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

FORM 8-K/A

(Amendment No.1)

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 27, 2016

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
(Exact name of Registrant as Specified in Its Charter)

Delaware	**001-35547**	**36-4392754**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

222 Merchandise Mart Plaza, Suite 2024,
Chicago, Illinois 60654
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (312) 506-1200

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

On November 1, 2016, Allscripts Healthcare Solutions, Inc., a Delaware corporation (***"Allscripts"***), filed a Current Report on Form 8-K (the "***Initial Report***") to report that on October 27, 2016, Netsmart, Inc., a Delaware corporation ("***Netsmart***") completed the acquisition of HealthMEDX, LLC, a Delaware limited liability company ("***HealthMEDX***"), for a purchase price of $36,295,000, subject to customary adjustments for net debt, working capital and transaction expenses. The ***HealthMEDX*** unitholders are also entitled to earn up to an additional $3,500,000 based on ***HealthMEDX*** achieving certain revenue milestones in 2017, all on the terms and conditions set forth in the definitive agreement regarding the acquisition. The purchase price was paid in cash and funded with borrowings under ***Netsmart's*** existing credit facilities. ***HealthMEDX*** is a provider of electronic medical record solutions for long-term and post-acute care including: continuing care retirement communities, assisted living, independent living, skilled nursing and home care providers. As previously disclosed, in March 2016, ***Allscripts***, and GI Netsmart Holdings LLC, a Delaware limited liability company, formed a joint business entity, Nathan Holding LLC ("***Nathan***") which in April 2016 acquired ***Netsmart*** and combined ***Netsmart*** with Allscripts' Homecare business.

We applied the consolidation rules pursuant to ASC 810 - *Consolidation*, and concluded that Netsmart, LLC has the power to direct the activities of ***HealthMEDX*** that most significantly impact its economic performance as it acquired 100% of ***HealthMEDX*** voting units. Therefore, we will account for ***Netsmart's*** investment in ***HealthMEDX*** on a consolidated basis and the financial results of ***HealthMEDX*** will be consolidated with ***Netsmart's*** as of October 27, 2016. As previously disclosed, we account for our investment in ***Nathan*** on a consolidated basis and as of April 19, 2016 the financial results of ***Nathan*** (including ***Netsmart***) are consolidated with Allscripts' financial results. This Form 8-K/A amends the ***Initial Report*** to include the historical audited financial statements of ***HealthMEDX*** and the unaudited pro forma condensed combined financial information required by Items 9.01(a) and 9.01(b) of Form 8-K that were excluded from the ***Initial Report*** in reliance on the instructions to such items. This Form 8-K/A should be read in conjunction with the ***Initial Report***.

Item 9.01. Financial Statements and Exhibits.

(a) ***Financial statements of businesses acquired.***

The audited balance sheet of HealthMEDX, LLC as of December 31, 2015 and the related audited statements of operations, members' equity and cash flows for the year ended December 31, 2015, including the notes thereto and the report of the independent auditors thereon, are filed as Exhibit 99.1 to this current report on Form 8-K/A.

The unaudited interim financial statements of HealthMEDX, LLC as of and for the three and nine months ended September 30, 2016 and 2015, including the notes thereto, are filed as Exhibit 99.2 to this current report on Form 8-K/A.

(b) ***Pro forma financial information.***

The unaudited pro forma condensed consolidated financial information of Allscripts Healthcare Solutions, Inc. which reflects the acquisitions of Netsmart, Inc. and HealthMEDX, LLC is attached hereto as Exhibit 99.3 to this current report on Form 8-K/A.

(d) ***Exhibits:***

Exhibit No.	Description
23.1	Consent of BKD LLP, Independent Accountants for HealthMEDX, LLC.
99.1	Audited financial statements of HealthMEDX, LLC comprised of the consolidated balance sheet as of December 31, 2015 and the related statements of operations, members' equity, and cash flows for the year ended December 31, 2015, and the related notes to the financial statements.
99.2	Unaudited interim financial statements of HealthMEDX, LLC as of and for the three and nine months ended September 30, 2016 and 2015, including the notes thereto.
99.3	Unaudited pro forma condensed combined financial information.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

Date: January 11, 2017

By: /s/ Melinda Whittington
Melinda Whittington
Chief Financial Officer

EXHIBIT INDEX

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Exhibit 23.1

Consent of Independent Accountants

The Board of Directors
Allscripts Healthcare Solutions, Inc.

We consent to the incorporation by reference in the registration statements on Forms S-8 (No. 333-37238, No. 333-90129, No. 333-104416, No. 333-59212, No. 333-135282, No. 333-141600, No. 333-154775, No. 333-167846, No. 333-175053, No. 333-175819, No. 333-188902 and No. 333-196415) and Form S-3 (No. 333-188901) of Allscripts Healthcare Solutions, Inc. of our report dated April 8, 2016 on our audit of the financial statements of HealthMEDX, LLC as of and for the year ended December 31, 2015, which report appears in the Form 8-K/A of Allscripts Healthcare Solutions, Inc. filed with the SEC on January 11, 2017.

BKD, LLP

Kansas City, Missouri
January 11, 2017

Exhibit 99.1

HealthMEDX, LLC

Auditor’s Report and Financial Statements

December 31, 2015

HealthMEDX, LLC

December 31, 2015

Contents

BKD LLP
CPAs & Advisors
1201 Walnut Street, Suite 1700 // Kansas City, MO 64106-2246
816.221.6300 // fax 816.221.6380 // bkd.com

Independent Auditor's Report

Board of Directors
HealthMEDX, LLC
Ozark, Missouri

We have audited the accompanying financial statements of HealthMEDX, LLC, (the Company) which comprise the balance sheet as of December 31, 2015, and the related statements of operations, members' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HealthMEDX, LLC as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Kansas City, Missouri
April 8, 2016

HealthMEDX, LLC
Balance Sheet
December 31, 2015

Assets		
Current Assets		
Cash and cash equivalents	$	3,600,102
Accounts receivable, net of allowance of $825,000		4,070,879
Unbilled revenue		610,568
Prepaid expenses and other		519,277
Total current assets		8,800,826
Property and Equipment, at Cost		
Less Accumulated Depreciation and Amortization		2,027,361
Other Assets		
Goodwill, net of accumulated amortization		9,270,288
Other intangible assets, net		4,594,763
Software intangible assets, net		3,637,751
		17,502,802
Total assets	$	28,330,989
Liabilities and Members' Equity		
Current Liabilities		
Current maturities of capital lease obligations	$	667,703
Accounts payable		441,760
Accrued expenses		802,609
Accrued interest on related party note payable		1,029,177
Deferred revenues		5,782,310
Total current liabilities		8,723,559
Related Party Note Payable		10,400,000
Capital Lease Obligations		653,851
Members' Equity		
Preferred membership units (aggregate 9% preferred return; $24,593,532 at December 31, 2015)		56,000,000
Retained members' deficit		(47,446,421)
Total members' equity		8,553,579
Total liabilities and members' equity	$	28,330,989

