ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
Form DEF 14A
April 09, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨	Preliminary Proxy Statement.	¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
þ	Definitive Proxy Statement.	
¨	Definitive Additional Materials.	
¨	Soliciting Material Pursuant to §240.14a-12.	

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þNo fee required.

¨Fee computed below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1)Title of each class of securities to which transaction applies:

2)Aggregate number of securities to which transaction applies:

3)Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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222 Merchandise Mart Plaza, Suite 2024

Chicago, IL 60654

Telephone: (312) 506-1230

Facsimile: (312) 506-1201

April 9, 2013

Fellow Stockholder:

You are cordially invited to attend the Allscripts Healthcare Solutions, Inc. 2013 Annual Meeting of Stockholders on May 21, 2013 at 9:00 a.m., central time. The meeting will be held at Allscripts principal offices located at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

Today, we mailed to most of our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2013 proxy statement and annual report over the Internet and vote online. All other stockholders will continue to receive a copy of the proxy statement and annual report by mail unless they elect to receive the annual meeting materials over the Internet. The Notice and proxy statement contain instructions on how you can (i) receive a paper copy of the proxy statement and annual report, if you only received a Notice by mail, or (ii) elect to receive your proxy statement and annual report over the Internet, if you received them by mail this year.

The accompanying Notice of Internet Availability of Proxy Materials and the proxy statement describe the business to be transacted at the annual meeting and provide other information concerning Allscripts of which you should be aware when you vote your shares. All stockholders are welcome to attend the annual meeting.

Your vote is important. Whether or not you plan to attend the annual meeting, I urge you to authorize your proxy as soon as possible. You may vote by proxy on the Internet, by telephone, or by mail. Your vote will ensure your representation at the annual meeting regardless of whether you attend in person. In any event, please vote as soon as possible.

On behalf of Allscripts Board of Directors and our management team, I would like to express our appreciation for your interest in Allscripts.

Sincerely,

Paul M. Black

President & Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 21, 2013

To the Stockholders of Allscripts Healthcare Solutions, Inc.:

This proxy statement is being furnished to holders of shares of Allscripts Healthcare Solutions, Inc. (Allscripts) common stock in connection with the solicitation of proxies by the board of directors of Allscripts for use at the annual meeting of stockholders to be held on Tuesday May 21, 2013 at 9:00 a.m., central time. The meeting will be held at Allscripts principal offices located at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. The annual meeting is being held for the following purposes:

1. to elect the eight director nominees named in the proxy statement to serve until the 2014 Annual Meeting of Stockholders;

2. to approve an amendment and restatement of the Allscripts Healthcare Solutions, Inc. 2011 Stock Incentive Plan (the 2011 Stock Incentive Plan and, as amended and restated, the Amended and Restated 2011 Stock Incentive Plan) to, among other things, increase the number of shares available for grant thereunder by 2,500,000;

3. to approve, on an advisory basis, our executive compensation program;

4. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2013; and

5. to transact any and all other business that may properly come before the annual meeting or any adjourned session of the annual meeting.

The Board of Directors recommends the following votes:

FOR the election of all of the nominees for the Board of Directors;

FOR approval of the amendment and restatement of the 2011 Stock Incentive Plan;

FOR approval of the resolution to approve, on an advisory basis, the compensation of the Company s named executive officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in this Proxy Statement; and

FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2013.

Only stockholders who owned shares of Allscripts common stock at the close of business on March 25, 2013, the record date for the annual meeting, are entitled to notice of, and to vote at, the annual meeting and any adjournment or postponement of it.

Your vote is important. We urge you to vote your shares promptly, even if you plan to attend the annual meeting. You may vote over the Internet, by telephone or by returning the enclosed proxy card. Specific instructions on how to vote can be found on the proxy card.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 21, 2013:

This proxy statement and the annual report for the year ended December 31, 2012 are available at: http://www.proxyvote.com

By Order of the Board of Directors,

Richard J. Poulton

Chief Financial Officer and Secretary

April 9, 2013

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ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

Proxy Statement

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Annual Report on Form 10-K/A

We have made available or enclosed with this proxy statement a copy of our Annual Report to Stockholders, which includes our Annual Report on Form 10-K/A for the year ended December 31, 2012, without exhibits. You may access the exhibits described in the Form 10-K/A through our website at *www.allscripts.com* or obtain a copy of the exhibits for a fee upon request. To request a copy of such exhibits, please contact Richard J. Poulton, Chief Financial Officer and Secretary, Allscripts Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

This proxy statement and form of proxy are first being sent to stockholders on or about April 9, 2013.

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PROXY STATEMENT

INTRODUCTION

This proxy statement contains information related to the annual meeting of stockholders of Allscripts Healthcare Solutions, Inc. (Allscripts or the Company) to be held on May 21, 2013, beginning at 9:00 a.m., central time. The meeting will be held at Allscripts principal offices located at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. The proxy statement was prepared under the direction of Allscripts board of directors to solicit your proxy for use at the annual meeting. It will be made available and mailed to stockholders on or about April 9, 2013.

QUESTIONS AND ANSWERS ABOUT THE 2013 ANNUAL MEETING

When and where is the annual meeting?

The 2013 Annual Meeting of Stockholders will be held on May 21, 2013, at 9:00 a.m., central time, at Allscripts principal offices located at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

What am I voting on?

We are soliciting your vote on the following:

1. to elect the eight director nominees named in the proxy statement to serve until the 2014 Annual Meeting of Stockholders;
2. to approve an amendment and restatement of the Allscripts Healthcare Solutions, Inc. 2011 Stock Incentive Plan (the 2011 Stock Incentive Plan and, as amended and restated, the Amended and Restated 2011 Stock Incentive Plan) to, among other things, increase the number of shares available for grant thereunder by 2,500,000;
3. to approve, on an advisory basis, the compensation of the company s named executive officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosures, set forth in this Proxy Statement;
4. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2013; and
5. to transact any and all other business that may properly come before the annual meeting or any adjourned session of the annual meeting.

How does the Allscripts board of directors recommend that stockholders vote?

Allscripts board of directors has recommended that Allscripts stockholders vote **FOR** the election of each director nominee, **FOR** the approval of the amendment and restatement of the 2011 Stock Incentive Plan, **FOR** approval of the resolution to approve, on an advisory basis, the compensation of the Company s named executive officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in this Proxy Statement, **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2013, and vote **FOR** or **AGAINST** any other properly raised matters, at the discretion of Messrs. Black and Poulton.

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Who may vote?

Allscripts stockholders at the close of business on March 25, 2013, the record date for the 2013 annual meeting, are entitled to vote. On that date, there were 177,091,100 shares of Allscripts common stock outstanding.

How many votes do I have?

Each share that you own of Allscripts common stock entitles you to one vote.

How do I vote?

Your shares can be voted at the annual meeting only if you are present in person or represented by proxy. Even if you plan to attend the meeting, we urge you to authorize your proxy in advance. We encourage you to authorize your proxy electronically by going to the http://www.proxyvote.com website or by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card. Please have your proxy card in hand when going online or calling. If you authorize your proxy electronically, you do not need to return your proxy card. If you choose to authorize your proxy by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided.

If you hold your shares beneficially in street name, *i.e.*, through a nominee (such as a bank or broker), you may be able to authorize your proxy by telephone or the Internet as well as by mail. You should follow the instructions you receive from your broker or other nominee to vote these shares.

How does discretionary voting authority apply?

If you sign, date and return your proxy card, your vote will be cast as you direct. If you do not indicate how you want to vote, you give authority to Paul M. Black, President and Chief Executive Officer, and Richard J. Poulton, Chief Financial Officer, to vote for the items discussed in these proxy materials and any other matter that is properly raised at the annual meeting. In such a case, your vote will be cast **FOR** the election of each director nominee, **FOR** the approval of the amendment and restatement of the 2011 Stock Incentive Plan, **FOR** approval of the resolution to approve, on an advisory basis, the compensation of the Company s named executive officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in this Proxy Statement, **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2013, and vote **FOR** or **AGAINST** any other properly raised matters, at the discretion of Messrs. Black and Poulton.

May I revoke my proxy?

Yes. You may revoke your proxy at any time before it is exercised in one of four ways:

1. by sending a written notice to the corporate secretary of Allscripts that is received prior to the annual meeting stating that the Allscripts stockholder revokes his or her proxy;

2. by properly completing a new proxy card bearing a later date and properly submitting it so that it is received prior to the annual meeting;

3. by logging onto the Internet website specified on the proxy card in the same manner a stockholder would to submit his or her proxy electronically or by calling the toll-free number specified on the proxy card prior to the annual meeting, in each case if the Allscripts stockholder is eligible to do so and following the instructions on the proxy card; or

4. by attending the annual meeting and voting in person.

Simply attending the annual meeting will not revoke a proxy. However, if an Allscripts stockholder holds shares in street name by his or her broker and has directed such person to vote his or her shares, he or she should instruct such person to change his or her vote.

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What does it mean if I receive more than one proxy card?

Your shares are likely registered differently or are in more than one account. You should sign and return all proxy cards to guarantee that all of your shares are voted.

What constitutes a quorum?

The presence, in person or by proxy, of the holders of one-third of the total number of shares of Allscripts common stock issued and outstanding as of the record date constitutes a quorum. You will be considered part of the quorum if you return a signed and dated proxy card, if you vote by telephone or over the Internet, or if you attend the annual meeting.

Abstentions and broker non-votes are counted as shares present at the annual meeting for purposes of determining whether a quorum exists. A broker non-vote occurs when a bank or broker submits a proxy that does not indicate a vote for a proposal because he or she does not have voting authority and has not received voting instructions from you. Please note that banks and brokers cannot vote on their clients behalf on non-routine proposals. Routine matters include Proposal 4 relating to the ratification of the appointment of Ernst & Young LLP as our independent registered accounting firm. Other than Proposal 4, all other proposals set forth in this Proxy Statement are not considered routine matters and brokers may not vote on behalf of their clients if no voting instructions have been furnished. Please vote your shares on all proposals.

What vote is required to approve the proposals?

Election of Directors: A majority of the votes cast will elect directors. This means that a nominee will be elected if the number of shares voted **FOR** that nominee exceeds the number of shares voted **AGAINST** that nominee (with stockholder abstentions and broker non-votes not counted as a vote cast either **FOR** or **AGAINST** that director s election). A stockholder abstention and a broker non-vote with respect to any nominee will have no effect on that nominee s election.

If any nominee is an incumbent director and fails to receive a majority of the votes cast with respect to his nomination, he must tender his resignation as director, and such resignation will be considered by the Board of Director s Nominating and Governance Committee in accordance with the requirements of the Company s Corporate Governance Guidelines.

Approval of the amendment and restatement of the 2011 Stock Incentive Plan: Approval of the amendment and restatement of the 2011 Stock Incentive Plan requires the affirmative vote of a majority of the shares present or represented by proxy and having the power to vote at the annual meeting. A stockholder abstention will have the effect of a vote against the approval of the amendment and restatement, but a broker non-vote will have no effect.

Approval, on an advisory basis, of the compensation of the Company s named executive officers, as described in this Proxy Statement: Approval, on an advisory basis, of the compensation of the Company s named executive officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in this Proxy Statement, requires the affirmative vote of a majority of the shares present or represented by proxy and having the power to vote at the annual meeting. A stockholder abstention will have the effect of a vote against the approval of the proposal, but a broker non-vote will have no effect.

Ratification of the Appointment of the Independent Registered Public Accounting Firm: Although we are not required to submit the appointment of our independent registered public accounting firm to a vote of stockholders, we believe that it is appropriate to ask that you ratify the appointment. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2013 requires the affirmative vote of a majority of the shares present or represented by proxy at

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the annual meeting. A stockholder abstention will have the effect of a vote against the ratification of the appointment of Ernst & Young LLP.

How do I submit a stockholder proposal?

