1(h), as uniformly applied by Company) with Company.

In addition, to the extent that any reimbursement, fringe benefit or other, similar plan or arrangement in which Executive participates during the term of Executive's employment under this Agreement or thereafter provides for a "deferral of compensation" within the meaning of Section 409A of the Code, (i) the amount eligible for reimbursement or payment under such plan or arrangement in one calendar year may not affect the amount eligible for reimbursement or payment in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), and (ii) subject to any shorter time periods provided herein, any reimbursement or payment of an expense under such plan or arrangement must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

10.15 Payment by Subsidiaries. Executive acknowledges and agrees that Company may satisfy its obligations to make payments to Executive under this Agreement by causing one or more of its subsidiaries to make such payments to Executive. Executive agrees that any such payment made by any such subsidiary shall fully satisfy and discharge Company's obligation to make such payment to Executive hereunder (but only to the extent of such payment).

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written, to be effective at the Effective Time.

/s/ Jeffery A. Surges

Jeffery A. Surges

ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.

/s/ Nicoa Dunne

By: Nicoa Dunne

Title: SVP Human Resources

Allscripts™

Appendix A

Required Share Ownership

At all times during the Employment Period, Executive shall retain shares of Company common stock with a fair market value as shown in the following schedule. For this purpose, "fair market value" shall be determined on the first day of the applicable portion of the Employment Period by reference to the closing price of the Company common stock on such date as reported on the principal exchange on which the Company common stock is traded. Options to purchase Company common stock, restricted Company common stock and restricted stock units denominated in shares of Company common stock shall be included for purposes of determining whether these guidelines are satisfied, except that the fair market value with respect to an option shall be reduced by the exercise price with respect to such option. At the Company's reasonable request, the Executive shall provide the Company with evidence to the Company's satisfaction that the Executive is in compliance with these guidelines.

During the following portion of the Employment Period:	Fair market value to be maintained during applicable portion of the Employment Period:
From the Effective Date until the day prior to the first anniversary of the Effective Date:	100% of the Executive's Base Salary on the Effective Date.
From the first anniversary of the Effective Date until the day prior to the second anniversary of the Effective Date:	66% of the Executive's Base Salary on the Effective Date.
From the second anniversary of the Effective Date until the day prior to the third anniversary of the Effective Date:	33% of the Executive's Base Salary on the Effective Date.
From and after the third anniversary of the Effective Date:	0

Exhibit 10.6

EXECUTION COPY

AMENDMENT TO EMPLOYMENT AGREEMENT
JEFFERY A. SURGES

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (this "Amendment") is made and entered into as of September 10, 2010 (the "Amendment Date"), by and between Allscripts-Misys Healthcare Solutions, Inc. ("Company") and Jeffery A. Surges ("Executive").

WHEREAS, Company and Executive entered into an Employment Agreement dated October 10, 2008 (the "Employment Agreement"); and

WHEREAS, Company and Executive desire to amend certain provisions of the Employment Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows effective as of the Amendment Date:

1. The foregoing recitations shall form a part of this Amendment and are incorporated herein verbatim by reference. Unless otherwise indicated, capitalized terms shall have the same meaning as referenced in the Employment Agreement.

2. Section 3.6 is replaced in its entirety with the following:

3.6 [Reserved.]

3. Section 3.7 is replaced in its entirety with the following:

3.7 **<u>Payment upon a Change of Control with No Comparable Job</u>**. If a Change of Control occurs, and, prior to the Change of Control, Company or representatives of the third party effecting the Change of Control (as applicable) do not offer Executive a Comparable Job following the Change of Control, then, so long as Executive has remained continuously employed from the Effective Date through the date of the Change of Control, whether or not Executive continues to be employed by Company or a successor to Company following the Change of Control, then: (i) all unvested equity awards held by Executive shall fully vest upon the Change of Control, and (ii) Company shall pay Executive, within ten (10) days following the Change of Control, a lump sum equal to two (2) times the sum of Executive's Base Salary and Target Performance Bonus. The term "**Comparable Job**" means employment following the Change of Control (x) with substantially the same duties and responsibilities as were held by Executive prior to the Change of Control (excluding, for this purpose, changes following the Change of Control (I) to Executive's reporting responsibilities and (II) arising by reason of Company ceasing to be a public company), (y) at the same location at which Executive provides services prior to the Change of Control or a location within fifty (50) miles of such location and (z) at the same or increased Base Salary and Target Performance Bonus levels as were in effect prior to the Change of Control.

4. Section 4.5.1(iii) is replaced in its entirety with the following:

(iii) upon the Termination Date (or, for awards subject to the satisfaction of a performance condition, subject to the satisfaction of such performance condition and upon the satisfaction of such performance condition, and based on the level of performance achieved) a portion of any unvested stock option, restricted stock unit or other equity award granted to Executive shall vest, which portion shall be the number of shares equal to (a) plus (b) (such sum not to exceed the number of shares that result in the full vesting of any such award) as follows:

(a) the number of shares that would have vested to Executive per the applicable award as of the one-year anniversary of the Termination Date had Executive remained continuously employed by Company through such date; plus

(b) the number of shares resulting from the following formula: (x) the number of shares of such award that would vest on the normal vesting date of such award, multiplied by (y) a fraction, the numerator of which is the number of days elapsed since the last regular vesting date of such award (or the grant date, if no portion of such award has yet vested), and the denominator of which is the number of days between the last regular vesting date (or grant date, as the case may be) and the normal vesting date.

5. Section 4.5.2 is replaced in its entirety with the following:

4.5.2 Severance Upon Termination following a Change of Control. If, within the period beginning on the date of a Change of Control through the second anniversary of the Change of Control, Executive terminates Executive's employment and the Employment Period pursuant to Section 4.4 or Company terminates Executive's employment pursuant to Section 4.3, then Executive shall, subject to Section 4.7, receive the payment and benefits provided in Section 4.5.1; provided, however, that (A) in place of the twelve (12) monthly payments provided for in Section 4.5.1(i), Executive shall receive a lump sum amount of cash equal to two (2) times the sum of (x) Executive's Base Salary plus (y) Executive's Target Performance Bonus, with such lump sum paid on the sixtieth (60th) day following the Termination Date, such amount reduced by any payment received by Executive pursuant to Section 3.7, and (B) in place of the equity vesting provided for in Section 4.5.1(iii), all unvested equity awards held by Executive shall vest upon the Termination Date.

6. Section 6 is replaced in its entirety with the following:

6. [Reserved.]

7. In all other respects, the Employment Agreement is ratified and confirmed and remains in full force and effect.

Signature page follows

Signature page to Amendment to the Employment Agreement

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have hereunto executed this Amendment as of the day and year first written above.

/s/ Jeffery A. Surges
Jeffery A. Surges

ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.

/s/ Diane K. Adams
By: Diane K. Adams
Title: EVP, Culture and Talent

Exhibit 10.13

**AMENDMENT NUMBER ONE
TO THE ECLIPSYS CORPORATION
AMENDED AND RESTATED
2000 STOCK INCENTIVE PLAN**

WHEREAS, Eclipsys Corporation ("Eclipsys") has established the Eclipsys Corporation Amended and Restated 2000 Stock Incentive Plan (the "Plan");

WHEREAS, Eclipsys, Allscripts-Misys Healthcare Solutions, Inc. ("Allscripts") and Arsenal Merger Corporation have entered into an Agreement and Plan of Merger dated June 9, 2010 (the "Merger Agreement") under which Eclipsys will merge with and into a wholly owned subsidiary of Allscripts (the "Transaction");

WHEREAS, the Board of Directors of Eclipsys has the authority under Section 10(d) of the Plan to amend the Plan; and

WHEREAS, the Board desires to amend the Plan to provide that the Compensation Committee of the Board of Directors of Allscripts will administer the Plan effective on and after the effective time of the Transaction (the "Transaction Date").

NOW, THEREFORE, pursuant to the power of amendment set forth in the Plan, the Plan is hereby amended as follows effective on and after the Transaction Date:

1. By amending the second sentence of Section 1 to replace the term "Board of Directors of the Company" with the term "Board of Directors of Allscripts-Misys Healthcare Solutions, Inc."

2. By amending Section 3(b) to add the following new sentence to the end thereof:

"Notwithstanding any contrary provision herein, the Committee shall be entitled to exercise all of the powers of the Board under the Plan without any further action by the Board to delegate these powers to the Committee. In addition, the term "Committee" shall mean the Compensation Committee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. (or a subcommittee or subcommittee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. appointed by that board from among its members)."

3. By amending Section 9(f) to add the following new sentence to the end thereof:

"To the extent an outstanding Award requires Company action for the amendment of such award, the Board or Committee shall act on behalf of the Company."

4. Except as hereinabove amended and modified, the Plan shall remain in full force and effect.

Exhibit 10.15

AMENDMENT NUMBER ONE
TO THE ECLIPSYS CORPORATION
2005 STOCK INCENTIVE PLAN

WHEREAS, Eclipsys Corporation ("Eclipsys") has established the Eclipsys Corporation 2005 Stock Incentive Plan (the "Plan");

WHEREAS, Eclipsys, Allscripts-Misys Healthcare Solutions, Inc. ("Allscripts") and Arsenal Merger Corporation have entered into an Agreement and Plan of Merger dated June 9, 2010 (the "Merger Agreement") under which Eclipsys will merge with and into a wholly owned subsidiary of Allscripts (the "Transaction");

WHEREAS, the Board of Directors of Eclipsys has the authority under Section 11(d) of the Plan to amend the Plan; and

WHEREAS, the Board desires to amend the Plan to provide that the Compensation Committee of the Board of Directors of Allscripts will administer the Plan effective on and after the effective time of the Transaction (the "Transaction Date").