See Notes to Financial Statements

HealthMEDX, LLC
Statement of Operations
Year Ended December 31, 2015

Revenues	$	26,546,350
Cost of Revenues		
Direct costs		10,764,925
Amortization of contracts in process		134,394
		10,899,319
Gross Profit		15,647,031
Operating Expenses		
Product development		5,270,073
Sales and marketing		4,595,073
General and administrative		5,113,030
Depreciation and amortization		8,278,848
		23,257,024
Operating Loss		(7,609,993)
Other Income (Expense)		
Interest expense		(335,407)
Interest income		422
Goodwill impairment loss		(23,367,000)
Other		51,517
		(23,650,468)
Net Loss	$	(31,260,461)

See Notes to Financial Statements

HealthMEDX, LLC
Statement of Members' Equity
Year Ended December 31, 2015

	Preferred Membership Units	Retained Members' Deficit	Total
Balance, December 31, 2014	$ 56,000,000	$ (16,185,960)	$ 39,814,040
Net loss	—	(31,260,461)	(31,260,461)
Balance, December 31, 2015	$ 56,000,000	$ (47,446,421)	$ 8,553,579

See Notes to Financial Statements

HealthMEDX, LLC
Statement of Cash Flows
Year Ended December 31, 2015

Operating Activities		
Net loss	$	(31,260,461)
Items not requiring cash		
Depreciation and amortization		8,413,242
Payment-in-kind interest		278,761
Provision for doubtful accounts		753,871
Goodwill impairment loss		23,367,000
Changes in		
Accounts receivable and unbilled revenue		542,060
Accounts payable and accrued expenses		(565,172)
Deferred revenues		498,219
Other current assets		(71,039)
Net cash provided by operating activities		1,956,481
Investing Activities		
Purchase of property and equipment		(433,749)
Payment for capitalized software development costs		(1,877,348)
Net cash used in investing activities		(2,311,097)
Financing Activities		
Principal payments on long-term capital lease obligations		(731,019)
Net cash used in financing activities		(731,019)
Decrease in Cash and Cash Equivalents		(1,085,635)
Cash and Cash Equivalents, Beginning of Year		4,685,737
Cash and Cash Equivalents, End of Year	$	3,600,102
Supplemental Cash Flows Information		
Cash paid during the period for		
Interest expense	$	56,207
Non-cash transactions		
Capital lease obligation incurred for equipment		966,307

See Notes to Financial Statements

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

HealthMEDX, LLC (the Company) was formed in 2011 to acquire substantially all of the assets and liabilities of HealthMEDX, Inc., the predecessor company. The Company earns revenues predominately from sales of subscriptions, perpetual licenses and related maintenance to software products and solutions and from providing related implementation, training and other consulting services for long-term care, home health, hospice and rehabilitation organizations. The Company's proprietary software, HealthMEDX Vision, provides a comprehensive solution to automate customer relationship management and clinical electronic health records. The Company is headquartered in Ozark, Missouri.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2015, cash equivalents consisted primarily of a money market account.

At December 31, 2015, the Company's cash accounts exceeded federally insured limits by approximately $3,912,000.

The Company's cash accounts were secured by short-term equities and bonds of $3,595,000 at December 31, 2015.

Accounts Receivable

Accounts receivable are stated at the amount billed to customers plus any accrued and unpaid interest. The Company provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. Accounts receivable are presented net of amounts remitted to third-party vendors. The amount related to third-party receivables totaled approximately $225,000 at December 31, 2015.

Property and Equipment

Property and equipment acquisitions are stated at cost less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Computer hardware	3 years
Furniture and fixtures	5 years
Leasehold improvements	3 - 7 years

Software Development Costs

In accordance with the provisions of Accounting Standards Codification (ASC) 985, *Accounting for the Costs of Computer Software to Be Sold, Leased or Otherwise Marketed*, costs incurred internally in creating computer software products are expensed in the period incurred until technological feasibility has been established which is typically evidenced by a working model. Thereafter and until general release, the Company uses professional judgment to capitalize applicable software development costs. Amortization of capitalized software development costs commences upon commercial release of the products at the greater of the ratio of current product revenue to the total of current and anticipated product revenue or on a straight-line basis over the estimated economic life of the software, which the Company has determined to be three years.

Goodwill

The Company applies the accounting alternative provided in ASU 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill.* Under this alternative, goodwill is amortized on a straight-line basis over ten years. The Company evaluates the recoverability of the carrying value of goodwill at the entity level whenever events or circumstances indicate the carrying amount may not be recoverable.

In the instance of a triggering event requiring the Company to test goodwill for impairment, the Company has the option first to perform a qualitative assessment to determine whether it is more likely than not that goodwill is impaired or the entity can bypass the qualitative assessment and proceed directly to the quantitative test by comparing the carrying amount, including goodwill, of the entity with its fair value. The goodwill impairment loss, if any, is measured as the amount by which the carrying amount of an entity, including goodwill, exceeds its fair value. Subsequent increases in goodwill value are not recognized in the financial statements.

Intangible Assets

Intangible assets are being amortized on the straight-line basis over periods ranging from three to fifteen years. Such assets are periodically evaluated as to the recoverability of their carrying values.

Long-lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the year ended December 31, 2015.

Income Taxes

The Company is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is reported to the individual members for inclusion in their respective tax returns and no provision for federal and state income taxes has been included in the accompanying financial statements.

Revenue Recognition

Revenues are derived primarily from the sale of software licenses, subscriptions and related services, support and maintenance.

The Company accounts for multiple-element arrangements in accordance with industry-specific accounting guidance for software and software-related transactions. Revenue on arrangements that include multiple elements such as software and services is allocated to each element based on the relative selling price of each element. Each element's allocated revenue is recognized when the revenue recognition criteria for that element have been met. Selling price is generally determined by vendor-specific objective evidence (VSOE), which is based on the price charged when each element is sold separately. When VSOE is not available for an element of the arrangement, selling price is generally determined using third-party evidence (TPE), which is based on the price charged by a competitor for a largely interchangeable product in a standalone sale to a similarly situated customer. When neither VSOE or TPE are available for non-software elements, management will determine its best estimate of the selling price of the element.

The Company recognizes revenue in accordance with the provisions of Statement of Position (SOP) 97-2, *Software Revenue Recognition,* as amended by SOP 98-4 and SOP 98-9, and which were subsequently incorporated into ASC Topic 985. Amounts relating to completed contracts not yet billed are classified as unbilled revenue. Billings on uncompleted contracts are classified as deferred revenue. ASC 985 generally requires revenue earned on software arrangements involving multiple elements to be allocated to each element based on the relative fair values of those elements.

For software elements, the Company utilizes the residual method prescribed in ASC 985 to allocate revenue to each element based on its respective fair value, with the fair value for undelivered elements determined by the price charged when that element is sold separately. Under the residual method, the amount of revenue allocated to the delivered items equals the total consideration less the aggregate fair value of the undelivered items. If evidence of the fair value cannot be established for the undelivered elements of a license agreement, the entire amount of revenue under the arrangement is deferred until these elements have been delivered or objective evidence of the fair value of the undelivered elements can be established.