The deadline has passed for submitting a proposal to be raised at the 2013 Annual Meeting of Stockholders. To submit a proposal to be included in our proxy statement for the 2014 Annual Meeting of Stockholders, you must submit a proposal no later than December 10, 2013. Your proposal must comply with the proxy rules of the Securities and Exchange Commission (the SEC). You should send your proposal to our Secretary at our address on the cover of this proxy statement.

You also may submit a proposal that you do not want included in the proxy statement but that you want to raise at the 2014 Annual Meeting of Stockholders. We must receive your proposal in writing on or after December 22, 2013, but no later than January 21, 2014. To be properly brought before an annual meeting, our By-laws require that your proposal give: (1) a brief description of the business you want to bring before the meeting and the reasons for conducting such business at the meeting; (2) your name and address as they appear on our stock records and the name and address of (x) any person controlling, directly or indirectly, or acting in concert with, you, (y) any beneficial owner of shares of our stock owned of record or beneficially by you; and (z) any person controlling, controlled by or under common control with such person that is acting in concert with such person; (3) the class or series and number of shares of capital stock of Allscripts which are owned beneficially or of record by you or such associated person; (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, you or such associated person with respect to any share of stock of Allscripts (which information shall be updated by you and such associated person, if any, as of the record date of the meeting not later than ten days after the record date for the meeting); (5) a description of all arrangements or understandings between you or such associated person and any other persons (including their names) in connection with your proposal of such business and any material interest you or such associated person has in such business; and (6) a representation that you or such associated person intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

Who pays to prepare, mail and solicit the proxies?

The Company has engaged MacKenzie Partners Inc. to assist in distributing and soliciting proxies for a customary fee expected to be approximately $20,000, plus expenses. However, the proxy solicitor fee is only a small fraction of the total cost of the proxy process. The largest expense in the proxy process is printing and mailing the proxy materials. We will pay the entire cost of preparing, mailing and soliciting these proxies. We will ask brokers, banks, voting trustees and other nominees and fiduciaries to forward the proxy materials to the beneficial owners of our common stock and to obtain the authority to execute proxies. In addition to mailing proxy materials, our directors, officers and employees may solicit proxies in person, by telephone or otherwise. These individuals will not be specially compensated.

Who can answer my questions?

If you have any questions about the annual meeting, please contact us at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654; telephone: (312) 506-1213 or MacKenzie Partners, Inc. at 105 Madison Avenue, New York, New York 10016; telephone: (212) 929-5500.

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PROPOSAL 1 ELECTION OF DIRECTORS

The board of directors proposes, based on the recommendation of the Nominating and Governance Committee, the nominees listed below to be elected for a new term expiring at the 2014 annual meeting and until his or her successor is duly elected or his or her earlier resignation or removal.

The following professional biographies set forth the names of the persons proposed to be nominated for election as directors, their principal occupations, all positions and offices with Allscripts presently held by them and the date on which they were first elected or appointed as directors, in each case as of April 9, 2013, based on information furnished by them. The professional biography of each of the directors also contains information regarding some of the experiences, qualifications, attributes or skills that led to the conclusion that the nominee should serve as a director of Allscripts. In addition to the individual experiences and attributes of each of the directors described in the following professional biographies, Allscripts highly values the collective experiences and qualifications of the directors. We believe that the collective experiences, viewpoints and perspectives of our directors results in a board of directors with the commitment and energy to advance the interests of our stockholders.

Your shares will be voted in person at the annual meeting as you specify on the enclosed proxy card, by telephone or Internet voting. If you return a signed proxy card but do not specify how you want your shares voted, we will vote them **FOR** the election of each director nominee. If any of the director nominees is unable or fails to stand for election, the persons named in the proxy presently intend to vote your shares **FOR** a substitute nominee nominated by the board. The board does not anticipate that any nominee will be unable to serve.

Stuart L. Bascomb, 71, was elected to our board of directors in June 2012. Mr. Bascomb currently serves as Chairman Emeritus of Qualsight, Inc., a Chicago, Illinois based company that manages laser vision correction surgery services. From 2004 through 2012 Mr. Bascomb was Chairman and Chief Executive Officer of Qualsight, Inc. From 1989 to 2004, Mr. Bascomb held various management and executive positions (including as Chief Financial Officer and as Executive Vice President of Sales, Client Services and Provider Relations) at Express Scripts, Inc., a public company focusing on pharmacy benefit manager services, and served as a director from 2000 to 2004. From 1976-1989, Mr. Bascomb held several management positions (including as Chief Financial Officer and Executive Vice President) at the business unit and corporate levels of Medicare-Glaser Corp., a public retail pharmacy company. Mr. Bascomb also served on the board of directors of Medicare-Glaser Corp. The board has concluded that Mr. Bascomb should continue to serve as a director of Allscripts in part due to his financial and accounting experience, and his experience in the healthcare industry.

Paul M. Black, 54, was appointed to our board of directors in May 2012. In December 2012 Mr. Black became our President and Chief Executive Officer. Before joining Allscripts, Mr. Black served as Operating Executive of Genstar Capital, LLC, a private equity firm, and Senior Advisor at New Mountain Finance Corporation, an investment management company. From 1994 to 2007, Mr. Black served in various executive positions (including Chief Operating Officer from 2005 to 2007) at Cerner Corporation, a healthcare information technology company. Mr. Black also currently serves a director of Haemonetics Corporation, a public medical device company, and of several private companies in the healthcare and software industries. He also is a member of the board of directors of Truman Medical Centers. The board has concluded that Mr. Black should continue to serve as a director of Allscripts in part due to his role as our Chief Executive Officer and his experience in the healthcare information technology industry.

Dennis H. Chookaszian, 69, was appointed to our board of directors in September 2010 and appointed to serve as chairman of our board of directors in April 2012. Mr. Chookaszian served as Chairman of the Financial Accounting Standards Advisory Council (FASAC), the advisory council to the Financial Accounting Standards Board (FASB), from January 2007 until December 2011. From 1999 until 2001, Mr. Chookaszian served as Chairman and Chief Executive Officer of mPower, Inc., a financial advice provider focused on the on-line management of 401(k) plans. Mr. Chookaszian served as Chairman and Chief Executive Officer of CNA

Insurance Companies from 1992 to 1999. During his 27-year career with CNA, Mr. Chookaszian held several management positions at the business unit and corporate levels, including President and Chief Operating Officer from 1990 to 1992 and Chief Financial Officer from 1975 to 1990. Mr. Chookaszian currently serves as a director of CME Group, Inc., Career Education Corporation, and Internet Patents Corp. and, within the past five years, has served as a director of Sapient Corporation and LoopNet. Mr. Chookaszian is a registered certified public accountant. The board of directors concluded that Mr. Chookaszian should continue to serve as a director of Allscripts in part due to his experience in finance and accounting, along with his wide range of business experience as a chief executive officer and public company board member.

Robert J. Cindrich, 69, was appointed to our board of directors in May 2012. Mr. Cindrich formerly served as a senior advisor to the Office of the President of the University of Pittsburgh Medical Center (UPMC). From 2004 through 2010, Mr. Cindrich was Senior Vice President and Chief Legal Officer of UPMC. From 1994 through 2004, Mr. Cindrich served as a judge of the United States District Court for the Western District of Pennsylvania. Prior to that appointment, he practiced law in both the government and private sectors, including service as the United States Attorney for the Western District of Pennsylvania. Mr. Cindrich currently serves as a director of Mylan Inc. The board has concluded that Mr. Cindrich should continue to serve as a director of Allscripts in part due to his knowledge of the healthcare industry through his experience at UPMC and his many years of legal experience.

Michael A. Klayko, 58, currently serves as Chief Executive Officer of MKA Capital, an investment company focusing on technology investments. Previously he was Chief Executive Officer of Brocade Communications Systems, Inc., a comprehensive network solutions provider, from January 2005 to January 2013. Additionally, Mr. Klayko has held executive positions at Rhapsody Networks (Chief Executive Officer), McDATA (Executive Vice President), EMC (Senior Vice President of Sales), HP and IBM. Mr. Klayko brings 35 years of experience in the storage, computer, and telecommunications industry. Mr. Klayko was recommended to the Nominating and Governance Committee by the Company s Chief Executive Officer. The board has concluded that Mr. Klayko should serve as a director of Allscripts in part due to his executive leadership experience and his experience in the technology industry.

Anita V. Pramoda, 38, currently serves as the Chief Executive Officer of TangramCare. Previously Ms. Pramoda served as the Chief Financial Officer at Epic Systems Corporation from 2009 to January 2012. She also served as the Chief Financial Officer of Ontech Operations, Inc. from 2006 to 2008. Ms. Pramoda was recommended to the Nominating and Governance Committee by a stockholder of the Company. The board has concluded that Ms. Pramoda should serve as a director of Allscripts in part due to her financial and accounting experience and her experience in the healthcare industry.

David D. Stevens, 60, was elected to our board of directors in June 2012. Mr. Stevens currently serves as a private advisor and investor in private equity and, from 2004 to the present, as a director of Wright Medical Group, Inc., a public company which designs, manufactures and distributes orthopedic implants and instrumentation, as well as of several privately-held healthcare companies. From 2005 to 2006, Mr. Stevens served as Chief Executive Officer of Accredo Health Group, Inc., a subsidiary of Medco Health Solutions, Inc. From 1996 to 2005, Mr. Stevens was the Chairman of the Board and Chief Executive Officer of Accredo Health, Inc. Mr. Stevens was the President and Chief Operating Officer of the predecessor companies of Accredo Health, Inc. from their inception in 1983 until 1996. From 2006 until 2012, Mr. Stevens served as a director of Medco Health Solutions, Inc. and from 2004 until 2012, as a director of Thomas & Betts Corporation, both public companies. The board has concluded that Mr. Stevens should continue to serve as a director of Allscripts in part due to his financial and accounting experience, and his experience in the healthcare industry.

Ralph H. Randy Thurman, 63, was elected to our board of directors in June 2012. Mr. Thurman serves as a private advisor and investor in private equity and since 2012 has been Executive Chairman of CogentHMG, a privately-held healthcare technology company. From 2008 to 2011, Mr. Thurman served as Executive Chairman of the Board of CardioNet Inc. and as its interim CEO from 2009 to 2010. From 2001 to 2007, Mr. Thurman was

Founder, Chairman and Chief Executive Officer of VIASYS Healthcare Inc., a diversified, healthcare technology company. VIASYS was acquired by Cardinal Healthcare Inc. in 2007 and Mr. Thurman subsequently served as a consultant for Cardinal through 2008. From 1997 to 2001, Mr. Thurman served as Chairman and Chief Executive Officer of Strategic Reserves LLC, a privately-held company providing funding and strategic direction to healthcare technology companies. From 1993 to 1997, Mr. Thurman was Chairman and Chief Executive Officer of Corning Life Sciences, Inc. and from 1984 to 1993, Mr. Thurman held various positions at Rhone-Poulenc Rorer Pharmaceuticals, Inc., a global pharmaceutical company, ultimately as its President. Mr. Thurman currently serves as a director of Arno Pharmaceuticals Inc., and previously served as Chairman of the Board at Enzon, Inc., a public biotechnology company, and several additional public and private companies. The board has concluded that Mr. Thurman should continue to serve as a director of Allscripts in part due to his experience in the healthcare industry.

The board of directors recommends a vote FOR each of the nominees for director.

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Corporate Governance Matters

Governance

Code of Conduct

Allscripts has adopted a Code of Conduct that applies to all of our directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and senior financial and accounting officers. Our Code of Conduct requires that all of our directors, officers and employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in Allscripts best interest. We maintain a current copy of our Code of Conduct, and will promptly post any amendments to or waivers of our Code of Conduct, on our website at www.allscripts.com. Stockholders may request a written copy of the Code of Conduct by contacting our Chief Financial Officer and Secretary, Richard J. Poulton, at Allscripts Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

Board Leadership

Currently, Mr. Chookaszian serves as our Chairman of the Board. The board of directors believes that having separate individuals serving in the roles of Chairman and Chief Executive Officer enhances the Chairman s and Chief Executive Officer s abilities to provide insight and direction on important strategic initiatives to both management and the independent directors and, at the same time, ensures that the appropriate level of independent oversight is applied to all decisions of the board of directors.