NOW, THEREFORE, pursuant to the power of amendment set forth in the Plan, the Plan is hereby amended as follows effective on and after the Transaction Date:

1. By amending the second sentence of Section 1 to replace the term "Board of Directors of the Company" with the term "Board of Directors of Allscripts-Misys Healthcare Solutions, Inc."

2. By amending Section 3(b) to add the following new sentence to the end thereof:

"Notwithstanding any contrary provision herein, the Committee shall be entitled to exercise all of the powers of the Board under the Plan without any further action by the Board to delegate these powers to the Committee. In addition, the term "Committee" shall mean the Compensation Committee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. (or a subcommittee or subcommittee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. appointed by that board from among its members)."

3. By amending Section 10(f) to add the following new sentence to the end thereof:

"To the extent an outstanding Award requires Company action for the amendment of such award, the Board or Committee shall act on behalf of the Company."

4. Except as hereinabove amended and modified, the Plan shall remain in full force and effect.

Exhibit 10.17

AMENDMENT NUMBER ONE
TO THE ECLIPSYS CORPORATION
AMENDED AND RESTATED 2005
INDUCEMENT GRANT STOCK INCENTIVE PLAN

WHEREAS, Eclipsys Corporation ("Eclipsys") has established the Eclipsys Corporation Amended and Restated 2005 Inducement Grant Stock Incentive Plan (the "Plan");

WHEREAS, Eclipsys, Allscripts-Misys Healthcare Solutions, Inc. ("Allscripts") and Arsenal Merger Corporation have entered into an Agreement and Plan of Merger dated June 9, 2010 (the "Merger Agreement") under which Eclipsys will merge with and into a wholly owned subsidiary of Allscripts (the "Transaction");

WHEREAS, the Board of Directors of Eclipsys has the authority under Section 11(d) of the Plan to amend the Plan; and

WHEREAS, the Board desires to amend the Plan to provide that the Compensation Committee of the Board of Directors of Allscripts will administer the Plan effective on and after the effective time of the Transaction (the "Transaction Date").

NOW, THEREFORE, pursuant to the power of amendment set forth in the Plan, the Plan is hereby amended as follows effective on and after the Transaction Date:

1. By amending the third sentence of Section 1 to replace the term "Board of Directors of the Company" with the term "Board of Directors of Allscripts-Misys Healthcare Solutions, Inc."

2. By amending Section 3(b) to add the following new sentence to the end thereof:

"Notwithstanding any contrary provision herein, the Committee shall be entitled to exercise all of the powers of the Board under the Plan without any further action by the Board to delegate these powers to the Committee. In addition, the term "Committee" shall mean the Compensation Committee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. (or a subcommittee or subcommittee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. appointed by that board from among its members)."

3. By amending Section 10(f) to add the following new sentence to the end thereof:

"To the extent an outstanding Award requires Company action for the amendment of such award, the Board or Committee shall act on behalf of the Company."

4. Except as hereinabove amended and modified, the Plan shall remain in full force and effect.

Exhibit 10.19

AMENDMENT NUMBER ONE
TO THE ECLIPSYS CORPORATION
2008 OMNIBUS INCENTIVE PLAN

WHEREAS, Eclipsys Corporation ("Eclipsys") has established the Eclipsys Corporation 2008 Omnibus Incentive Plan (the "Plan");

WHEREAS, Eclipsys, Allscripts-Misys Healthcare Solutions, Inc. ("Allscripts") and Arsenal Merger Corporation have entered into an Agreement and Plan of Merger dated June 9, 2010 (the "Merger Agreement") under which Eclipsys will merge with and into a wholly owned subsidiary of Allscripts (the "Transaction");

WHEREAS, the Board of Directors of Eclipsys has the authority under Section 12.1 of the Plan to amend the Plan; and

WHEREAS, the Board desires to amend the Plan to provide that the Compensation Committee of the Board of Directors of Allscripts will administer the Plan effective on and after the effective time of the Transaction (the "Transaction Date").

NOW, THEREFORE, pursuant to the power of amendment set forth in the Plan, the Plan is hereby amended as follows effective on and after the Transaction Date:

1. By amending Section 2.3 to read as follows:

"2.3. "*Board*" shall mean the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc."

2. By amending the first sentence of Section 2.5 to read as follows:

"2.5. "*Committee*" shall mean the Compensation Committee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. (or a subcommittee or subcommittee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. appointed by that board from among its members)."

3. By amending Section 13.1 to add the following new sentence to the end thereof:

"To the extent an outstanding Award Document requires Company action for the amendment of such award, the Board or Committee shall act on behalf of the Company."

4. Except as hereinabove amended and modified, the Plan shall remain in full force and effect.

Exhibit 10.21

**AMENDMENT NUMBER ONE
TO THE ECLIPSYS CORPORATION
INDUCEMENT GRANT OMNIBUS INCENTIVE PLAN**

WHEREAS, Eclipsys Corporation ("Eclipsys") has established the Eclipsys Corporation Inducement Grant Omnibus Incentive Plan (the "Plan");

WHEREAS, Eclipsys, Allscripts-Misys Healthcare Solutions, Inc. ("Allscripts") and Arsenal Merger Corporation have entered into an Agreement and Plan of Merger dated June 9, 2010 (the "Merger Agreement") under which Eclipsys will merge with and into a wholly owned subsidiary of Allscripts (the "Transaction");

WHEREAS, the Board of Directors of Eclipsys has the authority under Section 11.1 of the Plan to amend the Plan; and

WHEREAS, the Board desires to amend the Plan to provide that the Compensation Committee of the Board of Directors of Allscripts will administer the Plan effective on and after the effective time of the Transaction (the "Transaction Date").

NOW, THEREFORE, pursuant to the power of amendment set forth in the Plan, the Plan is hereby amended as follows effective on and after the Transaction Date:

1. By amending Section 2.3 to read as follows:

"2.3. "*Board*" shall mean the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc."

2. By amending the first sentence of Section 2.5 to read as follows:

"2.5. "*Committee*" shall mean the Compensation Committee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. (or a subcommittee or subcommittee of the Board of Directors of Allscripts-Misys Healthcare Solutions, Inc. appointed by that board from among its members)."

3. By amending Section 12.1 to add the following new sentence to the end thereof:

"To the extent an outstanding Award Document requires Company action for the amendment of such award, the Board or Committee shall act on behalf of the Company."

4. Except as hereinabove amended and modified, the Plan shall remain in full force and effect.

Exhibit 10.23

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

Restricted Stock Unit Award Agreement

THIS AGREEMENT is made as of ______, 200_ (the "Grant Date"), by and between Allscripts Healthcare Solutions, Inc., a Delaware corporation ("Company"), and «First_Name» «Last_Name» («Last_Name»)

WHEREAS, «Last_Name» is expected to perform valuable services for the Company and the Company considers it desirable and in its best interests that «Last_Name» be given a proprietary interest in the Company and an incentive to advance the interests of the Company by possessing units that are settled in shares of the Company's Common Stock, $.01 par value per share (the "Common Stock"), in accordance with the Company's Amended and Restated 1993 Stock Incentive Plan (the "Plan").

NOW THEREFORE, in consideration of the foregoing premises, it is agreed by and between the parties as follows:

1. **Grant of Restricted Stock Units**.

(a) Grant. Subject to the terms and conditions set forth in this Agreement and the Plan, the Company hereby grants to «Last_Name» an award of __________ restricted stock units (the "Restricted Stock Unit Award"), which shall vest and become unrestricted in accordance with Section 2 hereof.

(b) Transferability. Restricted stock units subject to the Restricted Stock Unit Award and not then vested and unrestricted may not be sold, transferred, pledged, assigned, alienated, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, alienate, hypothecate or encumber, or otherwise dispose of such restricted stock units, the Restricted Stock Unit Award shall immediately become null and void.

2. **Vesting**.

(a) Time Vesting. Subject to this Section 2 and the terms of any written employment agreement between the Company or its affiliates and «Last_Name» (which vesting terms in such employment agreement shall prevail over the terms of this Agreement in the event of any conflict), the Restricted Stock Unit Award shall vest and become unrestricted in accordance with the following schedule: 25% on each of the first four anniversaries of the Grant Date, with 100% of the Restricted Stock Unit Award being vested on the fourth anniversary of the Grant Date.

(b) Accelerated Vesting for Termination following a Change in Control. Unless otherwise provided in another written agreement between «Last_Name» and the

Company, in the event of a Change in Control of the Company in which the successor company (including the parent of any surviving corporation in a merger) assumes or substitutes the Restricted Stock Unit Award, if «Last_Name»'s employment with such successor company (or a subsidiary thereof) is terminated within 24 months following such Change in Control (or within three months prior thereto in connection with the Change in Control) without Cause by the Company or the successor company or by «Last_Name» for Good Reason, all restrictions, limitations and other conditions applicable to the Restricted Stock Unit Award outstanding as of the date of such termination of employment (or as of the date of the Change in Control if termination occurred prior to and in connection with the Change in Control) shall lapse and the Restricted Stock Units shall become free of all restrictions.

(c) Settlement of Restricted Stock Units. Upon the date restricted stock units subject to this Agreement become vested and unrestricted, one share of Common Stock shall be issuable for each restricted stock unit that vests on such date, subject to the terms and conditions of the Plan and this Agreement. Thereafter, the Company will transfer such shares of Common Stock to «Last_Name» upon satisfaction of any required tax withholding obligations.