The Company provides implementation services that are deemed not to be essential to the functionality of the software. Fair value is determined based on the hourly rates when similar services are sold apart from a software license. Accordingly, these services are considered delivered and recognizable as they are performed as allowed by ASC 985.

Revenue from ongoing software support and maintenance is recognized ratably over the contracted maintenance term. Fair value is determined based on renewal rates in the contract. Revenue on custom programming is recognized as performed.

The application of this revenue recognition guidance considers multiple factors that may vary depending upon the unique facts and circumstances related to each deliverable.

Research and Development

Research and development costs are expensed as incurred. During the year ended December 31, 2015, the Company incurred approximately $1,767,000 of research and development costs.

Equity Award Plan

At December 31, 2015, the Company has a share-based employee compensation plan, which is described more fully in *Note 7*.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying statement of operations on a net basis.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Note 2:Property and Equipment

Property and equipment consists of the following at December 31, 2015:

Computer hardware/software	$	5,129,801
Furniture and fixtures		137,422
Leasehold improvements		235,556
		5,502,779
Less accumulated depreciation and amortization		3,475,418
Property and equipment, net	$	2,027,361

Depreciation and amortization expense for the year ended December 31, 2015 was approximately $987,000.

Note 3:Intangible Assets and Goodwill

The carrying basis and accumulated amortization of recognized intangible assets at December 31, 2015 were:

	2015		
	Gross Carrying Amount	Accumulated Amortization	Amortization Period
Software intangible assets			
Software development costs acquired	$ 7,000,000	$ 7,000,000	4 years
Software development costs capitalized	7,310,182	3,672,431	3 years
	14,310,182	10,672,431	
Other intangible assets			
Customer relationships	4,631,969	1,567,255	12 years
Trade name	2,000,000	541,370	15 years
Non-compete agreement	380,000	308,581	5 years
Contracts in process	5,508,126	5,508,126	1 - 3 years
	12,520,095	7,925,332	
Goodwill	16,544,496	7,274,208	10 years
	$ 43,374,773	$ 25,871,971	

Amortization expense for the year ended December 31, 2015 was approximately $7,427,000. This included amortization of a discount of deferred revenue relating to value assigned to customers acquired from the predecessor company. Estimated amortization expense for each of the following five years and thereafter is:

2016	$ 3,393,365
2017	2,586,055
2018	2,366,879
2019	1,876,728
2020	3,803,417
Thereafter	3,476,358
	$ 17,502,802

The weighted average of the remaining useful life of the above intangible assets was 8.26 years at December 31, 2015.

The changes in the gross carrying amount of goodwill for the year ended December 31, 2015 were:

Balance as of January 1	
Goodwill	$ 39,911,496
Impairment loss	(23,367,000)
Ending Balance	$ 16,544,496

In 2015, the Company determined goodwill had been impaired and recorded a non-cash charge of $23,367,000.

Nonrecurring Fair Value Measurement

Fair value is the defined price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must be classified within a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs are supported by little or no market activity and are significant to the fair value of the assets or liabilities

The 2015 goodwill impairment is the Company's only fair value measurement recognized in the accompanying balance sheet on a nonrecurring basis. The valuation for the fair value of goodwill is completed by the Vice President of Finance through the use of an independent valuation firm. Valuations and significant inputs developed by the independent valuation firm are reviewed by the Vice President of Finance for accuracy and reasonableness compared to the changes in management's assumptions since the Company was acquired on December 9, 2011. These changes, using the Level 3 inputs as described above, related to increased market pressures resulting in reduced revenues and bookings experience by the Company, as well as other factors. The valuation also considered operating profits and cash flows that were lower than expected in 2015. The fair value of the business was estimated using the present value of expected future cash flows.

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in nonrecurring Level 3 fair value measurements at December 31, 2015.

	Valuation Technique	Unobservable Input	Range of Inputs
Goodwill	Market Comparison	EBITDA multiple	10.4x
	Discounted Cash Flow	Weighted average cost of capital	15.5%
	Discounted Cash Flow	Long-term growth rate	4.0%

Note 4:Long-term Debt

Notes payable, including the note with related party further discussed in *Note 8*, at December 31, 2015 consists of the following:

Note payable, ACD Holdings, Inc. (A)	$	10,400,000
Capital leases (B)		1,321,554
		11,721,554
Less current maturities		667,703
	$	11,053,851

(A) Note payable to former owners; unpaid principal and interest due on December 9, 2016; interest accruing at an annual rate of 2.5% and payable in arrears annually beginning on December 9, 2012; deferred interest payable of $1,029,177 included in current liabilities at December 31, 2015; note is subject to express subordination described below; secured by substantially all assets of the Company.

(B) Capital leases include leases covering data processing equipment and software; monthly payments ranging from $6,507 to $29,462; expiring on various dates between 2016-2018.

The note payable to ACD Holdings, Inc. is expressly subordinated to any indebtedness (senior indebtedness) of the Company except for indebtedness from related parties, capital leases and other specific instruments. This subordination results in the deferral of required principal payments on the note payable until the senior indebtedness is paid in full or in the event of Company liquidation. When under subordination to senior indebtedness, interest is payable quarterly at the default rate of the senior indebtedness but not to exceed 7.5%.

On March 11, 2016, the Company entered into a revolving line of credit with bank for the use of proceeds up to $5,000,000. Interest is payable at a variable rate based on the sum of prime rate, applicable LIBOR index and applicable margin but not less than 2.5%. The revolving line matures on March 11, 2018.

The note payable to ACD Holdings, Inc. is subordinated to the revolving line senior indebtedness resulting in the classification of note payable as long-term. All accrued and outstanding interest remains currently payable by December 31, 2016.

Aggregate annual maturities of long-term debt and payments on capital lease obligations at December 31, 2015 are:

	Long-term Debt (Excluding Leases)	Capital Lease Obligations
2016	$ —	$ 718,756
2017	—	533,629
2018	10,400,000	143,774
	10,400,000	1,396,159
Less amount representing interest	—	74,605
Present value of future minimum lease payments	$ 10,400,000	$ 1,321,554

Property and equipment include the following property under capital lease:

Computer hardware/software	$ 3,655,936
Less accumulated depreciation and amortization	2,320,858
	$ 1,335,078

Note 5:Operating Leases

In addition to the office space discussed in *Note 8*, the Company leases office facilities under long-term, noncancelable operating leases. The majority of these leases contain renewal options.

Future minimum lease payments, including the related-party lease discussed in *Note 8*, for each of the next three years as of December 31, 2015 were:

2016	$ 476,011
2017	389,438
2018	202,098
	$ 1,067,547

In addition to base rentals, the Company is generally responsible for its proportionate share of utilities, property taxes and maintenance. Total rent expense was approximately $552,000 for the year ended December 31, 2015.