Board s Role in Risk Oversight

The board of directors involvement in risk oversight includes both formal and informal processes and involves the board of directors and committees of the board of directors. On a periodic basis, when determined by the board of directors or by Allscripts management to be advisable, the board of directors or selected committees of the board of directors will undertake a formal enterprise risk assessment at which risks facing Allscripts and associated responses are evaluated in detail. The board of directors expects to conduct enterprise risk assessments on a periodic basis as determined to be appropriate.

The board of directors and committees of the board of directors are also involved in risk oversight on a more informal basis at regular board and committee meetings. The Audit Committee receives materials on a quarterly basis to address the identification and status of risks to Allscripts, including financial risks and litigation claims and risks. At meetings of the full board of directors, these risks are identified to board members, and the Chairman of the Audit Committee reports on the activities of the Audit Committee regarding risk analysis. The other committees of the board of directors also consider and address risk as they perform their respective responsibilities, and such committees report to the full board of directors from time to time as appropriate, including whenever a matter rises to the level of a material or enterprise level risk. The board of directors also receives regular financial and business updates from senior management, which updates involve detailed reports on financial and business risks facing Allscripts when applicable.

Risk Management and Compensation

The Company compensates its employees with base salaries along with incentive programs designed to encourage behavior which is supportive of the long-term interests of the corporation. In 2013, the Company performed a review of its compensation policies and programs to determine whether such policies and programs encourage unnecessary or inappropriate risk-taking by the Company s employees. In connection with this review, management and our independent compensation consultant, Frederic W. Cook & Co., Inc., reviewed the risks associated with the Company s compensation policies and programs, including risks under the Company s various incentive programs associated with the form in which compensation is paid (*i.e.*, fixed v. variable), performance metrics, payout opportunities as well as payment timing and adjustment provisions. Based on this review, the Company concluded that the risks arising from these programs are not reasonably likely to have a material adverse effect on the Company.

Director Independence

A majority of our current directors qualify as independent in accordance with the listing requirements of NASDAQ. The NASDAQ definition of independence includes a series of objective tests, such as that the director is not an employee of the company and has not engaged in various types of business dealings with the company. The board has considered the independence of each director currently serving on the board, each director nominee and each director who served Allscripts during 2012 and the board has made a subjective determination as to Messrs. Bascomb, Chookaszian, Cindrich, Fife, Gamache, Green, Kangas, Klayko, Kluger, Stevens and Thurman, Ms. Burzik and Ms. Pramoda, who have each been determined to be independent within the meaning of independence under the listing standards of NASDAQ, that no relationships exist or existed while such director served on the board which, in the opinion of the board, would interfere or interfered with the exercise of independent judgment in carrying out their responsibilities as a director. In making these determinations, the board reviewed and discussed information provided by each director and by Allscripts with regard to each director s business and personal activities as they may relate to Allscripts and Allscripts management.

Recent Governance Changes

Adoption of Majority Voting Standard On February 8, 2013 our board of directors amended the Company s By-Laws and revised its Corporate Governance Guidelines. The amendments to the Company s By-Laws revise the voting standard for the election of directors to provide that (i) in an uncontested election, each director will be elected by the vote of a majority of the votes cast with respect to his or her election, and (ii) in an election where the number of nominees exceeds the number of directors to be elected, each director will be elected by a plurality of the votes cast. In addition, as a result of the amendments to the Company s Corporate Governance Guidelines, any nominee for director who is an incumbent director and fails to receive a majority of the votes cast with respect to his or her nomination in an uncontested election must tender his or her resignation as director. Any such resignation will be considered by the Board of Director s Nominating and Governance Committee, which will recommend to the board of directors whether to accept or reject the resignation offer, or whether other action should be taken. The board of directors is required to act on the recommendation within 120 days following certificate of the stockholders vote and to promptly disclose its decision. Any director who tenders his or her resignation pursuant to the policy will not be permitted to participate in the recommendation of the Nominating or Governance Committee or the decision of the board of directors with respect to his or her resignation.

Expiration of Stockholder Rights Plan On May 5, 2012, our board of directors adopted a stockholders rights plan and declared a dividend distribution of one right (each, a Right) for each outstanding share of the Company s common stock. Each Right entitles its holder, under certain circumstances, to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock of the Company at an exercise price of $45.00 per Right, subject to adjustment. Our board of directors expects the stockholder rights plan to expire under its original terms on May 6, 2013, without being renewed.

Stock Ownership and Trading Policies

All non-employee directors are required to achieve ownership of $300,000 in value of Allscripts common stock, which is five times the basic annual cash retainer for service as a director. In addition, our directors, officers and employees are prohibited from engaging in hedging or monetization transactions, including short sales or transactions in publicly traded options, and are generally prohibited from pledging Company securities as collateral.

Meetings and Committees of the Board of Directors

Board Composition and Meetings

Our board currently consists of six members. During the year ended December 31, 2012, our board met thirty-five times. In addition to meetings of the full board, directors attended meetings of the board committees. During the year ended December 31, 2012, all board members attended at least 75% of the board meetings and requisite committee meetings during the period of their service. Allscripts has a standing Audit Committee, Compensation Committee and Nominating and Governance Committee. Each committee is governed by a charter approved by the board.

Audit Committee

The Audit Committee of the Company s Board of Directors has been established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Audit Committee is responsible for ensuring the integrity of the financial information reported by Allscripts. In accordance with its written charter, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent registered public accounting firm, approves the scope of annual audits performed by the independent registered public accounting firm and reviews the results of those audits. In addition, the Audit Committee oversees the accounting and financial reporting process of Allscripts and meets with management, the independent registered public accounting firm and Allscripts internal staff to review audit results and opinions, as well as financial, accounting and internal control matters. The Audit Committee also is responsible for reviewing all related party transactions and has the authority to approve all such transactions.

The current members of the Audit Committee are Stuart L. Bascomb, Robert J. Cindrich and David D. Stevens. Mr. Bascomb serves as the Chairman of the Audit Committee. The board of directors has determined that each of the members of the Audit Committee is independent in accordance with the regulations of the SEC and the listing standards of NASDAQ. In addition, the board has determined that each member of the Audit Committee has a working familiarity with basic finance and accounting practices, including the ability to read and understand financial statements. Finally, the board has determined that Mr. Bascomb is an audit committee financial expert under the rules of the SEC. The Audit Committee has adopted a charter that specifies the composition and responsibilities of the committee. A copy of the Audit Committee Charter is posted on our website at www.allscripts.com and is available to stockholders upon written request made to our Chief Financial Officer and Secretary, Richard J. Poulton, at Allscripts Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. During the year ended December 31, 2012, the Audit Committee met twenty-five times.

Compensation Committee

The Compensation Committee determines executive officers salaries, bonuses and other compensation and administers our 2011 Stock Incentive Plan, the Amended and Restated 1993 Stock Incentive Plan, our 2001 Non-statutory Stock Option Plan and the Eclipsys equity plans. Additionally, the Compensation Committee makes recommendations to the board regarding the compensation of non-employee directors.

During 2012, Philip D. Green, Edward A. Kangas, Michael J. Kluger, Ralph H. Thurman and Mr. Black each served on the Compensation Committee, with Mr. Black only serving during the period in which he was a non-employee director. Mr. Thurman joined the Compensation Committee following his election to serve on the Board of Directors and replaced Mr. Kluger, while Mr. Black joined the Compensation Committee in May 2012 and replaced Mr. Kangas. The Compensation Committee has adopted a charter that specifies the composition and responsibilities of the Compensation Committee, which is posted on our website at www.allscripts.com and is available to stockholders upon written request made to our Chief Financial Officer and Secretary, Richard J. Poulton, at Allscripts Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. During the year ended December 31, 2012, the Compensation Committee met seven times.

The Compensation Committee periodically reviews the compensation program for non-employee directors in comparison to the practices of a peer group. Based upon this review, the Compensation Committee may recommend to the board adjustments to the compensation of non-employee directors to bring director compensation in line with competitive practices. The pay objective for non-employee directors is to provide a competitive level and mix of pay that enhances Allscripts ability to attract and retain highly qualified directors. For additional information regarding the Compensation Committee, see Executive Compensation Compensation Discussion and Analysis.

Nominating and Governance Committee

The Nominating and Governance Committee leads the board in its annual review of the board s performance; reviews and assesses succession planning; and makes recommendations to the board with respect to the assignment of individual directors to various committees. In addition, the Nominating and Governance Committee assists the board of directors in identifying qualified individuals to become board members, and to recommend to the board certain director nominees for the next annual meeting of stockholders. The Nominating and Governance Committee has adopted a charter that specifies its composition and responsibilities, which is posted on our website at www.allscripts.com and is available to stockholders upon written request made to our Chief Financial Officer and Secretary, Richard J. Poulton, at Allscripts Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

The current members of the Nominating and Governance Committee are Robert J. Cindrich, Dennis H. Chookaszian and David D. Stevens, with Mr. Stevens serving as Chairman. The board of directors has determined that each of the current members of the Nominating and Governance Committee is independent in accordance with the regulations of the SEC and the listing standards of NASDAQ. During the year ended December 31, 2012, the Nominating and Governance Committee met eight times.

Communications with Directors

Interested parties may communicate concerns to any of our non-management directors by writing to the director in care of our Chief Financial Officer and Secretary, Richard J. Poulton, at Allscripts Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. In accordance with the policy adopted by our non-management directors, our Secretary will promptly relay to the addressee all communications that he determines require prompt attention by a non-management director and will regularly provide the non-management directors with a summary of all communications addressed to non-management directors.

Nominations for Directors

The Nominating and Governance Committee has responsibility, as detailed above, for the proposal of nominees for service as directors. The Nominating and Governance Committee will consider recommendations offered by stockholders in accordance with our By-laws. Individuals are selected as director nominees based on their business and professional accomplishments, integrity, demonstrated ability to make independent analytical inquiries, diversity, ability to understand our business and willingness to devote the necessary time to board duties. While the Nominating and Governance Committee believes that a diversity of perspectives is an important consideration when evaluating new candidates, the Nominating and Governance Committee has focused on specific healthcare and related industry experiences when evaluating new candidates for the board. The effectiveness of the nomination process is evaluated by the board each year as part of its annual self-evaluation and less formally by the Nominating and Governance Committee as it evaluates and identifies director candidates. An existing director s qualifications in meeting these criteria are considered each time such director is re-nominated for board membership. Assuming that appropriate biographical and background information is provided to the applicable nominating committee, such committee would apply the same process and standards to the evaluation of each potential director nominee, regardless of whether he or she is recommended by one or more stockholders or is identified by some other method.

The nominating committee may hire outside advisors to assist in identifying and/or evaluating potential director nominees. The committee utilized a search firm to assist in identifying director candidates and assessing qualifications for the upcoming annual meeting of stockholders. If you wish to recommend a nominee for director for the 2014 Annual Meeting of Stockholders, pursuant to our By-laws, our Secretary must receive your written nomination on or after December 22, 2013, but no later than January 21, 2014. You should submit your proposal to the Chief Financial Officer and Secretary, Richard J. Poulton, at Allscripts Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. Our By-laws require that you provide: (a) as to each person whom you propose to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series

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and number of shares of capital stock of Allscripts which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the proxy rules of the SEC; and (b) as to you (i) your name and record address and the name and record address of any associated person on whose behalf the nomination is made, (ii) the class or series and number of shares of capital stock of Allscripts which are owned beneficially or of record by you or such associated person, (iii) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, you or such associated person with respect to any share of stock of Allscripts (which information shall be updated by you and such associated person, if any, as of the record date of the meeting not later than ten days after the record date for the meeting), (iv) a description of all arrangements or understandings between you or such associated person and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by you, (v) a representation that you are a holder of record of stock of Allscripts entitled to vote at such meeting and intend to appear in person or by proxy at the annual meeting to nominate the persons named in your notice and (vi) any other information relating to you or such associated person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the proxy rules of the SEC. Such nomination must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. No person shall be eligible for election as a director unless nominated in accordance with the procedures set forth in our By-laws.