(d) Other Defined Terms.

Cause. "Cause" shall mean (i) the willful or grossly negligent failure by «Last_Name» to perform his or her duties and obligations hereunder in any material respect, other than any such failure resulting from the disability of «Last_Name», (ii) «Last_Name»'s conviction of a crime or offense involving the property of the Company, or any crime or offense constituting a felony or involving fraud or moral turpitude;
(iii) Executive's violation of any law, which violation is materially and demonstrably injurious to the operations or reputation of the Company; or (iv) «Last_Name»'s material violation of any generally recognized policy of the Company.

Change in Control. A "Change in Control" shall mean and be determined to have occurred upon any one of the following events: (i) the date of acquisition by any person or group other than any subsidiary of the Company (or any employee benefit plans (or related trust) of the Company or any of its subsidiaries or Parent) acquires beneficial ownership of securities possessing more than thirty percent (30%) of the total combined voting power of the Company's then outstanding voting securities which generally entitle the holder thereof to vote for the election of directors ("Voting Power"), provided, however, that no Change in Control shall be deemed to have occurred solely by reason of any such acquisition by a corporation with respect to which, after such acquisition, more than sixty percent (60%) of the then outstanding shares of common stock of such corporation and the Voting Power of such corporation are then beneficially owned, directly or indirectly, by the persons who were the beneficial owners of the stock and Voting Power of Company immediately before such acquisition, in substantially the same proportions as their ownership immediately before such acquisition; or (ii) the date the individuals who constitute the

Board as of the date of this Agreement (the "Incumbent Board") cease for any reason other than their deaths to constitute at least a majority of the Board; provided that any individual who becomes a director after the date of this Agreement whose election or nomination for election by Company's stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered, for purposes of this definition, as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of Company (as such terms are used in Rule 14a-11 under the Securities Exchange Act of 1934 (the "1934 Act")); or (iii) Company effects (A) a merger, reorganization or consolidation of Company with one or more corporations or entities, as a result of which the holders of the outstanding Voting Stock of Company immediately prior to such merger, reorganization or consolidation hold less than 50% of the Voting Power of the surviving or resulting corporation or entity immediately after such merger or consolidation; (B) a liquidation or dissolution of Company; or (C) a sale or other disposition of all or substantially all of the assets of Company other than to an entity of which Company owns at least 50% of the Voting Power. For purposes of the foregoing definition, the terms "beneficially owned" and "beneficial ownership" and "person" shall have the meanings ascribed to them in SEC rules 13d-5(b) under the 1934 Act, and "group" means two or more persons acting together in such a way to be deemed a person for purposes of Section 13(d) of the 1934 Act. Further, notwithstanding anything herein to the contrary, the definition of Change in Control set forth herein shall not be broader than the definition of "change in control event" as set forth under Section 409A of the Code, and the guidance promulgated thereunder, and if a transaction or event does not otherwise fall within such definition of change in control event, it shall not be deemed a Change in Control for purposes of this Agreement.

Good Reason. "Good Reason" shall mean (i) any significant diminution in «Last_Name»'s responsibilities from and after the date of the Change in Control, (ii) any material reduction in the annual salary or target incentive cash compensation of «Last_Name» from and after the date of the Change in Control or (iii) any requirement after the date of the Change in Control (or prior thereto in connection with the Change in Control) to relocate to a location that is more than fifty (50) miles from the principal work location of «Last_Name»; provided, however, that the occurrence of any such condition shall not constitute Good Reason unless «Last_Name» provides written notice to the Company of the existence of such condition not later than 90 days after the initial existence of such condition, and the Company shall have failed to remedy such condition within 30 days after receipt of such notice.

3. **No Rights as Stockholder; Dividend Equivalents.** «Last_Name» shall not have any rights of a stockholder of the Company with respect to any shares of Common Stock issuable upon the vesting of restricted stock units subject to this Agreement (including the right to vote and to receive dividends and other distributions paid with respect to shares of Common Stock), unless and until, and only to the extent, the Restricted Stock Unit Award is settled by the

issuance of such shares of Common Stock to «Last_Name». Notwithstanding the foregoing, until such time as the restrictions lapse, or the restricted stock units subject to this Agreement are cancelled, whichever occurs first, «Last_Name» will be credited with amounts equal to any cash dividends that would be payable to «Last_Name» if «Last_Name» had been transferred such underlying shares of Common Stock, which amounts shall accrue during the restriction period and be paid in cash upon the lapse of the restriction period. If restricted stock units subject to this Agreement are cancelled, any amounts credited to such units will be forfeited. This Section 4 will not apply with respect to record dates for dividends occurring prior to the grant date or after the restriction period has lapsed.

4. **Termination of Unvested Restricted Stock Unit Award.** Subject to Section 2 and the terms of any written employment agreement between the Company or its affiliates and «Last_Name» (which vesting terms in such employment agreement shall prevail over the terms of this Agreement in the event of a conflict), if «Last_Name»'s employment with the Company is terminated for any reason, the portion of the Restricted Stock Unit Award which is not vested and unrestricted as of the date of termination shall be forfeited by «Last_Name» and such portion shall be cancelled by the Company.

5. **Adjustment in Event of Happening of Condition**.

In the event that there is any change in the number of issued shares of Common Stock of the Company without new consideration to the Company (such as by stock dividends or stock split-ups), then the number of unvested and restricted shares subject to this Restricted Stock Award shall be adjusted in proportion to such change in issued shares.

If the outstanding shares of Common Stock of the Company shall be combined, or be changed into another kind of stock of the Company or into equity securities of another corporation, whether through recapitalization, reorganization, sale, merger, consolidation, etc., the Company shall cause adequate provision to be made whereby the unvested restricted stock units subject to this Agreement shall be adjusted equitably so that the securities received upon vesting shall be the same as if the vesting had occurred immediately prior to such recapitalization, reorganization, sale, merger, consolidation, etc.

Notwithstanding the foregoing, in the event of a sale of the Company through a merger, consolidation or sale of all or substantially all of its assets where all or part of the consideration is stock, cash or other securities or property (a "Transaction"), the Restricted Stock Unit Award shall be assumed or an award of equivalent value shall be substituted by the successor corporation or a parent or subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Restricted Stock Unit Award, then simultaneously with the consummation of the Transaction, «Last_Name» shall fully vest in the Restricted Stock Unit Award and all restricted stock units subject to the Restricted Stock Unit Award shall become unrestricted. For the purposes of this Section 5, the Restricted Stock Unit Award shall be considered assumed if, following the Transaction, the Restricted Stock Unit Award confers the right to receive, for each restricted stock unit subject to the Restricted Stock Unit Award and unvested immediately prior to the Transaction, the consideration (whether stock, cash or other securities or property) received in the Transaction by holders of Common Stock held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares); provided, however, that if such consideration received in the Transaction is not solely common stock of the successor company, the Committee may, with the consent of the successor company, provide that the consideration to be received upon the vesting of the Restricted Stock Unit Award, for each share of Common Stock subject thereto, will be solely common stock of the successor company substantially equal in fair market value to the per share consideration received by holders of shares of Common Stock in the Transaction. The determination of such substantial equality of value of consideration shall be made by the Committee in its sole discretion and its determination shall be conclusive and binding.

6. **No Right to Continued Employment**. This Agreement shall not be construed as giving «Last_Name» the right to be retained in the employ of the Company.

7. **Provisions of Plan**. This Restricted Stock Unit Award is granted pursuant to, and subject to the terms and conditions of, the Plan (which is incorporated herein by reference). In the event a provision of this Agreement conflicts with the Plan, the terms of the Plan will prevail. «Last_Name» acknowledges receiving a copy of the Plan and this Agreement. Any capitalized term not defined herein shall have the same meaning as in the Plan.

8. **Withholding of Taxes; Section 409A**. The Company shall be entitled, if necessary or desirable, to withhold from any amounts due and payable by the Company to «Last_Name» (or to secure payment from «Last_Name» in lieu of withholding) the amount of any withholding or other tax due from the Company ("Required Tax Payments") with respect to any Common Stock which becomes vested and unrestricted under this Agreement, and the Company may defer such issuance until such amounts are paid or withheld. Unless otherwise agreed by the Company and «Last_Name» during an open trading window, «Last_Name» acknowledges and agrees to satisfy his or her obligation with respect to the Required Tax Payments by selling such number of Shares subject to this Restricted Stock Unit Award as is necessary to make a cash payment to the Company in an amount equal to the Required Tax Payments (or as close thereto as practicable), such sale to be effected on the Employee's behalf through a broker (and other procedures) designated by the Company as soon as practicable following any vesting date (with such broker selecting the trade date and the selling price). This Section 8 is intended to constitute a written plan pursuant to Rule 10b5-1(c) under the Securities Exchange Act of 1934. To the extent applicable, «Last_Name» shall take actions necessary to ensure that any such sales shall comply with Rule 144 under the Securities Act of 1933. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full. This Restricted Stock Unit Award is intended to be exempt from Section 409A of the Code as a short-term deferral pursuant to Treasury regulation Section 1.409A-1(b)(4).

9. **Binding Effect**. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrator, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

By: ______________________

Name: Glen E. Tullman

____

«First_Name» «Last_Name»

Exhibit 10.24

ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.

INCENTIVE RETENTION PLAN

As Adopted Effective June 8, 2010; Amended July 13, 2010

ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.

INCENTIVE RETENTION PLAN

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ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.