Note 6:Profit-sharing Plan

The Company maintains an employee retirement plan under which employees may defer a portion of their annual compensation, pursuant to Section 401(k) of the Internal Revenue Code. The Company matches employee contributions up to 50% of elective deferrals, limited to $1,200 per year. Contributions to the plan charged to expense were $83,579 for the year ended December 31, 2015.

Note 7:Equity Award Plan

On December 9, 2011, the Company started an incentive equity plan (the Plan), which as amended, permits the grant of 122,654 Common Units to employees or other individuals providing services to the Company. Upon the issuance of any Common Units through the Plan, management specifies a distribution threshold which is at least equal to the minimum amount determined by management to be necessary to cause the Units to constitute a profits interest. Awards generally vest over five years and are intended to entitle the recipient to a distribution of the Company's profits accrued after the date of issuance. A total of 106,570 Units were granted as of December 31, 2015. The Company accounts for this plan under the provisions of Accounting Standards Codification (ASC) Topic 718. No fair value disclosures with respect to equity awards are presented because, in the opinion of management, such values do not have a material effect.

Note 8:Related Party Transactions

The Company leases an office space from an entity controlled by the former owners, including a current executive of the Company. The lease expires in 2018. Total rental payments made to this affiliated entity were $225,600 during 2015.

The Company has a note payable with the same affiliated entity noted above. The note is more fully explained in *Note 4*. Accrued interest payable of $1,029,177 is included in current liabilities at December 31, 2015. All accrued and outstanding interest is payable in December 2016.

Note 9:Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

General Litigation

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations and cash flows of the Company.

Other Estimates

The Company has other significant estimates for the allowance for doubtful accounts and impairment of intangible assets, both of which are described in *Note 1*. Events could occur that would change these estimates materially in the near term.

Exhibit 99.2

HealthMEDX, LLC

Financial Statements

For the Three and Nine Month Period Ended September 30, 2016

(Unaudited)

HealthMEDX, LLC

Contents

Financial Statements (Unaudited):

HealthMEDX, LLC
Balance Sheets
(Unaudited)

	September 30, 2016	December 31, 2015
Assets		
Current Assets		
Cash and cash equivalents	$ 4,869,325	$ 3,600,102
Accounts receivable, net of allowance; 2016 – $230,000, 2015 – $825,000	3,758,369	4,070,879
Unbilled revenue	485,076	610,568
Prepaid expenses and other	569,017	519,277
Total current assets	9,681,787	8,800,826
Property and Equipment, at Cost		
Less Accumulated Depreciation and Amortization	1,895,375	2,027,361
Other Assets		
Goodwill, net of accumulated amortization	8,401,198	9,270,288
Other intangible assets, net	4,148,265	4,594,763
Software intangible assets, net	4,230,997	3,637,751
	16,780,460	17,502,802
Total assets	$ 28,357,622	$ 28,330,989
Liabilities and Members' Equity		
Current Liabilities		
Current maturities of capital lease obligations	$ 836,345	$ 667,703
Accounts payable	466,919	441,760
Accrued expenses	975,194	802,609
Accrued interest on related party note payable	1,260,891	1,029,177
Deferred revenues	4,364,902	5,782,310
Total current liabilities	7,904,251	8,723,559
Related Party Note Payable	10,400,000	10,400,000
Capital Lease Obligations	551,081	653,851
Members' Equity		
Preferred membership units (aggregate 9% preferred return; $30,199,686 at September 30, 2016 and $24,593,532 at December 31, 2015)	56,000,000	56,000,000
Retained members' deficit	(46,497,710)	(47,446,421)
Total members' equity	9,502,290	8,553,579
Total liabilities and members' equity	$ 28,357,622	$ 28,330,989

See Notes to Financial Statements

HealthMEDX, LLC
Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Revenues	$ 7,919,000	$ 6,584,709	$ 20,764,756	$ 19,619,784
Cost of Revenues				
Direct costs	2,278,000	2,608,000	7,078,000	8,152,000
Amortization of contracts in process	-	33,599	-	100,796
	2,278,000	2,641,599	7,078,000	8,252,796
Gross Profit	5,641,000	3,943,110	13,686,756	11,366,988
Operating Expenses				
Product development	841,222	1,223,780	3,245,000	3,918,057
Sales and marketing	674,000	978,000	2,229,000	3,347,000
General and administrative	1,372,000	1,146,000	3,186,002	3,551,338
Depreciation and amortization	1,284,516	2,195,795	3,812,264	6,644,625
	4,171,738	5,543,575	12,472,266	17,461,020
Operating Income (Loss)	1,469,262	(1,600,465)	1,214,490	(6,094,032)
Other Income (Expense)				
Interest expense	(87,596)	(81,684)	(265,844)	(245,901)
Interest income	-	97	66	330
	(87,596)	(81,587)	(265,778)	(245,571)
Net Income (Loss)	$ 1,381,666	$ (1,682,052)	$ 948,712	$ (6,339,603)

See Notes to Financial Statements

HealthMEDX, LLC
Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Operating Activities		
Net income (loss)	$ 948,712	$ (6,339,603)
Items not requiring cash		
Depreciation and amortization	3,812,264	6,745,421
Payment-in-kind interest	231,715	226,063
Provision for doubtful accounts	(98,496)	245,888
Changes in		
Accounts receivable and unbilled revenue	1,021,575	2,396,314
Accounts payable and accrued expenses	197,745	(774,965)
Deferred revenues	(1,417,408)	(860,582)
Other current assets	(556,104)	(893,460)
Net cash provided by operating activities	4,140,003	745,076
Investing Activities		
Purchase of property and equipment	(210,036)	(420,223)
Payment for capitalized software development costs	(2,112,480)	(1,350,313)
Net cash used in investing activities	(2,322,516)	(1,770,536)
Financing Activities		
Principal payments on long-term capital lease obligations	(548,264)	(493,940)
Net cash used in financing activities	(548,264)	(493,940)
Increase (decrease) in Cash and Cash Equivalents	1,269,223	(1,519,400)
Cash and Cash Equivalents, Beginning of Year	3,600,102	4,685,737
Cash and Cash Equivalents, End of Year	$ 4,869,325	$ 3,166,337

See Notes to Financial Statements

Note 1:Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

HealthMEDX, LLC (the "Company") was formed in 2011 to acquire substantially all of the assets and liabilities of HealthMEDX, Inc., the predecessor company. The Company earns revenues predominately from sales of subscriptions, perpetual licenses and related maintenance to software products and solutions and from providing related implementation, training and other consulting services for long-term care, home health, hospice and rehabilitation organizations. The Company's proprietary software, HealthMEDX Vision, provides a comprehensive solution to automate customer relationship management and clinical electronic health records. The Company is headquartered in Ozark, Missouri.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unaudited Interim Financial Information

The unaudited interim financial statements as of and for the three and nine months ended September 30, 2016 and 2015 have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial reporting. These interim financial statements are unaudited and, in the opinion of our management, include all adjustments, consisting of normal recurring adjustments and accruals, necessary to present fairly the consolidated financial statements for the periods presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The results of operations for the three and nine months ended September 30, 2016 are not necessarily indicative of the results to be expected for the full year ending December 31, 2016.

