

Siemens to sell its Health IT business

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Siemens sold its Health IT business to Cerner



Cerner is purchasing the health care information technology business of Siemens for \$1.3 billion.

The deal, which values the Siemens business at slightly more than a one time sale, will increase Cerner's annual revenue from about \$3 billion last year to more than \$4.5 billion this year. The combined company will have 20,000 associates in more than 30 countries, and 18,000 facilities that will be clients.

"We think scale is important," said Mr Patterson, founder, Cerner. He added, "We were the largest IT company, but this gives us a bigger, better business platform. We'll have a combined \$650 million [in research and development] spend and we think the future of healthcare computing is driven around the ability to innovate. This kind of preserves our ability to spend heavily in innovation and IT certainly for the rest of this decade."

The scale and financial heft will help Cerner continue to compete with existing rivals like Epic Systems, which is becoming a dominant force in the health information technology space, AthenaHealth, and AllScripts.