INCENTIVE RETENTION PLAN

1.0 **DEFINITIONS**

The following capitalized terms shall have the following meanings unless the context indicates otherwise:

1.1 *"Affiliate"* shall mean (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Investor, any general or limited partner of such Investor, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Investor.

1.2 *"Award Level"* shall mean a Participant's participation classification: Blue, Green, Red, Orange or Yellow.

1.3 *"Base Salary"* shall mean the annual base salary paid to the Participant as of the Transaction Date, with such amount increased (if applicable) to take into account any elective or mandatory deferrals.

1.4 *"Board"* shall mean the Board of Directors of the Company.

1.5 *"Cause"* shall have the meaning ascribed thereto in any effective employment agreement between the Company or a Subsidiary and the Participant, or, if no employment agreement is in effect that contains a definition of cause, then Cause shall mean:

(a) the willful or grossly negligent failure by the Participant to perform the Participant's duties and obligations to the Company in any material respect, other than any such failure resulting from the Disability of the Participant;

(b) the Participant's conviction of a crime or offense involving the property of the Company, or any crime or offense constituting a felony or involving fraud or moral turpitude; provided that, in the event that the Participant is arrested or indicted for a crime or offense related to any of the foregoing, then the Company may, at its option, place the Participant on paid leave of absence, pending the final outcome of such arrest or indictment;

(c) the Participant's violation of any law, which violation is materially and demonstrably injurious to the operations or reputation of the Company; or

(d) the Participant's material violation of any generally recognized policy of Company or the Participant's refusal to follow the lawful directions, or insubordination to, the Participant's supervisor.

1.6 *"Code"* shall mean the Internal Revenue Code of 1986, as amended from time to time.

1.7 *"Committee"* shall mean (i) the Compensation Committee of the Board, or (ii) a committee or subcommittee of the Board appointed by the Board from among its members.

1.8 *"Company"* shall mean Allscripts-Misys Healthcare Solutions, Inc., a Delaware corporation.

1.9 *"Constructive Discharge"* shall have the meaning ascribed thereto in any effective employment agreement between the Company or a Subsidiary and the Participant. If no employment agreement is in effect that contains a definition of constructive discharge, then Constructive Discharge shall not apply to such Participant.

1.10 *"Disability"* shall have the meaning ascribed thereto in any effective employment agreement between the Company or a Subsidiary and the Participant, or, if no employment agreement is in effect that contains a definition of disability or synonymous term, then Disability shall mean the Participant, as a result of illness or incapacity, is unable to perform substantially Participant's required duties for a period of three (3) consecutive months or for any aggregate period of three (3) months in any six (6) month period, as determined in the discretion of the Committee.

1.11 *"Effective Date"* shall mean the date the Board adopts the Plan.

1.12 *"Eclipsys"* shall mean Eclipsys Corporation, a Delaware corporation.

1.13 *"Employee"* shall mean a regular full-time employee of the Company or any Subsidiary.

1.14 *"Participant"* shall mean an Employee who has been designated to participate in the Plan in accordance with Section 3 below.

1.15 *"Participation Agreement"* shall mean an agreement between the Company and the Participant evidencing the grant of the Retention Award and which contains all applicable terms and conditions relating to such Retention Award.

1.16 *"Performance Shares"* shall mean shares of the Company common stock, par value $.01 per share, that are authorized to be granted under the Amended and Restated 1993 Stock Incentive Plan, and which are awarded to Participants pursuant to Section 5 below.

1.17 *"Person"* shall mean an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, investment fund, any other business entity and a governmental entity or any department, agency or political subdivision thereof.

1.18 *"Plan"* shall mean the Allscripts-Misys Healthcare Solutions, Inc. Incentive Retention Plan.

1.19 *"Retention Awards"* shall mean the awards granted to a Participant under Section 5 below.

1.20 *"Subsidiary"* shall mean a corporation of which the Company directly or indirectly owns more than 50 percent of the Voting Stock or any other business entity in which the Company directly or indirectly has an ownership interest of more than 50 percent.

1.21 *"Termination"* shall mean the termination of the Employee's employment with the Company.

1.22 *"Transaction"* shall mean the transaction by which the Company acquires, directly or indirectly, the outstanding common stock of Eclipsys.

1.23 *"Transaction Date"* shall mean the date of closing of the Transaction.

1.24 *"Voting Stock"* shall mean the capital stock of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the directors of a corporation.

2.0 **PURPOSE OF PLAN**

2.1 **Purpose**. The purpose of the Plan is:

(a) to retain certain highly qualified individuals as Employees;

(b) to provide incentive and reward to such Employees to diligently and successfully complete the Transaction; and

(c) to maintain the focus of such Employees on the business of the Company and its Subsidiaries and to mitigate the distractions resulting from the Transaction.

3.0 **ELIGIBILITY AND PARTICIPATION**

3.1 **Eligibility**. All Employees of the Company and its Subsidiaries shall be eligible to participate in the Plan.

3.2 **Participation**. Participants shall consist of those Employees designated by the Committee in its sole discretion to participate in the Plan; *provided, however*, that the Committee may not designate an Employee as a new Participant following the Transaction Date. The Committee shall designate the Participant's Award Level. For an Employee to become a Participant in the Plan, the Employee must execute a Participation Agreement. An Employee who becomes a Participant shall remain a Participant until the earliest of (i) the termination of the Plan in accordance with Section 7 below, (ii) all obligations of the Company and the Participant under the Plan are fulfilled, or (iii) the Termination of the Employee.

4.0 **ADMINISTRATION**

4.1 **Responsibility**. The Committee shall have the responsibility, in its sole discretion, to control, operate, manage and administer the Plan in accordance with its terms.

4.2 **Authority of the Committee**. The Committee shall have the maximum discretionary authority permitted by law that may be necessary to enable it to discharge its responsibilities with respect to the Plan, including, but not limited to, the following:

(a) to determine eligibility for participation in the Plan;

(b) to select Participants;

(c) to determine or calculate a Participant's Retention Award;

(d) to issue Participation Agreements;

(e) to correct any defect, supply any omission, or reconcile any inconsistency in the Plan in such manner and to such extent as it shall deem appropriate in its sole discretion to carry the same into effect;

(f) to make rules for carrying out and administering the Plan and make changes in such rules as it from time to time deems proper;

(g) to the extent permitted under the Plan, grant waivers of Plan terms, conditions, restrictions, and limitations;

(h) to make reasonable determinations as to a Participant's eligibility for benefits under the Plan, including determinations as to Cause and Constructive Discharge; and

(i) to take any and all other actions it deems necessary or advisable for the proper operation or administration of the Plan.

4.3 **Action by the Committee**. The Committee may act at a meeting (whether in person or by telephone or video conference) only by a vote or determination of a majority of its members. In addition, any vote or determination of the Committee may be made, without a meeting, by a writing or writings signed by all of the members of the Committee. In addition, the Committee may authorize any one or more of its members to execute and deliver documents on behalf of the Committee.

4.4 **Delegation of Authority**. The Committee may delegate to one or more of its members, or to one or more agents, such administrative duties as it may deem advisable; *provided, however*, that any such delegation shall be in writing. In addition, the Committee, or any person to whom it has delegated duties as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. The Committee may employ such legal or other counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred by the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company or the Subsidiary whose employees have benefited from the Plan, as determined by the Committee.

4.5 **Determinations and Interpretations by the Committee**. All determinations and interpretations made by the Committee shall be binding and conclusive to the maximum extent permitted by law on all Participants and their heirs, successors, and legal representatives.

4.6 **Liability**. No member of the Board, no member of the Committee and no employee of the Company or any Subsidiary shall be liable for any act or failure to act hereunder, except in circumstances involving his or her bad faith, gross negligence or willful misconduct, or liable for any act or failure to act hereunder by any other member or employee or by any agent to whom duties in connection with the administration of the Plan have been delegated.

4.7 **Indemnification**. The Company shall indemnify members of the Committee and any agent of the Committee who is an employee of the Company or any Subsidiary, against any and all liabilities or expenses to which they may be subjected by reason of any act or failure to act with respect to their duties on behalf of the Plan, except in circumstances involving such person’s bad faith, gross negligence or willful misconduct.

5.0 **RETENTION AWARDS**

5.1 **Cash Awards**. The Committee may in its sole discretion grant Retention Awards to Participants in the form of cash awards as set forth on Exhibit A attached hereto.

5.2 **Performance Shares**. The Committee may in its sole discretion grant Retention Awards to Participants in the form of Performance Shares as set forth on Exhibit A attached hereto. The number of shares underlying a grant of Performance Shares shall be determined by the closing price of the Company’s common stock on the date of grant, or if there is no closing price on the date of grant, then the last closing price immediately preceding the date of grant.

5.3 **Vesting**. Retention Awards granted to a Participant shall vest to such Participant according to his or her applicable Award Level pursuant to the vesting schedule set forth on Exhibit A.

5.4 **Payment**. Cash Awards granted to a Participant shall be paid to such Participant according to his or her applicable Award Level pursuant to the payment schedule set forth on Exhibit A. All payment of Cash Awards shall fully comply with Code Section 409A.

5.5 **Termination of Employment**. A Participant will forfeit his or her previously unvested Retention Awards upon any Termination unless otherwise provided by the Committee in the award.

5.6 **Waiver and Release**. As a condition precedent for receiving any Retention Awards granted under this Section 5 following a Termination, a Participant shall execute a waiver and release substantially in the form attached to the Plan as Exhibit B.