Attendance at Annual Meeting

All members of our board of directors are invited to attend our annual meeting of stockholders. Their attendance, however, is not required. Last year, Messrs. Black, Chookaszian, Cindrich, Green, Kluger, Stevens, Thurman and Tullman represented the board at our annual meeting of stockholders.

Director Compensation

2012 Non-Employee Director Compensation Table

The following table provides information regarding the compensation of our non-employee directors for 2012. Mr. Paul M. Black was appointed to serve as a non-employee member of our Board of Directors in May 2012 and was appointed to the position of President and Chief Executive Officer of the Company in December 2012. The compensation received by Mr. Black while he served as a non-employee director as well as the compensation received by him as an executive officer of the Company is reported in the 2012 Summary Compensation Table.

Name	Retainer Earned or Paid in Cash (1)	Stock Awards (2)	Total
Stuart L. Bascomb (3)	$ 76,407	$ 200,008	$ 276,415
Catherine M. Burzik (4)	$ 26,786	$ 0	$ 26,786
Dennis H. Chookaszian	$ 222,533	$ 200,008	$ 422,541
Robert J. Cindrich (5)	$ 103,413	$ 200,008	$ 303,421
Eugene V. Fife (6)	$ 28,121	$ 0	$ 28,121
Marcel L. Gus Gamache (7)	$ 111,370	$ 0	$ 111,370
Philip D. Green (8)	$ 132,500	$ 200,008	$ 332,508
Edward A. Kangas (6)	$ 55,495	$ 0	$ 55,495
Michael J. Kluger (9)	$ 105,405	$ 200,008	$ 305,413
David D. Stevens (3)	$ 71,762	$ 200,008	$ 271,770
Ralph H. Thurman (3)	$ 59,637	$ 200,008	$ 259,645

(1) This column reports the amount of cash compensation earned by each director during 2012 for his or her Board and committee service. As further described below in the subsection entitled Director Compensation, non-employee directors may elect to convert all or a portion of their cash compensation into fully vested deferred stock units (DSU). During 2012, DSUs were issued to the following directors in lieu of cash compensation:

Name	Aggregate DSUs Issued in Lieu of Cash Compensation	Fair Value on Date of Grant
Philip D. Green	5,064	$59,984
Michael J. Kluger	1,728	$22,439

(2) The amounts shown in this column represent the restricted stock unit awards granted in 2012. The amounts shown are valued based on the aggregate grant date fair value computed in accordance with FASB Accounting Standards Codification Topic 718, Compensation Stock Compensation (FASB ASC Topic 718). A description of annual awards granted to non-employee directors is included in the subsection below entitled Director Compensation. See Note 10 to the Consolidated Financial Statements included in our Annual Report on Form 10-K/A for the year ended December 31, 2012 for additional information regarding the application of FASB ASC Topic 718 in 2012. The aggregate number of equity awards outstanding, including DSUs issued in lieu of cash compensation, as of December 31, 2012 for each of the directors as of such date are as follows:

Name	Aggregate Option Awards Outstanding	Aggregate RSU/DSU Awards Outstanding
Stuart L. Bascomb	0	18,299
Catherine M. Burzik	0	0
Dennis H. Chookaszian	0	35,595
Robert J. Cindrich	0	18,299
Eugene V. Fife	0	15,387
Marcel L. Gus Gamache	0	0
Philip D. Green	0	41,861
Edward A. Kangas	0	0
Michael J. Kluger	0	12,764
David D. Stevens	0	18,299
Ralph H. Thurman	0	18,299

(3) Messrs. Bascomb, Stevens and Thurman were elected as directors at the Company s 2012 Annual Meeting of Stockholders.

(4) Ms. Burzik ceased serving as a member of the Board of Directors on April 26, 2012.

(5) Mr. Cindrich was appointed to serve as a member of the Board of Directors on May 12, 2012 and elected to continue serving as a non-employee director at the Company s 2012 Annual Meeting of Stockholders.

(6) Messrs. Fife and Kangas ceased serving as members of the Board of Directors on April 25, 2012.

(7) Mr. Gamache did not seek re-election and therefore ceased serving as a member of the Board of Directors on June 15, 2012.

(8) Mr. Green ceased serving as a member of the Board of Directors on January 7, 2013.

(9) Mr. Kluger ceased serving as a member of the Board of Directors on August 21, 2012.

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Director Compensation

Our Compensation Committee is responsible for reviewing and approving the compensation program for our non-employee directors. The Compensation Committee utilizes a combination of cash and equity as a way to attract and retain qualified directors. In 2012, our compensation program for non-employee directors included the following elements of compensation:

- a cash retainer for annual service on our Board;
- additional cash retainers for annual service as committee chairs; and
- an annual restricted stock unit grant.

Cash Compensation

For 2012, the annual retainer paid to non-employee directors was $60,000, payable on a quarterly basis. Non-employee directors also receive a retainer of $2,000 for attendance at board meetings in excess of ten per year and $1,500 for attendance at each committee meeting. The Chairman of the Board of Directors receives an additional annual fee in the amount of $100,000 payable in equal quarterly installments. The chairs of the Audit, Compensation and Nominating and Governance Committees receive an additional annual retainer of $20,000, $20,000 and $10,000, respectively, for their services as chairman of the respective committees. The committee chairman retainer is payable in equal quarterly installments. Prior to the beginning of each calendar year, non-employee directors may elect to receive all or a portion of their quarterly cash retainer payment in the form of DSUs. DSUs represent the right to receive shares of our common stock at the time that the director s Board service ends. The number of DSUs granted is determined by dividing the portion of the cash compensation with respect to which the election is made by the closing price of our common stock on the date the cash compensation is due to be paid. DSUs issued in lieu of cash compensation are fully vested. In addition, each non-employee director is reimbursed for expenses incurred when attending board and committee meetings and other board-related activities.

Equity Compensation

Under our 2011 Stock Incentive Plan, non-employee directors are eligible to receive equity awards in the form of stock options, restricted stock or restricted stock units at the discretion of the board of directors or the Compensation Committee. For 2012, the value of each annual equity award was approximately $200,000, delivered in the form of RSUs which vest on a monthly basis or, if earlier, upon a change of control of Allscripts. The distribution of shares of common stock underlying the RSUs is deferred until the earlier to occur of the director s termination of service with the board or a change of control of Allscripts. Annual director equity awards are granted immediately following the annual meeting to coincide with the commencement of director terms. In connection with his appointment to the position of President and Chief Executive Officer of the Company, Mr. Black agreed to forfeit the portion of the award that was scheduled to vest after he became an employee of the Company.

Executive Officers

Following is certain information about the executive officers of Allscripts as of March 25, 2013, based on information furnished by them.

Paul M. Black, 54, became Allscripts President and Chief Executive Officer in December 2012, after serving on our board of directors for seven months. Before joining Allscripts, Mr. Black served as Operating Executive of Genstar Capital, LLC, a private equity firm, and Senior Advisor at New Mountain Finance Corporation, an investment management company. From 1994 to 2007, Mr. Black served in various executive positions (including Chief Operating Officer from 2005 to 2007) at Cerner Corporation, a healthcare information technology company. Mr. Black also currently serves a director of Haemonetics Corporation, a public medical device company, and of several private companies in the healthcare and software industries. He also was chairman of the board of directors of Truman Medical Centers.

Richard J. Poulton, 47, joined Allscripts as our Chief Financial Officer in October 2012, and is responsible for Allscripts financial operations. Prior to joining Allscripts, Mr. Poulton served as the Chief Financial Officer

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and Treasurer for AAR Corp., a provider of products and services to commercial aviation and government/defense industries. He joined AAR in 2006 and served as Vice President of Acquisitions and Strategic Investment prior to becoming CFO and Treasurer. Mr. Poulton also spent more than ten years at UAL Corporation in a variety of financial and business development roles including Senior Vice President of business development as well as President and CFO of the company s client focused Loyalty Services subsidiary. Poulton also served as Vice President of Finance for online retailer Ourhouse.com from 1999 to 2000. From 1988 to 1994, he held positions of increasing responsibility in the audit practice of Arthur Andersen & Co., LLP.

Clifford B. Meltzer, 57, joined Allscripts in July 2011 and is our Executive Vice President, Solutions Development. Mr. Meltzer leads all product development for the Company, focusing on product integration and creating a world-class product development organization driving our strategic technology development vision. Prior to joining Allscripts, Mr. Meltzer served as the Chief Development Officer for CA Technologies, an enterprise information technology management software and solutions company, since June 2010 where he led a 1,400 person development team. He originally joined CA Technologies in October 2009 as Corporate Senior Vice President and General Manager of the Service Business Assurance Business Unit. Previously he served Apple, Inc. as Vice President, CPU SW Mac Hardware Engineering from May 2008 through October 2009 and he served Cisco Systems, Inc. as Senior Vice President/General Manager, Network Management Technology Group from October 2003 through April 2008.

Dennis M. Olis, 50, joined Allscripts in November 2012 as our Senior Vice President of Operations. Prior to joining Allscripts, Mr. Olis served Motorola Mobility LLC, a provider of mobile communication devices, video and data delivery solutions, for 28 years. His most recent role was Corporate Vice President, Mobile Device Operations. Previously, he was Corporate Vice President of Finance, Research & Development, Portfolio Management, and Planning from 2007 to 2009.

Stephen E. Shute, 41, joined Allscripts in July 2011 as our Executive Vice President, Sales & Services. Previously, Mr. Shute served IBM Corporation for 14 years where he held numerous senior executive leadership positions, both domestically and internationally. He began his most recent role as Vice President of Worldwide Sales for Enterprise Content Management in January 2011. Previously, he was Vice President, Software Sales and Marketing, Midwest from January 2010 through January 2011, Vice President, Marketing, North America from January 2009 through December 2009, Vice President, Software West Region from January 2008 through January 2009, and Vice President, Software Europe, Middle East and Africa from July 2005 through December 2007.

Deborah D. Snow, 48, joined Allscripts in January 2010 and serves as the Senior Vice President of Culture and Talent. Prior to leading the Culture and Talent global team, Deborah established and led Centers of Excellence in the organization, including Compensation, Benefits, Operations, Employee Relations, and Project Management Office. Most recently, she worked at Cisco Systems, a designer, manufacturer and seller of networking and communications technology, in Sales where she led an early-in-career sales training program, the Cisco Sales Associates Program from 2007 2010. Prior to Cisco, from 1998 2007, she worked at Bank of America where she served as Senior Vice President, Business Transformation, eCommerce, where she led portfolios of technology change in the Consumer, Small Business, Corporate, and Commercial Banks.

Ownership of Allscripts Common Stock

The following table sets forth the number of shares of Allscripts common stock beneficially owned as of March 25, 2013 by:

- our Named Executive Officers or NEOs;
- each director serving as of March 25, 2013 and each director nominee;
- all directors and executive officers as a group; and
- each stockholder that we know to own beneficially more than 5% of Allscripts common stock based on information filed with the SEC.

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Beneficial ownership is a technical term broadly defined by the SEC to mean more than ownership in the usual sense. In general, beneficial ownership includes any shares that the holder can vote or transfer and includes shares of common stock which the individual has the right to acquire within 60 days through the exercise of stock options and warrants, vesting of restricted stock units or the settlement of deferred stock units (DSUs). These shares are considered to be outstanding for the purpose of calculating the percentage of outstanding Allscripts common stock owned by a particular stockholder, but are not considered to be outstanding for the purpose of calculating the percentage ownership of any other person. Percentage of ownership is based on 177,091,100 total shares of Allscripts common stock outstanding as of March 25, 2013. Except as otherwise noted, the stockholders named in this table have sole voting and dispositive power for all shares shown as beneficially owned by them.