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with the SEC's rules and regulations for interim reporting, although the Company believes that the disclosures made are adequate to make that information not misleading. These unaudited interim financial statements should be read in conjunction with the financial statements and related notes for the year ended December 31, 2015.

Significant Accounting Policies

There have been no changes to our significant accounting policies from those disclosed in our financial statements and related notes for the year ended December 31, 2015.

Note 2:Intangible Assets and Goodwill

The carrying basis and accumulated amortization of recognized intangible assets at September 30, 2016 and December 31, 2015 were:

	September 30, 2016		December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Amortization Period
Software intangible assets					
Software development costs acquired	$ 7,000,000	$ 7,000,000	$ 7,000,000	$ 7,000,000	4 years
Software development costs capitalized	9,422,662	5,191,665	7,310,182	3,672,431	3 years
	16,422,662	12,191,665	14,310,182	10,672,431	
Other intangible assets					
Customer relationships	4,631,969	1,856,753	4,631,969	1,567,255	12 years
Trade name	2,000,000	641,370	2,000,000	541,370	15 years
Non-compete agreement	380,000	365,581	380,000	308,581	5 years
Contracts in process	5,508,126	5,508,126	5,508,126	5,508,126	1 - 3 years
	12,520,095	8,371,830	12,520,095	7,925,332	
Goodwill	16,544,496	8,143,298	16,544,496	7,274,208	10 years
	$ 45,487,253	$ 28,706,793	$ 43,374,773	$ 25,871,971	

Amortization expense for the three and nine months ended September 30, 2016 was $937,488 and $2,834,821, respectively. Amortization expense for the three and nine months ended September 30, 2015 was $2,006,883 and $6,034,096, respectively. This included amortization of a discount of deferred revenue relating to value assigned to customers acquired from the predecessor company. Estimated amortization expense for each of the following five years and thereafter is:

2017	3,996,387
2018	3,777,211
2019	3,287,060
2020	3,803,417
2021 and thereafter	1,916,385
	$ 16,780,460

Note 3:Long-term Debt

Notes payable, including the note with related party further discussed in *Note 5*, at September 30, 2016 and December 31, 2015 consists of the following:

	September 30, 2016	December 31, 2015
Note payable, ACD Holdings, Inc. (A)	$ 10,400,000	$ 10,400,000
Capital leases (B)	1,387,426	1,321,554
	11,787,426	11,721,554
Less current maturities	836,345	667,703
	$ 10,951,081	$ 11,053,851

(A) Note payable to former owners; unpaid principal and interest due on December 9, 2016; interest accruing at an annual rate of 2.5% and payable in arrears annually beginning on December 9, 2012; deferred interest payable of $231,715 and $1,029,177, included in current liabilities at September 30, 2016 and December 31, 2015, respectively; note is subject to express subordination described below; secured by substantially all assets of the Company.

(B) Capital leases include leases covering data processing equipment and software; monthly payments ranging from $6,782 to $30,855; expiring on various dates between 2017-2019.

The note payable to ACD Holdings, Inc. is expressly subordinated to any indebtedness (senior indebtedness) of the Company except for indebtedness from related parties, capital leases and other specific instruments. This subordination results in the deferral of required principal payments on the note payable until the senior indebtedness is paid in full or in the event of Company liquidation. When under subordination to senior indebtedness, interest is payable quarterly at the default rate of the senior indebtedness but not to exceed 7.5%.

On March 11, 2016, the Company entered into a revolving line of credit with bank for the use of proceeds up to $5,000,000. Interest is payable at a variable rate based on the sum of prime rate, applicable LIBOR index and applicable margin but not less than 2.5%. The revolving line matures on March 11, 2018.

The note payable to ACD Holdings, Inc. is subordinated to the revolving line senior indebtedness resulting in the classification of note payable as long-term. All accrued and outstanding interest remains currently payable by September 30, 2016.

Aggregate annual maturities of long-term debt and payments on capital lease obligations at September 30, 2016 are:

	Long-term Debt (Excluding Leases)	Capital Lease Obligations
Remainder of 2016	$ —	$ 192,144
2017	—	782,606
2018	10,400,000	421,794
2019	—	41,496
	10,400,000	1,438,040
Less amount representing interest	—	50,615
Present value of future minimum lease payments	$ 10,400,000	$ 1,387,425

Property and equipment include the following property under capital lease:

	September 30, 2016	December 31, 2015
Computer hardware/software	$ 5,779,546	$ 3,655,936
Less accumulated depreciation and amortization	3,884,171	2,320,858
	$ 1,895,375	$ 1,335,078

Note 4:Equity Award Plan

On December 9, 2011, the Company started an incentive equity plan (the Plan), which as amended, permits the grant of 122,654 Common Units to employees or other individuals providing services to the Company. Upon the issuance of any Common Units through the Plan, management specifies a distribution threshold which is at least equal to the minimum amount determined by management to be necessary to cause the Units to constitute a profits interest. Awards generally vest over five years and are intended to entitle the recipient to a distribution of the Company's profits accrued after the date of issuance. A total of 98,325 Units were granted as of September 30, 2016. The Company accounts for this plan under the provisions of Accounting Standards Codification (ASC) Topic 718. No fair value disclosures with respect to equity awards are presented because, in the opinion of management, such values do not have a material effect.

Note 5:Related Party Transactions

The Company leases an office space from an entity controlled by the former owners, including a current executive of the Company. The lease expires in 2018. Total rental payments made to this affiliated entity were $56,400 and $169,200 for both the three and nine months ended September 30, 2016 and 2015, respectively.

The Company has a note payable with the same affiliated entity noted above. The note is more fully explained in *Note 3*. Accrued interest payable of $231,715 and $1,029,177 is included in current liabilities at September 30, 2016 and December 31, 2015, respectively. All accrued and outstanding interest is payable in December 2016.

Note 6:Subsequent Events

On October 27, 2016, the Company was acquired by Netsmart, Inc., a Delaware corporation ("***Netsmart***") for a purchase price of $36,295,000, subject to customary adjustments for net debt, working capital and transaction expenses. The Company unitholders are also entitled to earn up to an additional $3,500,000 based on the Company achieving certain revenue milestones in 2017, all on the terms and conditions set forth in the definitive agreement regarding the acquisition.

Exhibit 99.3

Allscripts Healthcare Solutions, Inc.
Unaudited Pro Forma Condensed Combined Financial Information

We derived the following unaudited pro forma condensed combined financial information by applying pro forma adjustments attributable to the HealthMEDX, LLC (“HealthMEDX”) acquisition to our historical condensed consolidated financial statements and the HealthMEDX financial statements included in this Form 8-K/A. The unaudited pro forma condensed combined balance sheet gives pro forma effect to the HealthMEDX acquisition as if it had occurred on September 30, 2016. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2015 and the interim nine-month period ended September 30, 2016, give effect to the HealthMEDX acquisition as if it had occurred on January 1, 2015.