6.0 **TAXES**

6.1 **Withholding Taxes**. The Company and its Subsidiaries shall be entitled to withhold from any and all payments made to a Participant under the Plan all federal, state, local and/or other taxes or imposts which the Company determines are required to be so withheld from such payments or by reason of any other payments made to or on behalf of the Participant or for his or her benefit hereunder. With respect to withholding required upon the vesting of Performance Shares or upon any other taxable event arising as a result of a Retention Award, a Participant may elect to satisfy the withholding requirement, in whole or in part, by having the Company withhold shares of Company stock having a fair market value on the date the tax is to be determined equal to the minimum statutory total tax which would be imposed on the transaction. All such elections shall be subject to any procedures, restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

6.2 **Code Section 409A**. The Plan is intended to comply with the provisions of Code Section 409A, and the Plan and all applicable Retention Awards shall be construed and applied in a manner consistent with this intent. Notwithstanding anything contained in the Plan to the contrary: (a) the Committee shall have full authority to operate the Plan and to override any provision in the Plan in order for the Plan to be fully compliant – both in form and in operation – with Code Section 409A; (b) each and every payment made under Plan shall be treated as a separate payment and not as a series of payments; and (c) if the Participant is a "specified employee" (determined in accordance with Code Section 409A and Treasury Regulation Section 1.409A-3(i)(2)) as of the date of Termination, and if any payment, benefit or entitlement provided for in the Plan (i) constitutes a "deferral of compensation" within the meaning of Code Section 409A and (ii) cannot be paid or provided in a manner otherwise provided herein or otherwise without subjecting the Participant to additional tax, interest and/or penalties under Code Section 409A, then any such payment, benefit or entitlement that is payable during the first six (6) months following the date of Termination shall be paid or provided to the Participant in a lump sum cash payment to be made on the earlier of (x) the Participant's death or (y) the first business day of the seventh calendar month immediately following the month in which the date of Termination occurs.

6.3 **No Guarantee of Tax Consequences**. No person connected with the Plan in any capacity, including, but not limited to, the Company and any Subsidiary and their directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to benefits or amounts payable or provided under the Plan, or paid to or for the benefit of a Participant under the Plan, or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

7.0 **TERM OF PLAN; AMENDMENT AND TERMINATION OF PLAN**

7.1 **Term of Plan**. The Plan shall be effective as of the Effective Date and shall remain in effect until the Board terminates or suspends the Plan in accordance with Section 7.3 below.

7.2 **Amendment of Plan**. The Plan may be amended by the Board at any time with or without prior notice; *provided, however*, that the Plan shall not be amended after the Transaction Date without the written consent of a majority of the Participants.

7.3 **Termination of Plan**. The Plan may be terminated or suspended by the Board at any time with or without prior notice; *provided, however*, that the Plan shall not be terminated or suspended after the Transaction Date without the written consent of a majority of the Participants.

7.4 **No Adverse Effect**. If the Plan is amended, terminated, or suspended in accordance with Section 7.2 or 7.3 above, such action shall not adversely affect the Retention Awards of any Participant who, at the date of such amendment, termination or suspension, is already receiving or entitled to receive Retention Awards under the Plan.

8.0 **MISCELLANEOUS**

8.1 **No Right, Title, or Interest in Company or Subsidiary Assets**. Participants shall have no right, title, or interest whatsoever in or to any assets of the Company or any Subsidiary or any investments which the Company or any Subsidiary may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or any Subsidiary and any Participant, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company or any Subsidiary under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company or any Subsidiary.

8.2 **No Right to Continued Employment**. The Participant's rights, if any, to continue to serve the Company or any Subsidiary as an employee shall not be enlarged or otherwise affected by his or her designation as a Participant under the Plan, and the Company or the applicable Subsidiary reserves the right to terminate the employment of any employee at any time. The adoption of the Plan shall not be deemed to give any employee, or any other individual any right to be selected as a Participant or to continued employment with the Company or any Subsidiary.

8.3 **Governing Law**. The Plan shall be governed by and construed in accordance with the laws of Illinois without reference to principles of conflict of laws, except as superseded by applicable federal law.

8.4 **Severability**. If any term or condition of the Plan shall be invalid or unenforceable to any extent or in any application, then the remainder of the Plan, with the exception of such invalid or unenforceable provision, shall not be affected thereby and shall continue in effect and application to its fullest extent.

8.5 **Incapacity**. If the Committee determines that a Participant is unable to care for his or her affairs because of illness or accident, any benefit due the Participant may be paid to the Participant's spouse or to any other person deemed by the Committee to have incurred expense for such Participant (including a duly appointed guardian, committee or other legal representative), and any such payment shall be a complete discharge of the Company's obligation hereunder.

8.6 **Transferability of Rights**. The Company shall have the unrestricted right to transfer its obligations under the Plan with respect to one or more Participants to any person, including, but not limited to, any purchaser of all or any part of the Company's business. No Participant shall have any right to commute, encumber, transfer or otherwise dispose of or alienate any present or future right or expectancy which the Participant may have at any time to receive benefits hereunder, which benefits and the right thereto are expressly declared to be non-assignable and nontransferable, except to the extent required by law. Any attempt to transfer or assign a benefit, or any rights granted hereunder, by a Participant or the spouse of a Participant shall, in the sole discretion of the Committee (after consideration of such facts as it deems pertinent), be grounds for terminating any rights of the Participant to any portion of the Plan benefits not previously paid or provided.

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EXHIBIT A

RETENTION AWARD VALUE BY AWARD LEVEL

Participant Award Level	Cash Award	Performance Share Award
Blue	125% of Base Salary	125% of Base Salary
Green	100% of Base Salary	100% of Base Salary
Red	75% of Base Salary OR 50% of Base Salary	75% of Base Salary OR 50% of Base Salary
Orange	25% of Base Salary	25% of Base Salary
Yellow	$20,000	None

Vesting and Payment of Cash Award, Award Levels Blue, Green, Red and Orange: 1/6 of the Cash Award shall vest and become payable on each of the Transaction Date and the 6, 12, 16, 20 and 24 month anniversaries of the Transaction Date. Notwithstanding the foregoing, such Cash Award will fully vest for a Participant in Award Level Blue, Green, Red or Orange upon such Participant's Termination due to death or by the Company for Disability and, for a Participant in Award Level Blue, Green or Red, upon such Participant's Termination by the Company without Cause or by the Participant for Constructive Discharge, with the award payable in a lump sum on the sixtieth (60th) day following the date of Termination, provided that by the fiftieth (50th) day after the date of Termination (except for death) the Participant submits to the Company (without revoking) the signed release described in Section 5.6 of the Plan.

Vesting and Payment of Performance Share Award, Award Levels Blue, Green, Red and Orange:

One-half of the Performance Shares vest based on the achievement of cost synergy savings ("Cost Synergies") realized as a result of the Transaction in the 12 month periods ended September 30, 2011 and September 30, 2012 ("Year 1" and "Year 2", respectively). The Year 1 Cost Synergies target is $30,000,000, and the Year 2 Cost Synergies target is $38,000,000.

The other one-half of the Performance Shares vest based on the joint sale of products and/or services of the Company and Eclipsys ("Joint Product Sales"), each sale equal to or greater than $5,000,000, in each of Year 1 and Year 2. The Joint Product Sales target for each of Year 1 and Year 2 is 5 sales.

The table below illustrates the threshold, target and maximum Performance Share vesting and payout on an aggregate basis. If the performance goals are achieved in Year 1 or Year 2, the Participant will receive one-half of the award amount shown for the applicable performance result. Payout for performance between the threshold and target and target and maximum levels is determined using straight-line interpolation.

Cost Synergies	Threshold	Target	Maximum
Performance as % of Target (per year)	80%	100%	120%
Payout as a % of Base Salary:			
Blue	31.25%	62.5%	93.75%
Green	25%	50%	75%
Red	18.75% or 12.5%	37.5% or 25%	56.25% or 37.5%
Orange	6.25%	12.5%	18.75%
Joint Product Sales			
Performance as # of Sales (per year)	3	5	7

Payout as a % of Base Salary:			
Blue	31.25%	62.5%	75%
Green	25%	50%	60%
Red	18.75% or 12.5%	37.5% or 25%	45% or 30%
Orange	6.25%	12.5%	15%

The Committee shall determine in its sole discretion whether the vesting requirements of the Performance Shares have been satisfied within 45 days following the end of each of Year 1 and Year 2, and any vested Performance Shares shall be paid promptly after such determination. Notwithstanding the foregoing, such Performance Shares will fully vest for a Participant in Award Level Blue, Green, Red or Orange upon such Participant's Termination due to death or by the Company for Disability and, for a Participant in Award Level Blue, Green or Red, upon such Participant's Termination by the Company without Cause or by the Participant for Constructive Discharge, payable promptly after such date of Termination, provided that by the fiftieth (50th) day after the date of Termination (except for death) the Participant submits to the Company (without revoking) the signed release described in Section 5.6 of the Plan.

Vesting and Payment of Cash Award, Award Level Yellow: The Cash Award shall vest and become payable on the first anniversary of the Transaction Date. Notwithstanding the foregoing, such Cash Award will fully vest upon a Participant's Termination due to death or by the Company for Disability or without Cause, with the award payable in a lump sum on the sixtieth (60th) day following the date of Termination, provided that by the fiftieth (50th) day after the date of Termination (except for death) the Participant submits to the Company (without revoking) the signed release described in Section 5.6 of the Plan.