Named Executive Officers and Directors (1)	Shares of Common Stock Beneficially Owned	Options Exercisable, Stock Award Vesting, and Deferred Stock Units Convertible Within 60 days	Total	Percent of Class
Paul M. Black	43,430	0	43,430	*
Glen E. Tullman	196,080	0	196,080	*
Richard J. Poulton	0	0	0	*
W. David Morgan	0	65,082	65,082	*
William J. Davis	92,064	0	92,064	*
Lee A. Shapiro	215,383	155,876	371,259	*
Diane K. Adams	53,140	0	53,140	*
Clifford B. Meltzer	0	0	0	*
Stephen E. Shute	5,855	0	5,855	*
Stuart L. Bascomb	23,725	4,574	28,299	*
Dennis H. Chookaszian	71,021	4,574	75,595	*
Robert J. Cindrich	22,825	4,574	27,399	*
Michael A. Klayko (2)	5,000	0	5,000	*
Anita V. Pramoda	0	0	0	*
David D. Stevens	53,325	4,574	57,899	*
Ralph H. Thurman	17,725	4,574	22,299	*
All directors, director nominees, and current executive officers as a group (13 persons)	242,906	31,083	273,989	*

5% Stockholders	Shares of Common Stock Beneficially Owned	Percent of Class
HealthCor Management, L.P. (3)	15,996,910	9.3%
BlackRock, Inc. (4)	15,577,724	9.1%
Wellington Management Company, LLP (5)	15,688,407	9.1%

* Amount represents less than 1% of our common stock.

(1) Unless otherwise set forth in the following footnotes, the address of each beneficial owner is 222 Merchandise Mart Plaza, Suite 2024, Chicago, IL 60654.

(2) The shares presented for Mr. Klayko are held in a family trust in which he shares voting and dispositive power.

(3) This information is derived from a Schedule 13D/A filed by HealthCor Management, L.P. on December 21, 2012. According to the Schedule 13D/A, HealthCor Management, L.P. and certain affiliates had sole power to vote or direct the vote of no shares, sole power to dispose of or direct the disposition of no shares, shared power to vote or direct the vote of an aggregate of 15,996,910 shares, and shared power to dispose of or direct the disposition of an aggregate of 15,996,910 shares. The address for HealthCor Management, L.P. is 152 West 57th Street, 43rd Floor, New York, New York 10019.

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(4) This information is derived from a Schedule 13G/A filed by BlackRock, Inc. on January 31, 2013. According to the Schedule 13G/A, BlackRock, Inc. had sole power to vote or direct the vote of 15,577,724 shares, sole power to dispose of or direct the disposition of 15,577,724 shares, and shared power to vote or direct the vote of, and shared power to dispose of or direct the disposition of, no shares. The address for BlackRock, Inc. is 40 East 52nd Street, New York, New York, 10022.

(5) This information is derived from a Schedule 13G filed by Wellington Management Company, LLP on February 14, 2013. According to the Schedule 13G, certain subsidiaries of Wellington Management Company, LLP had sole power to vote or direct the vote of no shares, sole power to dispose of or direct the disposition of an aggregate of no shares, shared power to vote or direct the vote of 7,511,303 shares, and shared power to dispose of or direct the disposition of 15,688,407 shares. The address for Wellington Management Company, LLP is 280 Congress Street, Boston, Massachusetts, 02210.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires executive officers, directors and 10% stockholders to file reports of ownership and changes of ownership of Allscripts common stock with the SEC. Based on a review of copies of these reports and amendments provided to us and written representations from executive officers and directors, we believe that, during 2012 and through the date of this proxy statement, the following reports were not filed on a timely basis: Messrs. Meltzer and Shute, each with one report relating to disposition of shares to cover tax withholding obligations arising from the vesting of an award.

Executive Compensation

Compensation Discussion and Analysis

Executive Summary of Compensation Discussion and Analysis

In order to understand the Company s 2012 executive compensation program, it is necessary to understand the Company s significant challenges and organizational transformation during 2012. None of the named executive officers appearing in the Company s 2012 proxy statement remains employed by the Company. Only one Board member has served on the Company s Board of Directors for more than one year. Following the departure of four Board members, including the Chairman, in April 2012, two new Board members, Mr. Black and Mr. Cindrich, were appointed to the Board in May 2012. Pursuant to an agreement with HealthCor Management, L.P., three new Board members, Mr. Bascomb, Mr. Stevens and Mr. Thurman, were elected to the Board by the stockholders in June 2012. Following the 2012 annual meeting, the Compensation Committee was comprised of Mr. Black, as chair, Mr. Green and Mr. Thurman. A number of the compensation decisions made in 2012 were determined prior to the 2012 annual meeting during a time of uncertainty for the Company and the changes in the composition of the Board in April 2012. Moreover, Mr. Davis, the Company s Chief Financial Officer since 2002, resigned to take a position at a software company outside of the health care sector.

Following the April 2012 organizational changes, the Company announced initiatives to improve the Company s financial performance, product delivery and client experience. Later in 2012, the Company announced that it was evaluating strategic alternatives. However, on December 19, 2012, the Board concluded that the best course for the Company was to develop Allscripts long-term potential under the direction of a new management team. As a result, the Company announced that Mr. Black was succeeding Mr. Glen Tullman in the position of Chief Executive Officer of the Company, and Mr. Lee Shapiro was stepping down from his position as President and Secretary of the Company. The Company is still implementing its initiatives and remains committed to improving financial performance, product delivery and client experience. The Company s closing stock price on December 20, 2012 (the business day after the management changes described above) was $9.14; the Company s closing stock price on April 5, 2013 was $12.78.

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Throughout 2012, the Compensation Committee monitored the Company s executive compensation program and, when it deemed appropriate, modified the program to respond to the changes at the Company. Specifically, during 2012, the Compensation Committee modified the Company s executive compensation program to respond to its diminished ability to provide adequate incentives to program participants and to emphasize the long-term retention of key members of the Company s senior management team. For example, at the beginning of 2012, the Compensation Committee approved the 2012 annual incentive plan based on the Board-approved budget for 2012. Following the announcement of the Company s first quarter results, the Compensation Committee determined that the annual cash award opportunities under the 2012 annual incentive plan did not adequately serve as an incentive to participants since the performance targets were deemed to be unattainable with three more quarters remaining in the year and following no cash incentive payout for 2011 performance. The Compensation Committee also considered the retentive elements of the Company s executive compensation program in light of the uncertainty at the Company following the departure of several members of the Board. Accordingly, the Compensation Committee began to evaluate alternative compensation designs to restore the incentive component of the executive compensation program and to further encourage the retention of key employees at the Company.

In May 2012, the Company established an incentive program for a group of ten of its executives, including the NEOs who were with the Company at the time of grant other than Mr. Tullman, the Chief Executive Officer at the time, and Mr. Morgan (the 2012 Incentive Program). The 2012 Incentive Program was comprised of an award of service-based restricted stock units to retain the program participants services over the multi-year vesting period of the equity awards and a potential cash payment, with the cash payment contingent upon the achievement of a non-GAAP earnings per share target from June 1, 2012 through December 31, 2012. In August 2012, the Board approved 2012 incentive awards for Mr. Tullman comprised of a potential cash payment payable based on the achievement of strategic initiatives relating to cost synergies and an award of service-based and performance-based restricted stock units. Given the Company s performance during 2012, Mr. Tullman s August 2012 incentive awards were targeted to be significantly below the 25th percentile of the Company s compensation peer group.

In connection with the hiring of Messrs. Black and Poulton, each received a combination of cash bonuses and equity awards as an inducement for them to join the Company, to retain their services over the multi-year vesting period of the equity awards, and motivate them to perform at a level necessary to implement the Company s key strategic and financial initiatives. Approximately one-half of Mr. Black s inducement equity incentive awards were structured to require improved relative total shareholder return compared to similar software and healthcare IT companies. In structuring Mr. Black s new hire compensation package, the Board of Directors assigned significant value to Mr. Black s knowledge of the Company and its industry. In addition, the Board of Directors approved up-front sign-on bonuses to compensate him for compensation forfeited at his prior employer and compensation forfeited in connection with his resignation from various boards of directors following his acceptance of his position with the Company. Each of the elements of the Company s 2012 executive compensation program and awards are described in detail in this Compensation Discussion and Analysis.

For 2013, as part of its commitment to a pay-for-performance philosophy, the Compensation Committee has approved an annual bonus program with payouts payable based on the achievement of performance objectives relating to bookings, EBITDA and tactical imperatives. In addition, approximately one-half of the NEO equity awards will vest based on the Company s TSR performance relative to a peer group of companies over a three-year performance period.

Corporate Governance Framework. The Compensation Committee engages in an ongoing review of the Company s executive compensation and benefits programs to ensure that they support the Company s compensation objectives, as described in Executive Pay Policy below, and ultimately are aligned with the interests of our stockholders. In connection with this ongoing review, the Compensation Committee continues to revise the executive compensation program to implement and maintain what it believes to be are best practices with respect to executive compensation. Even in light of the substantial uncertainty and changes at the Company in 2012, the Compensation Committee remained committed to adhering to its corporate governance framework and approved 2012 amendments to the NEO employment agreements to ensure that any cash severance payable following a change of control is double trigger.

The Company s executive compensation corporate governance framework includes the following practices, each of which reinforces our executive compensation objectives:

- eliminating single trigger change of control benefits from NEO employment agreements and equity awards;
- amending the NEO employment agreements in 2012 to ensure that any change of control cash payment is double trigger, by including the requirement that the executive must resign from employment within ten days after a change of control to receive any severance benefits in the event the executive is not offered a Comparable Job (as defined in each agreement);
- eliminating tax gross-ups for severance payments resulting from a change of control of the Company for all of its named executive officers;
- the Compensation Committee s retention of the services of an independent executive compensation consultant who provides services directly to the Compensation Committee;
- instituting an annual policy for say-on-pay vote, as recommended by our stockholders at our 2011 annual meeting;
- establishing stock ownership guidelines for executives and non-employee directors;
- amending the Company s By-Laws and revising its Corporate Governance Guidelines in 2013 to adopt a majority voting standard for the election of directors;
- our insider trading policy prohibits our directors, officers and employees from engaging in hedging or monetization transactions, including short sales or transactions in publicly traded options, and generally prohibits the pledging of Company securities as collateral; and
- adopting a clawback policy in 2013 allowing the Company to recover incentive compensation paid to an executive officer that was calculated based on financial performance being revised in an accounting restatement.

Executive Pay Policy

The Compensation Committee seeks to establish and implement a compensation system for the Company s executive officers that is performance-oriented and designed to meet the following objectives:

- Enable the Company to attract, motivate and retain its executive officers by providing incentives which are competitive in the executive market;

- Reward outstanding performance for an individual s performance against corporate goals;

- Provide long-term incentive compensation through equity grants;

- Provide for compensation that is both externally competitive and internally equitable; and

- Ensure our executive officers compensation is aligned with our corporate strategies and business objectives, and the long-term interest of our stockholders.

The principal components of the 2012 compensation program for the Company s executive officers were base salary, cash incentive payments, and long-term equity-based compensation. In addition, Messrs. Black and Poulton received new hire cash and equity awards as an inducement for them to join the Company, with approximately half of Mr. Black s CEO equity inducement award granted pursuant to a relative total shareholder return performance schedule rather than a time-vesting schedule. The Company also provides a 401(k) retirement savings plan with matching contributions, group health and welfare plans, group term life insurance and severance benefits upon a termination of employment under certain circumstances, including following a change of control of the Company. As described further below, Messrs. Tullman and Shapiro each received severance benefits, which were largely determined based on the termination without cause provisions included in their existing employment agreements. The Company does not maintain defined benefit pension plans for its executive officers because the Compensation Committee believes that the existing compensation arrangements enable the Company s executive officers to adequately plan for their retirement.