We also acquired Netsmart, Inc. (“Netsmart”) on April 19, 2016. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2015 and the interim nine-month period ended September 30, 2016, also give effect to the Netsmart acquisition as if it had occurred on January 1, 2015 by applying pro forma adjustments attributable to the Netsmart acquisition to our historical condensed consolidated financial statements and the Netsmart financial statements included in this Form 8-K/A. The unaudited pro forma condensed combined statement of operations for the interim nine-month period ended September 30, 2016 include Netsmart’s historical results for the period from January 1, 2016 to April 19, 2016. The pro forma adjustments attributable to the Netsmart acquisition have been updated to include measurement period adjustments recorded subsequent to the filing of Form 8-K/A on July 5, 2016, which contained pro-forma disclosure for the Netsmart acquisition completed on April 19, 2016. Such subsequent adjustments are disclosed in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016.

We describe the assumptions underlying the pro forma adjustments in the accompanying notes to unaudited pro forma condensed combined financial information, which should be read in conjunction with the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information is for illustrative and informational purposes only and should not be considered indicative of the results that would have been achieved had the transactions been consummated on the dates or for the periods indicated and do not purport to represent consolidated balance sheet data or statement of operations data or other financial data as of any future date or any future period.

The unaudited pro forma condensed combined financial information should be read in conjunction with our historical consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016. The unaudited pro forma condensed combined financial information should also be read in conjunction with the historical financial statements of Netsmart for the year ended December 31, 2015 and the interim historical unaudited financial statements of Netsmart for the quarterly period ended March 31, 2016, as well as the pro-forma disclosure for the Netsmart acquisition completed on April 19, 2016, in each case included in our Current Report on Form 8-K/A filed on July 5, 2016, and subsequent measurement period adjustments to such pro forma adjustments disclosed in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016. The unaudited pro forma condensed combined financial information should also be read in conjunction with the historical financial statements of HealthMEDX for the year ended December 31, 2015 and the interim historical unaudited financial statements of HealthMEDX for the nine-month period ended September 30, 2016, both of which are included in this Form 8-K/A.

Allscripts Healthcare Solutions, Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet
As of September 30, 2016
(In thousands)

	Allscripts Historical (a)	HealthMEDX Historical	HealthMEDX Pro Forma Adjustments		Pro Forma Allscripts and HealthMEDX Combined
ASSETS					
Current assets:					
Cash and cash equivalents	$ 77,251	$ 4,869			$ 82,120
Accounts receivable, net	400,101	3,759			403,860
Prepaid expenses and other current assets	112,416	1,054	(73)	(e)	113,397
Total current assets	589,768	9,682	(73)		599,377
Long-term marketable securities	197,250	0			197,250
Fixed assets, net	144,804	1,895	(1,257)	(b)	145,442
Intangible assets and capitalized software development costs, net	870,800	8,379	12,561	(c)	891,740
Goodwill	1,882,244	8,401	1,007	(d)	1,891,652
Deferred taxes, net	2,974	0			2,974
Other assets	122,297	-			122,297
Total assets	$ 3,810,137	$ 28,357	$ 12,238		$ 3,850,732
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 93,236	467			$ 93,703
Accrued expenses	85,336	2,236	(1,125)	(f)(i)	86,447
Accrued compensation and benefits	52,773	0			52,773
Deferred revenue	370,821	4,365	(2,930)	(g)	372,256
Current maturities of long-term debt - Allscripts	12,051	0			12,051
Non-recourse current maturities of long-term debt - Netsmart	1,337	0			1,337
Current maturities of capital lease obligations	9,957	836			10,793
Total current liabilities	625,511	7,904	(4,055)		629,360
Long-term debt - Allscripts	663,089	0			663,089
Non-recourse long-term debt - Netsmart	533,589	0	36,195	(h)	569,784
Related party note payable	0	10,400	(10,400)	(i)	-
Long-term capital lease obligations	13,096	551			13,647
Deferred revenue	18,155	0			18,155
Deferred taxes, net	155,860	0			155,860
Other liabilities	52,928	0			52,928
Total liabilities	2,062,228	18,855	21,740		2,102,823
Redeemable convertible non-controlling interest - Netsmart	377,494	0			377,494
Stockholders' equity (deficit)	1,370,415	9,502	(9,502)	(l)	1,370,415
Total liabilities and stockholders' equity	$ 3,810,137	$ 28,357	$ 12,238		$ 3,850,732

See Notes to Unaudited Pro Forma Condensed Combined Financial Information

Allscripts Healthcare Solutions, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year ended December 31, 2015
(In thousands, except per share data)

	Allscripts Historical	Netsmart Historical	Netsmart Pro Forma Adjustments (a)	HealthMEDX Historical	HealthMEDX Pro Forma Adjustments	Pro Forma Allscripts, Netsmart and HealthMEDX Combined
Revenue	$1,386,393	$ 205,344	$ (23,677) (g)	$ 26,546	$ (1,866) (g)	$ 1,579,848
			(12,892) (m)			
Costs and expenses:						
Cost of revenue	805,828	103,419	(12,797) (m)	10,899	2,138 (c)	930,419
			8,301 (c)			
			12,631 (n)			
Research and development	184,791	23,230	(12,631) (n)	5,270		200,660
Selling, general and administrative expenses	363,891	83,932	(5,711) (b)	17,987	(575) (b)	457,162
			565 (c)		(7,216) (c)	
			(1,029) (o)		(86) (o)	
			5,404 (p)			
Total costs and expenses	1,354,510	210,581	(5,267)	34,156	(5,739)	1,588,241
Income (loss) from operations	31,883	(5,237)	(31,302)	(7,610)	3,873	(8,393)
Interest expense	(31,396)	(28,917)	(26,554) (q)	(335)	(2,332) (q)	(89,534)
Goodwill impairment loss	0	0		(23,367)		(23,367)
Other income, net	83	0		52		135
Income (loss) before income taxes	570	(34,154)	(57,856)	(31,260)	1,541	(121,159)
Income tax (provision) benefit	(2,626)	13,102	23,142 (r)	0	(616) (r)	33,002
Net (loss) income	(2,056)	(21,052)	(34,714)	(31,260)	925	(88,157)
Net income attributable to non-controlling interest	(170)	0	0	0	0	(170)
Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	0	0	(40,764) (j)	0	0	(40,764)
Net loss attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ (2,226)	$ (21,052)	$ (75,478)	$ (31,260)	$ 925	$ (129,091)
Loss per share - basic attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ (0.01)					$ (0.70)
Loss per share - diluted attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ (0.01)					$ (0.70)
Weighted-average shares outstanding:						
Basic	185,082					185,082
Diluted	185,082					185,082

See Notes to Unaudited Pro Forma Condensed Combined Financial Information

Allscripts Healthcare Solutions, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Nine Months ended September 30, 2016
(In thousands, except per share data)