EXHIBIT B

RELEASE [*Subject to update for changes in applicable law*]

This RELEASE ("Release") dated as of this __ day of ______, 20 __ between Allscripts-Misys Healthcare Solutions, Inc., a Delaware corporation (the "Company"), and ______ (the "Employee").

WHEREAS, the Employee is a participant in the Company's Incentive Retention Plan (the "Plan"); and

WHEREAS, the Employee's employment with the Company and/or its subsidiaries (has been) (will be) terminated effective ______; and

WHEREAS, pursuant to Section 5 of the Plan, the Employee is entitled to certain compensation and benefits upon such termination, contingent upon the execution of this Release;

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein and in the Plan, the Company and the Employee agree as follows:

1. The Employee, on [his/her] own behalf and on behalf of [his/her] heirs, estate and beneficiaries, does hereby release the Company, and any of its parent, subsidiaries and affiliates, and each past or present officer, director, agent, employee, shareholder, and insurer of any such entities, from any and all claims made, to be made, or which might have been made of whatever nature, whether known or unknown, from the beginning of time, including those that arose as a consequence of [his/her] employment with the Company and/or its subsidiaries, or arising out of the severance of such employment relationship, or arising out of any act committed or omitted during or after the existence of such employment relationship, all up through and including the date on which this Release is executed, including, but not limited to, those which were, could have been or could be the subject of an administrative or judicial proceeding filed by the Employee or on [his/her] behalf under federal, state or local law, whether by statute, regulation, in contract or tort, and including, but not limited to, every claim for front pay, back pay, wages, bonus, fringe benefit, any form of discrimination (including but not limited to, every claim of race, color, sex, religion, national origin, disability or age discrimination), wrongful termination, emotional distress, pain and suffering, breach of contract, compensatory or punitive damages, interest, attorneys' fees, reinstatement and reemployment. If any court rules that such waiver of rights to file, or have filed on [his/her] behalf, any administrative or judicial charges or complaints is ineffective, the Employee agrees not to seek or accept any money damages or any other relief upon the filing of any such administrative or judicial charges or complaints. The Employee relinquishes any right to future employment with the Company and/or its subsidiaries and the Company and/or its subsidiaries shall have the right to refuse to re-employ the Employee without liability. The Employee acknowledges and agrees that even though claims and facts in addition to those now known or believed by [him/her] to exist may subsequently be discovered, it is [his/her] intention to fully settle and release all claims [he/she] may have against the Company and/or its subsidiaries and the persons and entities described above, whether known, unknown or suspected.

2. The Employee acknowledges that [he/she] has been provided at least 21 days to review the Release and has been advised to review it with an attorney of [his/her] choice. In the event the Employee elects to sign this Release prior to the end of this 21-day period, [he/she] agrees that it is a knowing and voluntary waiver of [his/her] right to wait the full 21 days. The Employee further understands that [he/she] has 7 days after the signing hereof to revoke it by so notifying the Company in writing, such notice to be received by ______ within the 7-day period. The Employee further acknowledges that [he/she] has carefully read this Release, and knows and understands its contents and its binding

legal effect. The Employee acknowledges that by signing this Release, [he/she] does so of [his/her] own free will and act and that it is [his/her] intention that [he/she] be legally bound by its terms.

IN WITNESS WHEREOF, the parties have executed this Release on the date first above written.

____

[Employee’s Name]

Exhibit 10.25

ECLIPSYS CORPORATION

INCENTIVE RETENTION PLAN

As Adopted Effective as of August 18, 2010

ECLIPSYS CORPORATION

INCENTIVE RETENTION PLAN

Table of Contents

ECLIPSYS CORPORATION

INCENTIVE RETENTION PLAN

1.0 **DEFINITIONS**

The following capitalized terms shall have the following meanings unless the context indicates otherwise:

1.1 *"Affiliate"* shall mean (i) with respect to any Person, any Person that controls, is controlled by or is under common control with such Person or an Affiliate of such Person, and (ii) with respect to any Investor, any general or limited partner of such Investor, any employee or owner of any such partner, or any other Person controlling, controlled by or under common control with such Investor.

1.2 *"Allscripts"* shall mean Allscripts-Misys Healthcare Solutions, Inc., a Delaware corporation.

1.3 *"Award Level"* shall mean a Participant's participation classification: Tier 1, Tier 2, Tier 3, Tier 4 or Tier 5.

1.4 *"Base Salary"* shall mean the annual base salary paid to the Participant as of the Transaction Date, with such amount increased (if applicable) to take into account any elective or mandatory deferrals.

1.5 *"Board"* shall mean (i) prior to the Transaction Date, the Board of Directors of the Company and (ii) on or after the Transaction Date, the Board of Directors of Allscripts.

1.6 *"Cause"* shall have the meaning ascribed thereto in any effective employment agreement between the Company or a Subsidiary and the Participant, or, if no employment agreement is in effect that contains a definition of cause, then Cause shall mean:

(a) the willful or grossly negligent failure by the Participant to perform the Participant's duties and obligations to the Company in any material respect, other than any such failure resulting from the Disability of the Participant;

(b) the Participant's conviction of a crime or offense involving the property of the Company, or any crime or offense constituting a felony or involving fraud or moral turpitude; provided that, in the event that the Participant is arrested or indicted for a crime or offense related to any of the foregoing, then the Company may, at its option, place the Participant on paid leave of absence, pending the final outcome of such arrest or indictment;

(c) the Participant's violation of any law, which violation is materially and demonstrably injurious to the operations or reputation of the Company; or

(d) the Participant's material violation of any generally recognized policy of Company or the Participant's refusal to follow the lawful directions, or insubordination to, the Participant's supervisor.

1.7 *"Code"* shall mean the Internal Revenue Code of 1986, as amended from time to time.

1.8 *"Committee"* shall mean (i) prior to the Transaction Date, the Compensation Committee of the Board (or a committee or subcommittee of the Board appointed by the Board from among its members) and (ii) on and after the Transaction Date, the Compensation Committee of the Board of Directors of Allscripts (or a subcommittee or subcommittee of the Board of Directors of Allscripts appointed by that board from among its members).

1.9 *"Company"* shall mean Eclipsys Corporation, a Delaware corporation and its successors.

1.10 *"Constructive Discharge/Good Reason"* shall have the meaning ascribed to the term "good reason" (or to any synonymous term) in any effective employment agreement between the Company or a Subsidiary and the Participant. If no employment agreement is in effect that contains a definition of "good reason" or a synonymous term, then Constructive Discharge/Good Reason shall not apply to such Participant.

1.11 *"Disability"* shall have the meaning ascribed thereto in any effective employment agreement between the Company or a Subsidiary and the Participant, or, if no employment agreement is in effect that contains a definition of disability or synonymous term, then Disability shall mean the Participant, as a result of illness or incapacity, is unable to perform substantially Participant's required duties for a period of three (3) consecutive months or for any aggregate period of three (3) months in any six (6) month period, as determined in the discretion of the Committee.

1.12 *"Effective Date"* shall mean August 18, 2010.

1.13 *"Eclipsys"* shall mean Eclipsys Corporation, a Delaware corporation.

1.14 *"Employee"* shall mean a regular full-time employee of the Company or any Subsidiary and shall also include Philip M. Pead.

1.15 *"Participant"* shall mean an Employee who has been designated to participate in the Plan in accordance with Section 3 below.

1.16 *"Participation Agreement"* shall mean an agreement between the Company and the Participant evidencing the grant of the Retention Award and which contains all applicable terms and conditions relating to such Retention Award.

1.17 *"Performance Shares"* shall mean shares of the Company common stock, par value $.01 per share, that are authorized to be granted under the Company's 2008 Omnibus Incentive Plan, and which are awarded to Participants pursuant to Section 5 below.

1.18 *"Person"* shall mean an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, an investment fund, any other business entity or a governmental entity or any department, agency or political subdivision thereof.

1.19 *"Plan"* shall mean the Eclipsys Corporation Incentive Retention Plan.

1.20 *"Retention Awards"* shall mean the awards granted to a Participant under Section 5 below.

1.21 *"Subsidiary"* shall mean a corporation of which the Company directly or indirectly owns more than 50 percent of the Voting Stock or any other business entity in which the Company directly or indirectly has an ownership interest of more than 50 percent.

1.22 *"Termination"* shall mean the termination of the Employee's employment with the Company and its Affiliates.

1.23 *"Transaction"* shall mean the transaction by which Allscripts acquires, directly or indirectly, the outstanding common stock of the Company.

1.24 *"Transaction Date"* shall mean the date of closing of the Transaction.

1.25 *"Voting Stock"* shall mean the capital stock of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the directors of a corporation.

2.0 **PURPOSE OF PLAN**

2.1 **Purpose**. The purpose of the Plan is:

(a) to retain certain highly qualified individuals as Employees;

(b) to provide incentive and reward to such Employees to diligently and successfully complete the Transaction; and

(c) to maintain the focus of such Employees on the business of the Company and its Subsidiaries and to mitigate the distractions resulting from the Transaction.

3.0 **ELIGIBILITY AND PARTICIPATION**

3.1 **Eligibility**. All Employees of the Company and its Subsidiaries shall be eligible to participate in the Plan.

3.2 **Participation**. Participants shall consist of those Employees designated by the Committee in its sole discretion to participate in the Plan; *provided, however*, that the Committee may not designate an Employee as a new Participant following the Transaction Date. The Committee shall designate the Participant's Award Level. For an Employee to become a Participant in the Plan, the Employee must execute a Participation Agreement. An Employee who becomes a Participant shall remain a Participant until the earliest of (i) the termination of the Plan in accordance with Section 7 below, (ii) all obligations of the Company and the Participant under the Plan are fulfilled, or (iii) the Termination of the Employee.