2012 NEOs

As noted above, during 2012, there were a number of senior leadership changes to at the Company. For 2012, our named executive officers are: Paul M. Black, our current President and Chief Executive Officer; Mr. Richard J. Poulton, our current Chief Financial Officer; Diane K. Adams, our former Executive Vice President, Culture and Talent; Clifford B. Metzler, our Executive Vice President, Solutions Development; and Stephen E. Shute, our Executive Vice President, Sales & Services. Mr. Glen E. Tullman, our former Chief Executive Officer, Mr. Lee A. Shapiro, our former President and Secretary, Mr. William J. Davis, our former Chief Financial Officer and Mr. W. David Morgan, our current Senior Vice President, Finance and former Interim Chief Financial Officer, are also NEOs for 2012 in accordance with applicable SEC disclosure rules.

Consideration of Stockholder Say on Pay Vote

As noted above, in its compensation process, the Compensation Committee considers whether the Company s executive compensation and benefits program are aligned with the long-term interests of the Company s stockholders. In that respect, as part of its on-going review of the Company s executive compensation program, the Compensation Committee considered the approval by approximately 88% of the votes cast for the Company s say on pay vote at the Company s prior annual meeting of stockholders and did not make any changes to the Company s executive compensation program in response to such stockholder vote.

Compensation Procedures

Compensation Committee. During 2012, Philip D. Green, Edward A. Kangas, Michael J. Kluger, Ralph H. Thurman and Mr. Black each served on the Compensation Committee, with Mr. Black only serving during the period in which he was a non-employee director. Mr. Thurman joined the Compensation Committee following his election to serve on the Board of Directors and replaced Mr. Kluger, while Mr. Black joined the Compensation Committee in May 2012 and replaced Mr. Kangas. Given the changes in the Board composition during 2012, Mr. Green and Mr. Stevens, the Chairman of the Nominating and Governance Committee, led the negotiations of Mr. Black s employment agreement and Mr. Thurman and Mr. Cindrich led the negotiations of the separation and consulting agreements with Messrs. Tullman and Shapiro. Currently the independent non-employee members of the Board are responsible for reviewing and approving the compensation of our NEOs and directors.

Role of Management. An objective of the executive compensation program is to align the executive compensation program with stockholders interests and our business strategy. The Compensation Committee believes this alignment can be best achieved by consulting with members of our senior management because of their familiarity with our day-to-day operations. As such, management provides the Compensation Committee with valuable insights into our day-to-day operations, what kinds of rewards and incentives are effective, and recommendations for compensation decisions. In 2012, the Compensation Committee consulted with Mr. Tullman and Ms. Adams in formulating compensation plans and members of that group attended Compensation Committee meetings. Following the departure of Mr. Tullman and Ms. Adams, the Compensation Committee has relied upon their replacement officers for day-to-day advice. While the Compensation Committee seeks the input of management in its compensation deliberations, the Compensation Committee regularly meets in executive session without any members of management and no executive officer participates in the Compensation Committee s deliberations over any component of his or her own compensation.

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Role of Compensation Consultant. In 2012, the Compensation Committee retained Frederic W. Cook & Co., Inc (FW Cook) to serve as its independent compensation consultant. FW Cook reports directly to the Compensation Committee and participates in committee meetings. FW Cook did not perform any other services for the Company in 2012 and, accordingly, the Compensation Committee determined that the services provided by FW Cook did not raise any conflicts of interest.

Specifically, the Compensation Committee s compensation consultant:

- Participates in the design of the Company s director and executive compensation programs to help the Compensation Committee evaluate the linkage between pay and performance;
- Provides and reviews market compensation and performance data and advises the Compensation Committee on setting executive compensation and the competitiveness and reasonableness of the Company s executive compensation program;
- Reviews and advises the Compensation Committee regarding the elements of the Company s executive compensation program, equity grant and dilution levels, each as relative to the Company s peers;
- Reviews and advises the Compensation Committee regarding regulatory, disclosure and other technical matters; and
- Reviews and advises the Compensation Committee regarding the Company s compensation risk assessment procedures.

Market Analysis. The Compensation Committee considers relevant market pay practices when setting executive compensation. Market practices, or benchmarks, are based on peer group proxy data. Working with FW Cook, the Compensation Committee established a peer group in 2011 to be used for designing the 2012 executive compensation program. Further, this peer group was updated in October 2012, which was used as a point of reference for evaluating the new CEO compensation decisions when Mr. Black was hired in December 2012. To assist the Board in evaluating the new CEO compensation decisions, FW Cook prepared a supplemental peer group consisting of companies that hired a new chief executive officer in the last several years. The 2011 peer group used for context in most 2012 compensation decisions, except the CEO hiring decisions, included companies that reflected the following characteristics of the Company s business:

- Software and business services companies generally in the technology sector;
- Revenue range generally between $500 million $3 billion, with median revenues of $1.2 billion;
- Market capitalization range generally between $1 billion $13 billion, with median market capitalization of $3.2 billion; and
- Number of employees.

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The peer group used to evaluate 2012 compensation decisions consisted of the 23 U.S.-based publicly traded healthcare technology companies and general software companies listed below (the 2012 peer group), which represented the same peer group that was used to evaluate 2011 compensation decisions except for the deletion of Lawson Software, Inc. and SRA International, Inc. due to 2011 acquisitions.

Healthcare Technology Companies	Software Companies
CACI International Inc.	Ansys, Inc.
Catamaran Corporation	Autodesk, Inc.
Cerner Corporation	BMC Software Inc.
	Cadence Design Systems, Inc.
	Citrix Systems, Inc.
	Compuware Corporation
	Equifax Inc.
	Gartner, Inc.
	IHS Inc.
	Informatica Corporation
	Mentor Graphics
	Microsystems
	Nuance Communications, Inc.
	Parametric Technology Corporation
	Quest Software, Inc.
	Red Hat, Inc.
	Rovi Corporation
	Sapient Corporation
	Solera Holdings, Inc.
	Synopsys, Inc.

As noted above, in October 2012, the Compensation Committee approved modifications to the Company s historical peer group to be used for evaluating compensation decisions going forward, including the 2012 new CEO compensation package. The following seven companies were removed from the Company s historical peer group due to size and/or business relevance as compared to the Company: Ansys, Inc.; CACI International Inc.; Citrix Systems, Inc.; IHS Inc.; Nuance Communications, Inc.; Red Hat, Inc.; and Rovi Corporation. In addition, the following six companies were added to the Company s peer group based on their similarity to the Company in terms of size and business strategy: athenahealth, Inc.; DST Systems, Inc.; Haemonetics Corporation; Hill-Rom Holdings, Inc.; Medassets, Inc.; and Quality Systems, Inc. In addition, in order to evaluate the compensation granted or awarded to new chief executive officers, the Board of Directors reviewed a supplemental peer group prepared by FW Cook consisting of the following software and technology companies with recent CEO hires disclosed:

Acxiom Corporation; Cadence Design Systems, Inc.; Cardtronics Inc.; CareFusion Corporation; Hill-Rom Holdings, Inc.; Savvis, Inc.; and Syntel, Inc.

The Compensation Committee considered whether the compensation granted by the Company is competitive with those of its peer group. Historically, the Compensation Committee has sought to target compensation at the 75^{th} percentile for similarly situated officers in the Company s peer group; however, in light of the Company s performance and the various modifications to the Company s executive compensation program in 2012, the Compensation Committee departed from its historical benchmark practices in 2012. For Mr. Tullman, based on the advice of FW Cook and after considering the Company s performance, the Compensation Committee approved total targeted compensation which was below the 25^{th} percentile of the peer group for CEOs, with his 2012 incentive award and approximately one-half of his equity award subject to the achievement of pre-established performance goals. For each of the NEOs who participated in the 2012 Incentive Program, the equity grants made pursuant that program were at levels that were designed to bring their compensation approximately in line with the 75^{th} percentile of the peer group in order to incentivize the program participants and retain them through a period of uncertainty at the Company. Mr. Black s compensation was approved at levels that were in line with the 75th percentile of the October 2012 peer group and the CEO supplemental peer group to recognize his experience, Company and industry knowledge, as well as the other business opportunities he was forgoing by accepting a full-time CEO position at the Company.

Elements of Compensation

The Compensation Committee believes that the Company s compensation programs for its executive officers are competitive and appropriately designed to attract and retain key employees, reward performance and promote long-term stockholder value. This section describes the various elements of our compensation program for NEOs, together with a discussion of various matters relating to those items.

Base Salary. Base salaries are paid to the Company s executive officers to compensate them for the performance of their respective job duties and responsibilities. The Compensation Committee reviews base salaries of the Company s executive officers on an annual basis. In setting annual base salaries, the Compensation Committee takes into consideration the Company s overall financial and operating performance in the prior year, the Company-wide target for base salary increases for all employees, market and competitive salary information, changes in the scope of an executive officer s job responsibilities and other relevant factors. The Compensation Committee also reviews the executive officer s performance and the performance of the divisions, business units and departments for which he or she is responsible. For the Chief Executive Officer, the Compensation Committee evaluates the Chief Executive Officer s performance and determines any salary adjustment. For the other executive officers, the Compensation Committee receives an evaluation from the Chief Executive Officer on the executive officer s performance and a recommendation for any salary adjustment.

None of our NEOs received a salary increase for 2012 except for Mr. Morgan. In connection with Mr. Morgan s appointment to the position of Interim Chief Financial Officer, based on the competitive salary information discussed above, the Compensation Committee approved an increase to Mr. Morgan s base salary from $292,000 to $350,000. The base salaries for Messrs. Black and Poulton were established at levels that were deemed necessary to obtain their services and were between the median and 75th percentile of the applicable market analysis. The following table sets forth the annualized base salary rate for each of the NEOs during 2012.

Name	**2012 Annual Salary Rate**
Paul M. Black	$ 1,000,000
Glen E. Tullman	$ 800,000
Richard J. Poulton	$ 450,000
W. David Morgan	$ 350,000
William J. Davis	$ 500,000
Lee A. Shapiro	$ 600,000
Diane K. Adams	$ 450,000
Clifford B. Meltzer	$ 425,000
Stephen E. Shute	$ 425,000

2012 Officer Incentive Program

As in prior years, at the beginning of 2012, the Compensation Committee granted each NEO an annual cash bonus target opportunity under the Company s annual incentive plan, with payout initially based on the Company s adjusted operating income performance during 2012. Following the announcement of the Company s first quarter results, the Compensation Committee determined that the annual cash award opportunities under the 2012 annual incentive plan did not adequately serve as an incentive to participants since the performance targets were deemed to be unattainable. The Compensation Committee also considered the retentive elements of the Company s executive compensation program in light of the uncertainty at the Company following the departure of several members of the Board. Accordingly, the Compensation Committee began to evaluate alternative compensation designs to restore the incentive component of the executive s compensation program and to further encourage the retention of key employees at the Company.

In May 2012, the Company established an incentive program (the 2012 Incentive Program) consisting of cash incentive and restricted unit awards for a group of ten of its executives, including the NEOs who were with the Company at the time of grant other than Messrs. Tullman (the CEO at the time) and Morgan (the Interim CFO at the time). As the 2012 Incentive Program was viewed as a replacement program to the annual incentive plan, the target opportunity for the cash incentive piece was approved at 75% of the original target award opportunity approved at the beginning of the year under the Company s annual incentive plan. A grant date value for the equity award was established based on the market data discussed above and the Company s historical equity grant practices; however, the per share price used to determine the number of shares awarded to each executive was higher than the actual share price on the date of grant, which resulted in the NEOs receiving fewer shares than if the awards were calculated based on the value of the stock price at the time of grant. The Compensation Committee approved the use of the higher share price to reduce the impact that the depressed stock price would have on the number of shares of granted. This was a performance-based framework to ensure that the participating executives lost grant value in alignment with shareholders.

