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Medfusion acquires Medem's iHealth PHR

By [Andis Robeznieks](#)

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Medfusion, a Cary, N.C.-based provider of patient-provider online communication solutions, has purchased the iHealth Personal Health Record and other online communication products from San Francisco-based Medem in what Medfusion founder and CEO Steve Malik described as a “primarily a stock for assets deal.”

Malik would not disclose how much Medfusion stock was exchanged, but said “We have purchased the assets known as iHealth,” and these include the Medem personal health record, iHealth Web site and secure online communication system.

Medem was founded by the American Medical Association and several other medical societies, and Malik said these organizations now have a stake in Medfusion.

“Whatever equity percentage they had in Medem, they will have that percentage in whatever stock was provided for the Medem assets,” he said.

Malik explained how the deal was driven in a large part by how patient-physician communication programs are expected to be part of the “meaningful use” requirements that will allow healthcare providers to use American Recovery and Reinvestment Act funds to purchase electronic health-record systems.

“You need a strategy to provide clients with meaningful-use criteria,” Malik said, explaining also that the deal was further driven by how payers such as Blue Cross Blue Shield of North Carolina are now reimbursing physicians for online patient consultations or “virtual visits.”

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