4.0 **ADMINISTRATION**

4.1 **Responsibility**. The Committee shall have the responsibility, in its sole discretion, to control, operate, manage and administer the Plan in accordance with its terms.

4.2 **Authority of the Committee**. The Committee shall have the maximum discretionary authority permitted by law that may be necessary to enable it to discharge its responsibilities with respect to the Plan, including, but not limited to, the following:

(a) to determine eligibility for participation in the Plan;

(b) to select Participants;

(c) to determine or calculate a Participant's Retention Award;

(d) to issue Participation Agreements;

(e) to correct any defect, supply any omission, or reconcile any inconsistency in the Plan in such manner and to such extent as it shall deem appropriate in its sole discretion to carry the same into effect;

(f) to make rules for carrying out and administering the Plan and make changes in such rules as it from time to time deems proper;

(g) to the extent permitted under the Plan, grant waivers of Plan terms, conditions, restrictions, and limitations;

(h) to make reasonable determinations as to a Participant's eligibility for benefits under the Plan, including determinations as to Cause and Constructive Discharge/Good Reason; and

(i) to take any and all other actions it deems necessary or advisable for the proper operation or administration of the Plan.

4.3 **Action by the Committee**. The Committee may act at a meeting (whether in person or by telephone or video conference) only by a vote or determination of a majority of its members. In addition, any vote or determination of the Committee may be made, without a meeting, by a writing or writings signed by all of the members of the Committee. In addition, the Committee may authorize any one or more of its members to execute and deliver documents on behalf of the Committee.

4.4 **Delegation of Authority**. The Committee may delegate to one or more of its members, or to one or more agents, such administrative duties as it may deem advisable; *provided, however*, that any such delegation shall be in writing. In addition, the Committee, or any person to whom it has delegated duties as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. The Committee may employ such legal or other counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion or computation received from any such counsel, consultant or agent. Expenses incurred by the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company or the Subsidiary whose employees have benefited from the Plan, as determined by the Committee.

4.5 **Determinations and Interpretations by the Committee**. All determinations and interpretations made by the Committee shall be binding and conclusive to the maximum extent permitted by law on all Participants and their heirs, successors, and legal representatives. The Plan shall be interpreted and administered consistent with the interpretation and administration of the Allscripts-Misys Healthcare Solutions, Inc. Incentive Retention Plan.

4.6 **Liability**. No member of the Board, no member of the Committee and no employee of the Company or any Subsidiary or Affiliate shall be liable for any act or failure to act hereunder, except in circumstances involving his or her bad faith, gross negligence or willful misconduct, or liable for any act or failure to act hereunder by any other member or employee or by any agent to whom duties in connection with the administration of the Plan have been delegated.

4.7 **Indemnification**. The Company and, on or after the Transaction Date, Allscripts shall indemnify members of the Committee and any agent of the Committee who is an employee of the Company or any Subsidiary or Affiliate, against any and all liabilities or expenses to which they may be subjected by reason of any act or failure to act with respect to their duties on behalf of the Plan, except in circumstances involving such person's bad faith, gross negligence or willful misconduct.

5.0 **RETENTION AWARDS**

5.1 **Cash Awards**. The Committee may in its sole discretion grant Retention Awards to Participants in the form of cash awards as set forth on Exhibit A attached hereto.

5.2 **Performance Shares**. The Committee may in its sole discretion grant Retention Awards to Participants in the form of Performance Shares as set forth on Exhibit A attached hereto. The number of shares underlying a grant of Performance Shares shall be determined by the closing price of the Company's common stock on the date of grant, or if there is no closing price on the date of grant, then the last closing price immediately preceding the date of grant.

5.3 **Vesting**. Retention Awards granted to a Participant shall vest to such Participant according to his or her applicable Award Level pursuant to the vesting schedule set forth on Exhibit A.

5.4 **Payment**. Cash Awards granted to a Participant shall be paid to such Participant according to his or her applicable Award Level pursuant to the payment schedule set forth on Exhibit A. All payment of Cash Awards shall fully comply with Code Section 409A.

5.5 **Termination of Employment**. A Participant will forfeit his or her previously unvested Retention Awards upon any Termination unless otherwise provided by the Committee in the award.

5.6 **Waiver and Release**. As a condition precedent for receiving any Retention Awards granted under this Section 5 following a Termination, a Participant shall execute a waiver and release substantially in the form attached to the Plan as Exhibit B.

6.0 TAXES

6.1 **Withholding Taxes**. The Company and its Subsidiaries shall be entitled to withhold from any and all payments made to a Participant under the Plan all federal, state, local and/or other taxes or imposts which the Company determines are required to be so withheld from such payments or by reason of any other payments made to or on behalf of the Participant or for his or her benefit hereunder. With respect to withholding required upon the vesting of Performance Shares or upon any other taxable event arising as a result of a Retention Award, the Company shall withhold shares of Company stock having a fair market value on the date the tax is to be determined equal to the minimum statutory total tax which would be imposed on the transaction.

6.2 **Code Section 409A**. The Plan is intended to comply with the provisions of Code Section 409A, and the Plan and all applicable Retention Awards shall be construed and applied in a manner consistent with this intent. Notwithstanding anything contained in the Plan to the contrary: (a) the Committee shall have full authority to operate the Plan and to override any provision in the Plan in order for the Plan to be fully compliant – both in form and in operation – with Code Section 409A; (b) each and every payment made under Plan shall be treated as a separate payment and not as a series of payments; and (c) if the Participant is a “specified employee” (determined in accordance with Code Section 409A and Treasury Regulation Section 1.409A-3(i)(2)) as of the date of Termination, and if any payment, benefit or entitlement provided for in the Plan (i) constitutes a “deferral of compensation” within the meaning of Code Section 409A and (ii) cannot be paid or provided in a manner otherwise provided herein or otherwise without subjecting the Participant to additional tax, interest and/or penalties under Code Section 409A, then any such payment, benefit or entitlement that is payable during the first six (6) months following the date of Termination shall be paid or provided to the Participant in a lump sum cash payment to be made on the earlier of (x) the Participant’s death or (y) the first business day of the seventh calendar month immediately following the month in which the date of Termination occurs.

6.3 **No Guarantee of Tax Consequences**. No person connected with the Plan in any capacity, including, but not limited to, the Company and any Subsidiary and their directors, officers, agents and employees makes any representation, commitment, or guarantee that any tax treatment, including, but not limited to, federal, state and local income, estate and gift tax treatment, will be applicable with respect to benefits or amounts payable or provided under the Plan, or paid to or for the benefit of a Participant under the Plan, or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

7.0 TERM OF PLAN; AMENDMENT AND TERMINATION OF PLAN

7.1 **Term of Plan**. The Plan shall be effective as of the Effective Date and shall remain in effect until the Board or the Committee terminates or suspends the Plan in accordance with Section 7.3 below; provided, however, that if the Transaction Date fails to occur by December 31, 2010, the Plan shall automatically terminate and any outstanding awards or benefits as of such date shall be cancelled.

7.2 **Amendment of Plan**. The Plan may be amended by the Board or the Committee at any time with or without prior notice; *provided, however*, that the Plan shall not be amended after the Transaction Date without the written consent of a majority of the Participants.

7.3 **Termination of Plan**. The Plan may be terminated or suspended by the Board or the Committee at any time with or without prior notice; *provided, however*, that the Plan shall not be terminated or suspended after the Transaction Date without the written consent of a majority of the Participants.

7.4 **No Adverse Effect**. If the Plan is amended, terminated, or suspended in accordance with Section 7.2 or 7.3 above, such action shall not adversely affect the Retention Awards of any Participant who, at the date of such amendment, termination or suspension, is already receiving or entitled to receive Retention Awards under the Plan.

8.0 **MISCELLANEOUS**

8.1 **No Right, Title, or Interest in Company or Subsidiary Assets**. Participants shall have no right, title, or interest whatsoever in or to any assets of the Company or any Subsidiary or any investments which the Company or any Subsidiary may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or any Subsidiary and any Participant, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company or any Subsidiary under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company or any Subsidiary.

8.2 **No Right to Continued Employment.** The Participant's rights, if any, to continue to serve the Company or any Subsidiary as an employee shall not be enlarged or otherwise affected by his or her designation as a Participant under the Plan, and the Company or the applicable Subsidiary reserves the right to terminate the employment of any employee at any time. The adoption of the Plan shall not be deemed to give any employee, or any other individual any right to be selected as a Participant or to continued employment with the Company or any Subsidiary.

8.3 **Governing Law.** The Plan shall be governed by and construed in accordance with the laws of Delaware without reference to principles of conflict of laws, except as superseded by applicable federal law.

8.4 **Severability.** If any term or condition of the Plan shall be invalid or unenforceable to any extent or in any application, then the remainder of the Plan, with the exception of such invalid or unenforceable provision, shall not be affected thereby and shall continue in effect and application to its fullest extent.

8.5 **Incapacity.** If the Committee determines that a Participant is unable to care for his or her affairs because of illness or accident, any benefit due the Participant may be paid to the Participant's spouse or to any other person deemed by the Committee to have incurred expense for such Participant (including a duly appointed guardian, committee or other legal representative), and any such payment shall be a complete discharge of the Company's obligation hereunder.

