

INTEGRAMED AMERICA INC
Form 10-Q
May 09, 2012

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 March 31, 2012

OR

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

For the transition period from to

Commission File No. 0-20260

IntegraMed America, Inc.
(Exact name of Registrant as specified in its charter)

Delaware

06-1150326

(State or other jurisdiction of incorporation or organization)

(IRS employer identification no.)

Two Manhattanville Road

Purchase, NY

10577

(Address of principal executive offices)

(Zip code)

(914) 253-8000

(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 (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

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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 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer <input type="checkbox"/>	Accelerated Filer <input checked="" type="checkbox"/>
Non-Accelerated filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes No

The aggregate number of shares of the Registrant's Common Stock, \$.01 par value, outstanding on May 5, 2012 was approximately 11,986,713.

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CERTIFICATIONS PURSUANT TO RULE 13A-14(A), AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

EXHIBITS

CERTIFICATIONS PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

EXHIBITS

INTEGRAMED AMERICA, INC.
CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except per share and share amounts)

	March 31, 2012 (unaudited)	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$57,488	57,909
Patient and other receivables, net	7,089	6,372
Other current assets	11,437	8,602
Deferred income taxes	2,226	2,222
Total current assets	78,240	75,105
Fixed assets, net	22,316	21,288
Business service rights, net	25,056	24,114
Goodwill	30,334	30,334
Trademarks	4,442	4,442
Other assets	2,390	2,221
Total assets	\$162,778	\$157,504
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$2,432	4,037
Accrued liabilities	19,037	17,074
Current portion of long-term notes payable and other obligations	3,703	3,816
Due to Fertility Medical Practices	17,176	14,229
Attain IVF deferred revenue and other patient deposits	17,900	16,342
Total current liabilities	60,248	55,498
Long-term notes payable and other obligations	6,283	7,187
Deferred and other tax liabilities	5,048	5,277
Total liabilities	71,579	67,962
Commitments and Contingencies		
Shareholders' equity:		
Common Stock, \$.01 par value – 20,000,000 shares authorized at March 31, 2012 and at December 31, 2011, 12,023,921 and 11,894,302 issued at March 31, 2012 and December 31, 2011, 11,986,713 and 11,857,094 outstanding at March 31, 2012 and December 31, 2011, respectively	120	119
Capital in excess of par	78,499	78,156
Accumulated other comprehensive (loss)	(38)	(42)
Treasury stock, at cost – 37,208 shares at March 31, 2012 and December 31, 2011, respectively	(330)	(330)
Retained earnings	12,948	11,639
Total shareholders' equity	91,199	89,542
Total liabilities and shareholders' equity	\$162,778	157,504

See accompanying notes to consolidated financial statements.

INTEGRAMED AMERICA, INC
CONSOLIDATED STATEMENTS OF OPERATIONS
(all amounts in thousands, except per share amounts)
(unaudited)

	For the Three-month period ended March 31,	
	2012	2011
Revenues, net		
Attain Fertility Centers	\$ 51,257	\$ 48,599
Vein Clinics	19,570	15,660
Total revenues	70,827	64,259
Costs of services and sales		
Attain Fertility Centers	46,988	44,164
Vein Clinics	18,718	15,412
Total costs of services and sales	65,706	59,576
Contribution		
Attain Fertility Centers	4,269	4,435
Vein Clinics	852	248
Total contribution	5,121	4,683
General and administrative expenses	2,884	3,041
Interest income	(42)	(48)
Interest expense	105	142
Total other expenses, net	2,947	3,135
Income before income taxes	2,174	1,548
Income tax provision	865	590
Net income	\$ 1,309	\$ 958
Basic and diluted net earnings per share of Common Stock		
Basic earnings per share	\$ 0.11	\$ 0.08
Diluted earnings per share	\$ 0.11	\$ 0.08
Weighted average shares – basic	11,975	11,813
Weighted average shares - diluted	12,005	11,867

See accompanying notes to consolidated financial statements.

INTEGRAMED AMERICA, INC
 CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
 (amounts in thousand)
 (unaudited)

	For the Three-month period ended March 31,	
	2012	2011
Net income as reported	\$ 1,309	\$ 958
Unrealized gain on hedging transaction	\$ 5	20
Related Tax Benefit	(1)	(7)
Total comprehensive income	\$ 1,313	\$ 971

See accompanying notes to consolidated financial statements.

INTEGRAMED AMERICA, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(all amounts in thousands)
(unaudited)

	Common Stock				Treasury Shares		Retained Earnings	Total Equity
	Shares	Amount	Capital in Excess of Par	Accumulated Comprehensive Income (loss)	Shares	Amount		
Balance at December 31, 2011	11,894	\$ 119	\$78,156	\$ (42)	(37)	\$(330)	\$11,639	\$89,542
Stock awards granted, net	112	1	(1)	—	—	—	—	—
Restricted stock award and stock option expense amortization	—	—	292	—	—	—	—	292
Stock options exercised	18	—	52	—	—	—	—	52
Unrealized gain on hedging transaction, net	—	—	—	5	—	—	—	5
Tax effect of equity transactions	—	—	—	(1)	—	—	—	(1)
Net income for the three months ended March 31, 2012	—	—	—	—	—	—	1,309	1,309
Balance at March 31, 2012	12,024	\$ 120	\$78,499	\$ (38)	(37)	\$(330)	\$12,948	\$91,199

See accompanying notes to consolidated financial statements.

INTEGRAMED AMERICA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(all amounts in thousands)
(unaudited)

	For the Three-month period ended March 31,	
	2012	2011
Cash flows from operating activities		
Net income	\$ 1,309	\$ 958
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,086	1,910
Deferred income tax provision	(234)	126
Stock-based compensation	292	353
Changes in assets and liabilities —		
Decrease (increase) in assets		
Patient and other accounts receivable	(717)	(822)
Other current assets	(2,835)	(1,437)
Other assets	(169)	(96)
(Decrease) increase in liabilities		
Accounts payable	(1,605)	(1,181)
Accrued liabilities	1,963	1,499
Due to fertility medical practices	2,947	106
Attain IVF Deferred revenue and other patient deposits	1,558	1,280
Net cash provided by operating activities	4,595	2,696
Cash flows from investing activities:		