

WEBMD CORP /NEW/
Form 8-K/A
October 25, 2004

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

August 11, 2004

Date of Report (Date of earliest event reported)
WEBMD CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

0-24975

94-3236644

(State or other jurisdiction
of incorporation)

(Commission File
Number)

(I.R.S. Employer
Identification No.)

**669 River Drive, Center 2
Elmwood Park, New Jersey 07407-1361**

(Address of principal executive offices, including zip code)

(201) 703-3400

(Registrant's telephone number, including area code)

(Former name or 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 Instruction 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))
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WEBMD CORPORATION

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All statements contained in this Current Report on Form 8-K, other than statements of historical fact, are forward-looking statements, including those regarding WebMD's guidance on future financial results and other projections or measures of future performance of WebMD; the amount and timing of the benefits expected from strategic initiatives and acquisitions or from deployment of new or updated technologies, products, services or applications; and other potential sources of additional revenue. These statements are based on WebMD's current plans and expectations and involve risks and uncertainties that could cause actual future events or results to be different than those described in or implied by such forward-looking statements. These risks and uncertainties include those relating to: market acceptance of WebMD's products and services; operational difficulties relating to combining acquired companies and businesses; WebMD's ability to form and maintain mutually beneficial relationships with customers and strategic partners; changes in economic, political or regulatory conditions or other trends affecting the healthcare, Internet, information technology and plastics industries, including matters relating to the manner and timing of implementation of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the healthcare industry's responses; and the ability of WebMD to attract and retain qualified personnel. Further information about these matters can be found in WebMD's other Securities and Exchange Commission filings. WebMD expressly disclaims any intent or obligation to update these forward-looking statements.

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

On August 11, 2004, WebMD Corporation completed the previously announced acquisition of ViPS, Inc. (ViPS), a privately held provider of information technology, decision support solutions and consulting services to government, Blue Cross Blue Shield (BCBS) and commercial healthcare payers. ViPS develops and provides a full range of solutions for systems support, claims processing, provider-performance measurement, quality improvement, fraud prevention, disease management and predictive modeling.

Pursuant to the Agreement and Plan of Merger (the Merger Agreement) among ViPS, WebMD Corporation, Envoy Corporation and Valor, Inc., dated as of July 9, 2004, the acquisition was completed when Valor, Inc., which was owned by Envoy Corporation (a subsidiary of WebMD), was merged with and into ViPS, making ViPS an indirect wholly-owned subsidiary of WebMD.

In the merger, the existing shares of common stock of ViPS were converted into the right to receive a pro rata portion of the aggregate purchase price, after deductions for amounts paid to holders of preferred stock and outstanding debt, certain costs of the transaction, and certain other payments, all as provided in the Merger Agreement. The base purchase price of \$160 million was adjusted to \$168 million based on pre-closing estimates of customary post-closing purchase price adjustments. The actual amount of the adjustments will be determined, in accordance with the provisions of the Merger Agreement, beginning 60 days after the closing. A portion of the purchase price was placed into escrow at the closing. WebMD paid the purchase price from available funds on hand.

The Merger Agreement is filed as Exhibit 2.1 to this Current Report on Form 8-K and incorporated herein by reference. This summary of the provisions of the Merger Agreement is qualified in its entirety by reference to the Merger Agreement.

The terms of the Merger Agreement were determined on the basis of arms-length negotiations. Prior to the execution of the Merger Agreement, there was no material relationship between ViPS and the Registrant, any affiliate of the Registrant, or any director or officer of the Registrant, and, to the knowledge of the Registrant, there was no material relationship between ViPS and any associate of any director or officer of the Registrant.

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The Company filed a Current Report on Form 8-K with the Securities and Exchange Commission on August 19, 2004 (the Current Report) describing the Company's acquisition of VIPS, Inc. In accordance with the then current instructions to paragraphs (a)(4) of Item 7 of Form 8-K, the Current Report omitted the financial statements and pro forma financial information required by those paragraphs. The financial statements and pro forma financial information were required to be filed by amendment within 75 days of the date that the transaction was completed.

Accordingly, the Company hereby amends the Current Report to include the omitted information.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of the Business Acquired.

The audited financial statements of VIPS, Inc. as of and for the years ended December 31, 2002 and 2003 and the unaudited financial statements as of June 30, 2004 and for the six months ended June 30, 2003 and 2004 are attached as Exhibit 99.1.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined financial statements of WebMD Corporation as of and for the six months ended June 30, 2004 and for the year ended December 31, 2003 are attached as Exhibit 99.2.

(c) Exhibits.

The following exhibits are filed herewith:

- 2.1* Agreement and Plan of Merger, dated as of July 9, 2004, by and among VIPS, Inc., WebMD Corporation, Envoy Corporation and Valor, Inc. (incorporated by reference to Exhibit 2.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
- 23.1 Consent of Ernst & Young LLP.
- 99.1 Audited Financial Statements of VIPS, Inc. as of and for the years ended December 31, 2002 and 2003 and unaudited financial statements as of June 30, 2004 and for the six months ended June 30, 2003 and 2004.
- 99.2 Unaudited pro forma condensed combined financial statements of WebMD Corporation as of and for the six months ended June 30, 2004 and for the year ended December 31, 2003.

* The exhibits and schedules to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant will furnish copies of any of the exhibits and schedules to the SEC upon request.

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SIGNATURE

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

WEBMD CORPORATION

Dated: October 25, 2004

By: /s/ Lewis H. Leicher

Lewis H. Leicher
Senior Vice President

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