8.6 **Transferability of Rights.** The Company shall have the unrestricted right to transfer its obligations under the Plan with respect to one or more Participants to any person, including, but not limited to, any purchaser of all or any part of the Company's business. No Participant shall have any right to commute, encumber, transfer or otherwise dispose of or alienate any present or future right or expectancy which the Participant may have at any time to receive benefits hereunder, which benefits and the right thereto are expressly declared to be non-assignable and nontransferable, except to the extent required by law. Any attempt to transfer or assign a benefit, or any rights granted hereunder, by a Participant or the spouse of a Participant shall, in the sole discretion of the Committee (after consideration of such facts as it deems pertinent), be grounds for terminating any rights of the Participant to any portion of the Plan benefits not previously paid or provided.

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EXHIBIT A

RETENTION AWARD VALUE BY AWARD LEVEL

Participant Award Level	Cash Award	Performance Share Award
Tier 1	125% of Base Salary	125% of Base Salary
Tier 2	100% of Base Salary	100% of Base Salary
Tier 3	75% of Base Salary OR 50% of Base Salary	75% of Base Salary OR 50% of Base Salary
Tier 4	25% of Base Salary	25% of Base Salary
Tier 5	$10,000 or $20,000	None

Vesting and Payment of Cash Award, Award Level Tiers 1, 2, 3 and 4: 1/6 of the Cash Award shall vest and become payable on each of the Transaction Date and the 6, 12, 16, 20 and 24 month anniversaries of the Transaction Date. Notwithstanding the foregoing, such Cash Award will fully vest for a Participant in Award Level Tier 1, 2, 3, or 4 upon such Participant's Termination due to death or by the Company for Disability and for a Participant in Award Level Tier 1, 2, or 3, upon such Participant's Termination by the Company without Cause or Termination by the Participant for Constructive Discharge/Good Reason, with the award payable in a lump sum on the sixtieth (60th) day following the date of Termination, provided that by the fiftieth (50th) day after the date of Termination (except for death) the Participant submits to the Company (without revoking) the signed release described in Section 5.6 of the Plan.

Vesting and Payment of Performance Share Award, Award Level Tiers 1, 2, 3 and 4:

One-half of the Performance Shares vest based on the achievement of cost synergy savings ("Cost Synergies") realized as a result of the Transaction in the 12 month periods ended September 30, 2011 and September 30, 2012 ("Year 1" and "Year 2", respectively). The Year 1 Cost Synergies target is $30,000,000, and the Year 2 Cost Synergies target is $38,000,000.

The other one-half of the Performance Shares vest based on the joint sale of products and/or services of the Company and Allscripts ("Joint Product Sales"), each sale equal to or greater than $5,000,000, in each of Year 1 and Year 2. The Joint Product Sales target for each of Year 1 and Year 2 is 5 sales.

The table below illustrates the threshold, target and maximum Performance Share vesting and payout on an aggregate basis. If the performance goals are achieved in Year 1 or Year 2, the Participant will receive one-half of the award amount shown for the applicable performance result. Differential in the payout percentage for the Tier 3 level relates to the granting of Performance Shares at the 75% or 50% of Base Salary level, respectively. Payout for performance between the threshold and target and target and maximum levels is determined using straight-line interpolation.

Cost Synergies	Threshold	Target	Maximum
Performance as % of Target (per year)	80%	100%	120%
Payout as a % of Base Salary:			
Tier 1	31.25%	62.5%	93.75%
Tier 2	25%	50%	75%
Tier 3	18.75% or 12.5%	37.5% or 25%	56.25% or 37.5%
Tier 4	6.25%	12.5%	18.75%

Joint Product Sales			
Performance as # of Sales (per year)	3	5	7
Payout as a % of Base Salary:			
Tier 1	31.25%	62.5%	75%
Tier 2	25%	50%	60%
Tier 3	18.75% or 12.5%	37.5% or 25%	45% or 30%
Tier 4	6.25%	12.5%	15%

The Committee shall determine in its sole discretion whether the vesting requirements of the Performance Shares have been satisfied within 45 days following the end of each of Year 1 and Year 2, and any vested Performance Shares shall be paid promptly after such determination. Notwithstanding the foregoing, such Performance Shares will fully vest for a Participant in Award Level Tier 1, 2, 3, or 4 upon such Participant's Termination due to death or by the Company for Disability and for a Participant in Award Level Tier 1, 2, or 3. Termination by the Company without Cause or Termination by the Participant for Constructive Discharge/Good Reason, payable promptly after such date of Termination, provided that by the fiftieth (50th) day after the date of Termination (except for death) the Participant submits to the Company (without revoking) the signed release described in Section 5.6 of the Plan.

Vesting and Payment of Cash Award, Award Level Tier 5: The Cash Award shall vest and become payable on the first anniversary of the Transaction Date. Notwithstanding the foregoing, such Cash Award will fully vest upon a Participant's Termination due to death or by the Company for Disability or without Cause, with the award payable in a lump sum on the sixtieth (60th) day following the date of Termination, provided that by the fiftieth (50th) day after the date of Termination (except for death) the Participant submits to the Company (without revoking) the signed release described in Section 5.6 of the Plan.

EXHIBIT B

RELEASE [*Subject to update for changes in applicable law*]

This RELEASE ("Release") dated as of this _______ day of _______, 20__ between Eclipsys Corporation, a Delaware corporation (the "Company"), and _______ (the "Employee").

WHEREAS, the Employee is a participant in the Company's Incentive Retention Plan (the "Plan"); and

WHEREAS, the Employee's employment with the Company and/or its subsidiaries (has been) (will be) terminated effective _______; and

WHEREAS, pursuant to Section 5 of the Plan, the Employee is entitled to certain compensation and benefits upon such termination, contingent upon the execution of this Release;

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein and in the Plan, the Company and the Employee agree as follows:

1. The Employee, on [his/her] own behalf and on behalf of [his/her] heirs, estate and beneficiaries, does hereby release the Company, and any of its parent, subsidiaries and affiliates, and each past or present officer, director, agent, employee, shareholder, and insurer of any such entities, from any and all claims made, to be made, or which might have been made of whatever nature, whether known or unknown, from the beginning of time, including those that arose as a consequence of [his/her] employment with the Company and/or its subsidiaries, or arising out of the severance of such employment relationship, or arising out of any act committed or omitted during or after the existence of such employment relationship, all up through and including the date on which this Release is executed, including, but not limited to, those which were, could have been or could be the subject of an administrative or judicial proceeding filed by the Employee or on [his/her] behalf under federal, state or local law, whether by statute, regulation, in contract or tort, and including, but not limited to, every claim for front pay, back pay, wages, bonus, fringe benefit, any form of discrimination (including but not limited to, every claim of race, color, sex, religion, national origin, disability or age discrimination), wrongful termination, emotional distress, pain and suffering, breach of contract, compensatory or punitive damages, interest, attorneys' fees, reinstatement and reemployment. If any court rules that such waiver of rights to file, or have filed on [his/her] behalf, any administrative or judicial charges or complaints is ineffective, the Employee agrees not to seek or accept any money damages or any other relief upon the filing of any such administrative or judicial charges or complaints. The Employee relinquishes any right to future employment with the Company and/or its subsidiaries and the Company and/or its subsidiaries shall have the right to refuse to re-employ the Employee without liability. The Employee acknowledges and agrees that even though claims and facts in addition to those now known or believed by [him/her] to exist may subsequently be discovered, it is [his/her] intention to fully settle and release all claims [he/she] may have against the Company and/or its subsidiaries and the persons and entities described above, whether known, unknown or suspected.

2. The Employee acknowledges that [he/she] has been provided at least 21 days to review the Release and has been advised to review it with an attorney of [his/her] choice. In the event the Employee elects to sign this Release prior to the end of this 21-day period, [he/she] agrees that it is a knowing and voluntary waiver of [his/her] right to wait the full 21 days. The Employee further understands that [he/she] has 7 days after the signing hereof to revoke it by so notifying the Company in writing, such notice to be received by ___________ within the 7-day period. The Employee further acknowledges that [he/she] has carefully read this Release, and knows and understands its contents and its binding legal effect. The Employee acknowledges that by signing this Release, [he/she] does so of [his/her] own free will and act and that it is [his/her] intention that [he/she] be legally bound by its terms.

3. If Employee is employed or resides in California, or another state with law similar to California Civil Code Section 1542, Employee hereby waives his rights under such law. California Civil Code Section 1542 provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Employee, being aware of Section 1542, hereby expressly waives any and all rights Employee may have thereunder as well as under any other statute or common law principles of similar effect under the laws of any state or the United States.

IN WITNESS WHEREOF, the parties have executed this Release on the date first above written.

[Employee's Name]

Exhibit 31.1

Certification

I, Glen E. Tullman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Allscripts Healthcare Solutions, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2010

/s/ Glen E. Tullman
Chief Executive Officer

Exhibit 31.2

Certification

I, William J. Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Allscripts Healthcare Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2010

/s/ William J. Davis
Chief Financial Officer

Exhibit 32.1

The following statement is being made to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549

Re: Allscripts Healthcare Solutions, Inc.

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 USC 1350), each of the undersigned hereby certifies that:

(i) this Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this quarterly report on Form 10-Q for the quarter ended September 30, 2010, fairly presents, in all material respects, the financial condition and results of operations of Allscripts Healthcare Solutions, Inc.

Dated as of this 9th day of November, 2010.

/s/ GLEN E. TULLMAN	/s/ WILLIAM J. DAVIS
Glen E. Tullman Chief Executive Officer	William J. Davis Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Allscripts Healthcare Solutions, Inc. and will be retained by Allscripts Healthcare Solutions, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.