***Cash Incentive Bonus*.** Participants were eligible to earn a cash incentive bonus under the 2012 Incentive Program based on the achievement of an adjusted earnings per share financial performance goal. After considering the diminished incentive and retentive value of the Company s annual incentive program given that no annual bonuses were paid with respect to 2011 performance and the bonus objectives established at the beginning of the year under the 2012 annual incentive program were deemed unattainable, the Compensation Committee approved a performance goal for the 2012 Incentive Program that was designed to be reasonably achievable in order to restore the incentive and retentive value of the Company s executive compensation program.

The 2012 Incentive Program s payout was based on the Company s achievement of adjusted earnings per share of $0.33 for the seven-month period beginning June 1, 2012 and ending December 31, 2012. Under the 2012 Incentive Program, adjusted earnings per share was calculated using net income (loss) for the performance period determined in accordance with U.S. generally accepted accounting principles and adding back acquisition-related deferred revenue adjustments and excluding acquisition-related amortization, stock-based compensation expense, transaction-related expenses and certain non-recurring charges, all on a net-of-tax basis, and dividing by 195 million shares. Adjusted earnings per share of $0.33 was required to fully fund the target bonus amount with maximum funding of 110% of target if adjusted earnings per share of $0.36 or more was achieved, representing a 110% of target payout maximum for exceeding the goal by 10%). No payout would be made if the performance goal was not achieved. The actual adjusted earnings per share amount for the performance period was $0.35, resulting in an award payout equal to 106.8% of the target award. The following table sets forth the target bonus opportunity for each participating NEO in the 2012 Incentive Program as well as the 2012 actual incentive bonus earned.

Name	**Incentive Plan Target Amount**	**2012 Actual Incentive Bonus**
Glen E. Tullman	$ 0	$ 0
W. David Morgan	$ 0	$ 0
Lee A. Shapiro	$ 450,000	$ 480,600
Diane K. Adams	$ 337,500	$ 360,450
Clifford B. Meltzer	$ 270,938	$ 289,361
Stephen E. Shute	$ 159,375	$ 170,213

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Restricted Stock Unit Grant. The 2012 Incentive Program also included a grant of service-based restricted stock unit awards to the participating NEOs, which vest in one-third annual increments. The individual grants were set based on a determination of the most critical roles for rebuilding the Company s shareholder value, with consideration given to unvested retention value from pre-existing equity awards. The following table sets forth the service-based restricted stock unit awards granted to the participating NEOs in the 2012 Incentive Program.

Name	2012 Service-Based Restricted Stock Unit Awards
Glen E. Tullman	0
W. David Morgan	0
Lee A. Shapiro	68,369
Diane K. Adams	68,369
Clifford B. Meltzer	82,042
Stephen E. Shute	82,042

Annual Equity Grant.

Under our 2011 Stock Incentive Plan, the Compensation Committee may grant executive officers and other employees incentive and non-qualified stock options, performance-based stock awards, restricted stock units and other forms of equity compensation. The Compensation Committee believes the stock incentive plans and the related issuance of equity-based awards is consistent with its stated objective of establishing an executive compensation program that aligns the long-term interest of our executive officers with those of our stockholders.

In early May 2012, the Compensation Committee approved the annual grant to the NEOs with the Company at the time of grant, except for Messrs. Tullman and Morgan. These awards were granted after the announcement of various changes to the composition of our Board of Directors and were at levels that approximated the median of the peer group. The Compensation Committee determined that the May 2012 equity grant was advisable in light of the uncertainty at the Company following the departure of several members of the Board and in order to further incentive the achievement of Company initiatives relating to financial performance, product delivery and client experience. Based on the Company s first quarter performance, the CEO at the time, Mr. Tullman, did not receive an equity award at that time. The annual equity awards were delivered as service-based restricted stock units, vesting in 25% annual increments, and were also subject to performance objectives designed to meet the performance-based compensation requirements of Section 162(m) of the Code, with 50% of the annual grant subject to a performance objective for the year ended December 31, 2012 and the remaining 50% of the annual grant subject to a performance objective for the year ending December 31, 2013. For 2012, the Compensation Committee departed from its practice of granting performance-based restricted stock unit awards due to the importance it assigned to employee retention and in light of the uncertainty at the time of projecting financial performance over the multi-year vesting period. For 2013, the Compensation Committee returned to a performance-based philosophy with 50% of the annual equity awards granted to our NEOs as performance stock units requiring total shareholder return to be at least at the 65th percentile of a peer group of companies during a three year performance period for target shares to be earned.

The following table sets forth the service-based restricted stock unit awards granted to the NEOs who were with the Company at the time of the May 2012 grant, other than the Mr. Tullman, the CEO at the time of grant, and Mr. Morgan.

Name	Award
Glen E. Tullman	0
W. David Morgan	0
Lee A. Shapiro	125,236
Diane K. Adams	68,880
Clifford B. Meltzer	68,880
Stephen E. Shute	68,880

2012 Incentive Compensation for Mr. Tullman

Mr. Tullman, the CEO at the time, did not participate in the 2012 Incentive Program or the 2012 annual equity grant. In August 2012, the Compensation Committee approved a separate incentive compensation plan for Mr. Tullman in order to provide an incentive to achieve key strategic and financial initiatives. Mr. Tullman s incentives were set differently than the other NEOs to emphasize the importance of achieving key performance goals as part of the Company s effort to rebuild shareholder value and were set at levels well below the 25th percentile of the peer group to recognize the Company s performance and shareholder return through that point in the year. The incentive compensation plan consisted of a cash incentive bonus and equity compensation, with 50% of the equity award performance-based. Under Mr. Tullman s incentive program, the cash incentive bonus was equal to 20% of Mr. Tullman s base salary (or $160,000), with payment of the cash bonus contingent upon board approval and public announcement of a plan for the Company to achieve cost savings through synergy advantages of at least $10 million in 2013. In addition, Mr. Tullman was provided an equity grant with a targeted value of $1,900,000 which was a reduction of 68% over Mr. Tullman s 2011 grant levels and below the 25th percentile of the Company s peer group. The equity grant consisted of 50% service-based restricted stock units and 50% performance-based restricted stock units. The performance-based restricted stock units were scheduled to vest based on the Company s achievement of adjusted earnings per share during the period beginning July 1, 2012 and ending December 31, 2012. The adjusted earnings per share threshold required to receive a threshold award was $0.45, with 100% of the target award funded if adjusted earnings per share was $0.56 and maximum funding of 150% of target for adjusted earnings per share at or in excess of $0.70. Based on the Company s adjusted earnings per share of $0.28 during the July 1, 2012 through December 31, 2012 performance period, none of the 2012 performance-based restricted stock units granted to Mr. Tullman vested. In connection with Mr. Tullman s departure from the Company effective December 19, 2012, his separation agreement provides for the accelerated vesting of 53,665 of the service-based restricted stock units granted in 2012 pursuant to the terms of his employment agreement for a termination without cause and in consideration of the consulting services Mr. Tullman agreed to provide to the Company. After considering the accelerated vesting, the remaining 36,812 restricted stock units granted in 2012 have been forfeited.

Outstanding 2011 TSR Performance-Based Restricted Stock Unit Grants

During 2012, the performance-based restricted stock unit awards granted in 2011 remained outstanding. Approximately two-thirds of those awards vest over a three-year performance period based on the Company s achievement of revenue and adjusted operating income goals in 2011, while the remaining one-third of the 2011 awards vest based on the Company s total shareholder return performance. Approximately one-third of the award subject to the total shareholder return performance goal could have vested based on the Company s 2012 total shareholder return performance relative to a specified peer group of companies. Please see Exhibit 10.40 to our Transition Report on Form 10-KT for the seven-month period ended December 31, 2010 for a list of the companies included in this peer group. The minimum percentile rank required to receive a threshold award is 41%, with 100% of the target award funded at a percentile rank of 65% and maximum funding of 160% of target at a percentile rank at or in excess of 95%. For 2012, the Company s TSR percentile rank was below the minimum percentile required to earn a portion of these performance-based restricted stock units. Accordingly, none of the TSR performance-based restricted stock units that were granted in 2011 vested based on 2012 performance.

2010 Merger Bonus Plan

In connection with the merger with Eclipsys in 2010, Allscripts established the Allscripts Healthcare Solutions, Inc. Incentive Retention and Merger Bonus Plan (the 2010 Merger Bonus Plan) to retain certain highly qualified individuals in the employment of Allscripts and provide incentive and reward to such individuals for diligently and successfully completing the merger with Eclipsys, and mitigating distractions to such individuals resulting from the transaction. The 2010 Merger Bonus Plan was a one-time program, set at the merger date in 2010 and expiring in 2012. This plan was established as part of the merger and was not considered part of the ongoing compensation program. The 2010 Merger Bonus Plan opportunities reflected compensation decisions made only in 2010 and there were no new awards granted in 2012 under the 2010 Merger Bonus Plan.

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At the time it was established, participants in the 2010 Merger Bonus Plan received awards consisting of 50% cash and 50% performance-based restricted shares (Performance Shares), with each participant s award opportunity determined based on a participation award level specified in the plan. Messrs. Tullman, Shapiro and Davis were designated as blue award participants at the time and Mr. Morgan and Ms. Adams were designated as green award participants, with the payout opportunity determined based on the executive s designation as a blue or green level participant. The settlement of the cash awards was contingent upon the NEOs continued service following the merger and the vesting of the Performance Shares was subject to the achievement of performance objectives established in 2010.

Cash Awards Under the 2010 Merger Bonus Plan. The cash awards under the 2010 Merger Bonus Plan vested periodically over two years beginning on the date of the closing of the merger as follows: 1/6 at each of the close of the merger and the 6, 12, 16, 20 and 24 month anniversaries of the closing of the merger. Payments in 2012 represented the fulfillment of the contractual obligations established in 2010. The table below sets forth the bonuses earned by and paid to each NEO in 2012 pursuant to the terms of the 2010 Merger Bonus Plan. The payments of amounts earned under the plan in 2012 are reported as 2012 compensation in the 2012 Summary Compensation Table.

Name	Cash Retention Bonus Payment
Glen E. Tullman	$ 312,500
W. David Morgan	$ 91,667
William J. Davis	$ 104,167
Lee A. Shapiro	$ 250,000
Diane K. Adams	$ 103,333

Performance Share Awards Under the 2010 Merger Bonus Plan. One-half of the Performance Shares granted in 2010 vested based on the achievement of cost synergy savings measures set at the time the plan was implemented (Cost Synergies) realized as a result of the merger in the 12 month periods ended September 30, 2011 and September 30, 2012 (Year 1 and Year 2 , respectively). The Year 1 Cost Synergies target was $30,000,000, and the cumulative Year 2 Cost Synergies target was $38,000,000. The other one-half of the Performance Shares granted in 2010 vested based on the joint sale of products and/or services of Allscripts and Eclipsys (Joint Product Sales), each sale equal to or greater than $5,000,000, in each of Year 1 and Year 2. The Joint Product Sales target for each of Year 1 and Year 2 was five sales.

The table below illustrates the threshold, target and maximum Performance Share vesting and payout on an aggregate basis. The shares reflect an award opportunity established in 2010 at time of the Eclipsys merger and no additional Performance Shares have been granted under the 2010 Merger Bonus Plan. Payout for performance between the threshold and target and target and maximum levels is determined using straight-line interpolation.