	Allscripts Historical	Netsmart Historical for Period 1/1/16 to 4/19/16	Netsmart Pro Forma Adjustments (a)	HealthMEDX Historical	HealthMEDX Pro Forma Adjustments	Pro Forma Allscripts, Netsmart and HealthMEDX Combined
Revenue	$1,124,463	$ 62,302	$ 19,943 (g)	$ 20,765	$ (61) (g)	$ 1,218,892
			(8,520) (m)			
Costs and expenses:						
Cost of revenue	639,722	33,554	(8,450) (m)	7,078	1,518 (c)	678,405
			3,083 (c)			
			1,900 (n)			
Research and development	140,070	5,984	(1,900) (n)	3,245		147,399
Selling, general and administrative expenses	297,327	72,708	(2,784) (b)	9,227	(766) (b)	321,163
			6,041 (c)		(2,496) (c)	
			(52,627) (o)		(63) (o)	
			(5,404) (p)			
Total costs and expenses	1,077,119	112,246	(60,141)	19,550	(1,807)	1,146,967
Income (loss) from operations	47,344	(49,944)	71,564	1,215	1,746	71,925
Interest expense	(42,757)	(17,363)	4,268 (q)	(266)	(1,672) (q)	(57,790)
Other (expense) income, net	(7,035)	0		0		(7,035)
(Loss) income before income taxes	(2,448)	(67,307)	75,832	949	74	7,100
Income tax benefit (provision)	2,596	20,818	(30,333) (r)	-	(30) (r)	(6,949)
Net income (loss)	148	(46,489)	45,499	949	44	151
Net income attributable to non-controlling interest	(142)	0	0	0	0	(142)
Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	(18,344)	0	(15,535) (j)	0	0	(33,879)
Net loss attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ (18,338)	$ (46,489)	$ 29,964	$ 949	$ 44	$ (33,870)
Loss per share - basic attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ (0.10)					$ (0.18)
Loss per share - diluted attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ (0.10)					$ (0.18)
Weighted-average shares outstanding:						
Basic	187,190					187,190
Diluted	187,190					187,190

See Notes to Unaudited Pro Forma Condensed Combined Financial Information

Allscripts Healthcare Solutions, Inc.

Notes to Unaudited Pro Forma Condensed Combined Financial Information
(In thousands)

1. Basis of Pro Forma Presentation

The historical consolidated financial statements have been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the Netsmart and HealthMEDX acquisitions, (2) factually supportable, and (3) with respect to the pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results following the acquisitions.

Both the Netsmart and HealthMEDX acquisitions are being accounted for under the acquisition method of accounting in accordance with Accounting Standards Codification Topic 805, *Business Combinations*. As the acquirer for accounting purposes, we have estimated the fair value of Netsmart's and HealthMEDX's assets acquired and liabilities assumed. The unaudited pro forma condensed combined financial statements reflect our preliminary estimates of the allocation of the purchase price of Netsmart and HealthMEDX and other pro forma adjustments, as described below, which are based on available information and certain assumptions which we believe are reasonable but subject to change. We are in the process of completing our assessment of fair values for identifiable tangible and intangible assets, and liabilities assumed; therefore, the values set forth below are subject to adjustment during the measurement period for such activities as estimating the useful lives of long-lived assets and finite lived intangibles and finalizing the valuation of certain tangible assets and liabilities. In our opinion, all adjustments that are necessary to fairly present the pro forma information have been made.

The unaudited pro forma condensed combined financial statements do not reflect any integration activities or cost savings from operating efficiencies, synergies, asset dispositions, or other restructurings that could result from the Netsmart and HealthMEDX acquisitions.

2. Aggregate Purchase Price

The acquisition of HealthMEDX by Netsmart was completed for an aggregate consideration of $39 million as shown in the table below. The purchase price was funded by incremental term loan under Netsmart's existing credit facility and a contingent consideration payable to former HealthMEDX owners. The Netsmart term loan is non-recourse to Allscripts and its wholly-owned subsidiaries.

Purchase amount paid at closing and financed through incremental term loan - Netsmart	$	36,195
Contingent consideration payable to former HealthMEDX owners (k)		2,889
Purchase price Holdback amount		100
Aggregate purchase price of HealthMEDX, LLC	**$**	**39,184**

3. Preliminary Aggregate Purchase Price Allocation

We have performed a preliminary valuation analysis as of the acquisition date of October 27, 2016 of the fair value of HealthMEDX's assets and liabilities. The following table summarizes the allocation of the preliminary purchase price as of the acquisition date:

Cash and cash equivalents	$	489
Accounts receivable, net		3,109
Prepaid expenses and other current assets		773
Fixed assets		603
Intangible assets and capitalized software development costs, net		20,940
Goodwill		18,423
Other assets		45
Accounts payable		(668)
Accrued expenses		(1,427)
Deferred revenue		(1,792)
Current maturities of capital lease obligations		(808)
Long-term maturities of debt and capital lease obligations		(503)
Total consideration	**$**	**39,184**

4. Pro Forma Adjustments

(a) Represents the consolidated balance sheets of Allscripts and Netsmart as reflected in Allscripts Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016. The pro forma adjustments related to Netsmart's unaudited historical results for the year ended December 31, 2015 and the period from January 1, 2016 to April 19, 2016 that are reflected in the Unaudited Pro Forma Condensed Combined Statement of Operations have been updated to include measurement period adjustments recorded subsequent to the filing of Form 8-K/A on July 5, 2016. These measurement period adjustments were disclosed in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016. The Form 8-K/A filed on July 5, 2016 contained pro-forma disclosure for the Netsmart acquisition completed on April 19, 2016.

(b) Reflects the adjustment to decrease the basis in the acquired HealthMEDX fixed assets to estimated fair value. The estimated remaining weighted-average useful life is 1.5 years. The following table summarizes the changes in the estimated HealthMEDX depreciation expense:

	Year ended December 31, 2015		Nine Months ended September 30, 2016	
Estimated depreciation expense	$	412	$	190
Less: Historical depreciation expense		(987)		(956)
Pro forma adjustments to depreciation expense	**$**	**(575)**	**$**	**(766)**

The following table summarizes the changes in the estimated Netsmart depreciation expense:

	Year ended December 31, 2015		Nine Months ended September 30, 2016	
Estimated depreciation expense	$	5,964	$	4,473
Less: Historical depreciation expense		(11,675)		(7,257)
Pro forma adjustments to depreciation expense	**$**	**(5,711)**	**$**	**(2,784)**

(c) Reflects the adjustment of HealthMEDX's historical intangible assets acquired to their estimated fair values. As part of the preliminary valuation analysis, we identified intangible assets, including technology, product trademark and customer relationships. The fair value of identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of all of the expected future cash flows. The following table summarizes the estimated fair values of HealthMEDX's identifiable intangible assets and their estimated useful lives:

	Estimated Fair Value	Estimated Useful Life in Years	Year ended December 31, 2015 Amortization Expense	Nine Months ended September 30, 2016 Amortization Expense
Technology	$ 11,410	10 years	$ 2,272	$ 1,518
Product Trademark	680	10 years	78	57
Customer Relationships	8,850	14 years	-	303
Total	$ 20,940		$ 2,350	$ 1,878
Less: Historical amortization expense - Cost of Sales			(134)	-
Less: Historical amortization expense - Operating expenses			(7,294)	(2,856)
Pro forma adjustments to amortization expense - Technology			**$ 2,138**	**$ 1,518**
Pro forma adjustments to amortization expense - Customer Relationships and Trademark			**$ (7,216)**	**$ (2,496)**

Estimated future amortization expenses for the HealthMEDX definite-lived intangible assets is as follows:

Year ended December 31,	
Year 2 after acquisition	$ 2,023
Year 3 after acquisition	1,817
Year 4 after acquisition	1,598
Year 5 after acquisition	1,338
Year 6 after acquisition	1,039
Total	$ 7,815

The following table summarizes the estimated fair values of Netsmart's's identifiable intangible assets and their estimated useful lives:

	Estimated Fair Value	Estimated Useful Life in Years	Year ended December 31, 2015 Amortization Expense	Nine Months ended September 30, 2016 Amortization Expense
Technology	$ 144,000	10-12 years	$ 20,932	$ 16,011
Corporate Trademark	27,000	indefinite	-	-
Product Trademarks	8,500	10 years	757	597
Customer Relationships	230,000	12-20 years	8,038	10,677
Total	$ 409,500		$ 29,727	$ 27,285
Less: Historical amortization expense - Technology			(12,631)	(12,928)
Less: Historical amortization expense - Customer Relationships and Other			(8,230)	(5,233)
Pro forma adjustments to amortization expense - Technology			**$ 8,301**	**$ 3,083**
Pro forma adjustments to amortization expense - Customer Relationships and Product Trademarks			**$ 565**	**$ 6,041**

Estimated future amortization expenses for the Netsmart definite-lived intangible assets is as follows:

Year ended December 31,		
Year 2 after acquisition	$	35,732
Year 3 after acquisition		41,573
Year 4 after acquisition		41,311
Year 5 after acquisition		40,198
Year 6 after acquisition		36,587
Total	$	195,401

(d) Reflects adjustment to remove HealthMEDX's historical goodwill and record goodwill associated with the HealthMEDX acquisition in the amount of $9 million. This amount is different from the goodwill amount shown in Note 3 above, since it is based on the assumption that the HealthMEDX acquisition occurred on September 30, 2016 for purposes of the pro forma presentation.

(e) Adjustment to write-off capitalized future financing fees.

(f) Adjustment to write-off accrued interest associated with HealthMEDX related party note payable, which was repaid at the time of acquisition, partly offset by the recognition of unfavorable lease liability obligation.

(g) Represents the estimated adjustment to decrease the assumed deferred revenue obligations to fair value. The fair value was determined based on the estimated costs to fulfill the remaining performance obligations plus a normal profit margin. After the acquisition, this adjustment will have a continuing impact and will reduce revenue related to the assumed performance obligations as these obligations are satisfied.

(h) Reflects the new debt incurred to finance the acquisition of HealthMEDX. The new borrowings incurred by Netsmart are non-recourse to Allscripts and its wholly-owned subsidiaries.

(i) Adjustment to write-off HealthMEDX related party note payable and accrued interest, which were paid at the time of acquisition.

(j) The redeemable convertible non-controlling interest represents preferred units of Netsmart issued to GI Partners in exchange for a cash contribution and preferred units issued to Netsmart's management as part of the management rollover. The preferred units provide for a liquidation preference equal to the greater of (i) a return of the original issue price plus a preferred return (accruing on a daily basis at the rate of 11% per annum and compounding annually on the last day of each calendar year) or (ii) the as-converted value of the units. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2015 and the interim nine-month period ended September 30, 2016, give effect to the accretion of the 11% redemption preference as part of the calculation of net income (loss) attributable to Allscripts stockholders.

(k) The HealthMEDX unitholders are entitled to earn up to an additional $3,500,000 based on HealthMEDX achieving certain revenue milestones in 2017. This amount represents the present value of this contingent obligation.

(l) Represents the elimination of the historical equity of HealthMEDX.

(m) Reflects the elimination of the impact of historical transactions between Allscripts and Netsmart.

(n) Reflects the reclassification of the historical Netsmart amortization of technology from research and development expenses to cost of revenue in order to conform to Allscripts presentation.

(o) The Netsmart pro-forma adjustment reflects the elimination of the impact of the annual management fee paid by Netsmart to its former parent, plus direct expenses incurred, since such fee was terminated following the acquisition of Netsmart. In addition, the Netsmart pro-forma adjustment includes the elimination of accelerated stock-based compensation expense recognized upon the settlement of Netsmart outstanding equity-based awards at the time of acquisition. The HealthMEDX pro-forma adjustment reflects the amortization of the unfavorable lease liability obligation.

(p) Adjustment to reflect transaction-related costs incurred in connection with the Netsmart acquisition as if such acquisition occurred on January 1, 2015.

(q) The net increase to interest expense resulting from interest on the new debt incurred to finance the acquisition of HealthMEDX and the amortization of related debt issuance costs is as follows:

	Year ended December 31, 2015	Nine Months ended September 30, 2016
Elimination of historical debt-related interest expense - HealthMEDX	$ 279	$ 213
Interest expense on new incremental term loan - Netsmart	(1,983)	(1,474)
Amortization of new deferred debt issuance costs - Netsmart	(88)	(66)
Pro forma adjustments to move expensed debt issuance costs from October 2016 to January 2015 - Netsmart	(80)	-
Incremental interest expense accretion related to contingent consideration	(460)	(345)
Pro forma adjustments to interest expense	**$ (2,332)**	**$ (1,672)**

The net increase to interest expense resulting from interest on the new debt incurred to finance the acquisition of Netsmart and the amortization of related debt issuance costs is as follows:

	Year ended December 31, 2015	Nine Months ended September 30, 2016
Elimination of historical debt-related interest expense and amortization of net debt issuance costs - Netsmart	$ 26,721	$ 29,645
Interest expense on new first lien term loan - Netsmart	(22,628)	(16,821)
Interest expense on new second lien term loan - Netsmart	(17,536)	(13,152)
Interest expense on revolver borrowings - Allscripts	(956)	(717)
Amortization of new discount and debt issuance costs - Netsmart	(3,919)	(2,923)
Pro forma adjustments to move debt issuance costs write-off from April 2016 to January 2015	(8,236)	8,236
Pro forma adjustments to interest expense	**$ (26,554)**	**$ 4,268**

A 0.125% change in the variable interest rates of the additional borrowings by Allscripts and Netsmart would result in a $0.5 million and $0.4 million approximate change in net income for the year ended December 31, 2015 and the interim nine-month period ended September 30, 2016, respectively.

(r) Reflects the income tax effect of pro forma adjustments based on the estimated blended federal and state statutory rate of 40%.