	Threshold	Target	Maximum
Cost Synergies			
Performance as % of Target (per year)	80%	100%	120%
Payout as a % of Base Salary:			
Blue Award Opportunity	31.25%	62.50%	93.75%
Green Award Opportunity	25%	50%	75%
Joint Product Sales			
Performance as # of Sales (per year)	3	5	7
Payout as a % of Base Salary:			
Blue Award Opportunity	31.25%	62.50%	75.00%
Green Award Opportunity	25%	50%	60%

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For the Year 2 Performance Period which ended on September 30, 2012, the cumulative Cost Synergies achieved totaled $40.4 million and the total Joint Product Sales realized was 3. Accordingly, the number of performance shares earned by the participating NEOs in the 2010 Merger Bonus Plan equaled 83% of one-half of the target award based on straight-line interpolation. The following table sets forth performance shares earned by each participating NEO during 2012. In connection with his separation prior to September 30, 2012, Mr. Davis forfeited the performance shares that would have vested in 2012 based on 2012 performance.

Name	Number of Underlying Shares Earned
Glen E. Tullman	23,312
W. David Morgan	6,514
William J. Davis	0
Lee A. Shapiro	18,650
Diane K. Adams	7,708

Compensation Arrangement for Messrs. Black and Poulton

In connection with the appointment of Mr. Black to the position of President and Chief Executive Officer in December 2012 and Mr. Poulton to the position of Chief Financial Officer in October 2012, the Company entered into employment agreements with each executive. The terms of the employment agreements were based on the negotiations of the parties as well as the advice of FW Cook and the Company s historical compensation practices.

Pursuant to Mr. Black s employment agreement, Mr. Black will receive a base salary of $1 million per year, and is eligible for a target bonus of 150% of his base salary, based on performance conditions determined by the Compensation Committee. Pursuant to the terms of his employment agreement, Mr. Black was paid a signing bonus of $1.25 million to induce him to join the Company and to compensate him for compensation forfeited at his prior employer and compensation forfeited in connection with his resignation from various boards of directors following his acceptance of his position with the Company. Additionally, under the terms of his employment agreement, Mr. Black was entitled to a guaranteed bonus for 2013 of $1.5 million to induce him to join the Company. The guaranteed bonus was paid at the end of 2012 due to 2013 tax rate uncertainty and to increase his excise tax threshold in the event of a future change of control of the Company because Mr. Black was not provided excise tax gross-up protection with respect to any payments to be received in connection with a change of control. Mr. Black s sign-on bonus and 2013 guaranteed bonus are each subject to clawback by the Company if Mr. Black resigns on or before December 31, 2013 for a reason other than constructive discharge. As a hiring inducement and to align the interests of Mr. Black with those of the Company s stockholders, Mr. Black was also granted restricted stock units for a number of shares having a value of approximately $6 million on the date of grant, with half contingent on the Company s future relative total shareholder value versus similar companies. Of these restricted stock units, $3 million vest over a period of three years and are subject to a performance-based vesting condition designed to meet the requirements under Section 162(m) of the Internal Revenue Code, and the remaining grant date value represents performance-based restricted stock units for a target number of shares having a value of approximately $3 million on the date of grant. The performance-based restricted stock units vest one-third at end of each of 2013, 2014 and 2015 based on the ranking of the Company s TSR among its peers from the date of grant through the end of the applicable performance period, with an opportunity to make up for the portion not earned in a completed performance period based on the cumulative performance over the three-year period as a means of emphasizing the Company s long-term performance. The Board approved the TSR performance metric for the performance-based restricted stock unit awards as that metric was viewed as the best measure of the success of the Company s execution of its initiatives regarding financial performance, product delivery and client experience. For purposes of these awards, the comparator relative TSR peer group was chosen objectively, using a software and services GICS code and included all companies within that code with a market capitalization between one-third and three times the market capitalization of the Company as well as healthcare information technology companies of relevant market capitalization size. For comparison purposes, the Company s market capitalization was approximately $2.4 billion which is below the median of this peer group. Please see Exhibit 10.40 to our Form 10-K for the year ended December 31, 2012 for a list of the companies included in this peer group. TSR for purposes of this award is calculated based on stock price appreciation from the beginning to the end of a performance period, plus dividends and distributions made or declared during the performance period, expressed as a percentage return. For each performance period, the TSR will be determined for the Company and the peer group. The number of shares earned will be based on the Company s TSR percentile rank within the peer group. The minimum percentile rank required to receive a threshold award is 25%, with 100% of the target award funded at a percentile rank of 65% and maximum funding of 200% of target at a percentile rank at or in excess of 90%. Payout is capped at 100% of target if the Company s TSR is negative, which is to ensure no over-achievement payout if Allscripts outperforms a falling broad market benchmark, and the value of the payout in any performance period cannot exceed five times the target value. Mr. Black s 2013 annual equity award consists of performance-based restricted stock units based on relative TSR with a grant date value of approximately $2.5 million and service-based restricted stock units with a grant date value of $2.5 million vesting over four years and subject to a performance-based vesting condition designed to meet the requirements under Section 162(m) of the Internal Revenue Code.

Mr. Poulton s employment agreement provides for an annual base salary of $450,000 and a target performance bonus opportunity equal to 100% of his base salary. Under the terms of the agreement, Mr. Poulton will receive a one-time cash payment of $750,000 in June 2013. In 2012, Mr. Poulton was provided a new-hire equity grant of restricted stock units with a grant-date value of $1,000,000 and a 2012 long-term incentive equity grant of restricted stock units with a grant-date value of $1,000,000. Each restricted stock unit grant is subject to a four-year vesting schedule, with one-fourth of the grant vesting on each of the first four anniversaries of the grant date. In addition, for the year ended December 31, 2012, Mr. Poulton received a guaranteed cash bonus totaling $337,500 which is equal to 75% of his annual target bonus. This guaranteed bonus was deemed to be necessary to recruit Mr. Poulton from his previous employer during a year in which the Company was not achieving its annual business goals.

Compensation Arrangement for Mr. Morgan

In connection with Mr. Morgan s appointment to the position of Interim Chief Financial Officer following the departure of Mr. Davis, the Company entered into an employment agreement with Mr. Morgan that provides for an annual salary of $350,000 and a retention payment of $500,000 payable after twelve months. On May 1, 2012, Mr. Morgan was granted service-based restricted stock unit awards representing the right to acquire 50,321 shares, vesting 25% on each of the first four anniversary dates from the date of grant. Additionally, Mr. Morgan was granted an award of service-based restricted stock units representing the right to acquire 4,506 shares, which vest 50% on each of the first two anniversaries of the date of grant subject to the achievement of a performance objective related to the year ended December 31, 2012.

Compensation Arrangement for Mr. Shute

In addition to his base salary and participation in the 2012 Incentive Program, Mr. Shute was eligible to receive a target annual sales bonus of 50% of his base salary, which may, based on performance, be less than or exceed such amount but with a maximum bonus opportunity of 100% of base salary. During 2012, he earned a sales performance bonus totaling $159,706 which was tied to sales performance objectives for the 2012 sales performance year. Mr. Shute earned an additional bonus totaling $182,500 based on the results of a one-time program to increase client orders during the fourth quarter of 2012.

Separation and Consulting Agreements for Messrs. Tullman and Shapiro

In connection with their departures, each of Messrs. Tullman and Shapiro entered into a separation agreement and a consulting agreement with the Company. Under the consulting agreements Mr. Shapiro agreed to consult on a full-time basis until June 30, 2013 at a rate of $100,000 per month and Mr. Tullman agreed to consult for up to five days per month for three months at $3,000 per day (unless he enters into a full-time employment relationship). The terms of the separation agreements were largely based on the severance provisions included in the existing employment agreements for a termination without cause as well as negotiations between the Board and the executives.

Pursuant to the terms of each separation agreement, each executive was entitled to receive (i) a cash payment of one times annual salary plus target bonus, (ii) 18 months of continued health benefits and (iii) accelerated vesting of a portion of their outstanding equity awards (i.e., vesting of any awards that would otherwise vest during the next year plus a pro rata amount of one additional unvested tranche, subject to satisfaction of any applicable performance conditions). In addition, Mr. Tullman received a cash payment of $160,000 relating to his 2012 incentive compensation program discussed above, which the Company deemed earned under the terms of the bonus plan, and Mr. Shapiro remained eligible for a performance-based bonus under the 2012 Incentive Program discussed above, with payout determined based on actual Company performance against the goals. In consideration for the consulting commitment described above, the separation agreements contained additional vesting of outstanding equity awards (six months for Mr. Shapiro and three months for Mr. Tullman). The accelerated vesting of Messrs. Tullman and Shapiro s outstanding equity awards resulted in a modification charge under applicable accounting rules, which is reported in the Summary Compensation Table as 2012 compensation. In consideration of each executive s involvement in the exploration of strategic alternatives with respect to the Company and in exchange for an ongoing cooperation commitment (in addition to the consulting commitment), each separation agreement also provides that if a change of control occurs within 12 months of the termination date, each executive would be entitled to (i) two times annual salary plus target bonus (rather than one times) and (ii) accelerated vesting of substantially all unvested equity awards.

Separation Agreement for Diane Adams

In connection with her January 2013 departure, on December 28, 2012, the Company and Ms. Adams entered into a separation agreement. Pursuant to the terms of the separation agreement, Ms. Adams employment was treated as a termination without cause for purposes of calculating severance and benefits, which entitled her to (i) a cash payment of one times annual salary plus target bonus, (ii) one year of continued health benefits and (iii) partial accelerated vesting of equity awards (i.e., vesting of any awards that would vest during the next year plus a pro rata amount of one additional unvested tranche, subject to satisfaction of any applicable performance conditions). The accelerated vesting of Ms. Adams outstanding equity awards resulted in a modification charge under applicable accounting rules, which is reported in the Summary Compensation Table as 2012 compensation. In addition, Ms. Adams remained eligible for a performance-based bonus under the 2012 Incentive Program discussed above, with payout determined based on actual Company performance against goals. In consideration of Ms. Adams involvement in the exploration of strategic alternatives with respect to the Company and in exchange for an ongoing cooperation commitment, the separation agreement also provides that if a change of control were to occur within 12 months of the date of the agreement, Ms. Adams would be entitled to (i) two times annual salary plus target bonus (rather than one times) and (ii) accelerated vesting of all unvested equity awards.

Benefits and Perquisites

Each of our NEOs participates in the health and welfare benefit plans and fringe benefit programs generally available to all other Allscripts employees. In addition, Allscripts generally does not provide its NEOs with significant perquisites and personal benefits in excess of $10,000. Under certain circumstances, however, the Compensation Committee recognizes that special arrangements may be necessary or desirable. During 2012, Mr. Meltzer received relocation assistance, as well as tax reimbursements for such relocation assistance, in accordance with the Company s relocation program for individuals serving at the executive vice president level. The total perquisites provided to each NEO are described in the 2012 All Other Compensation Table included elsewhere in this proxy statement.

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Severance Arrangements in Employment Agreements

Allscripts has entered into severance arrangements as a component of the employment agreements with members of our senior management team, including the NEOs. These agreements provide for payments and other benefits if the officer s employment terminates for a qualifying event or circumstance, such as being terminated without Cause or leaving employment for Constructive Discharge, as these terms are defined in the employment agreements. A termination following a Change of Control generally results in the NEOs receiving additional compensation. Pursuant to employment agreement amendments adopted in July 2010, the Company eliminated single trigger change of control benefits and tax gross-up payments on change of control benefits. In addition, during 2012, the Company entered into amendments to employment agreements with each of Messrs. Tullman and Shapiro and Ms. Adams to ensure that any change of control cash payment is double trigger, requiring termination of employment under all circumstances. Each amendment increased the requirements for the executive to receive a cash payment in the event the executive is not offered a Comparable Job (as defined in each employment agreement) in connection with a Change of Control, by adding an additional requirement that the executive also terminate employment within ten days after the Change of Control. Additional information regarding the employment agreements, including a quantification of benefits that would have been received by our NEOs had termination or change of control occurred on December 31, 2012, is found under the heading Potential Payments upon Termination or Change of Control in this proxy statement.

The Compensation Committee believes that these severance and change of control arrangements are an important part of overall compensation for our NEOs. The Compensation Committee believes that these agreements help to secure the continued employment and dedication of our NEOs, notwithstanding any concern that they might have at such time regarding their own continued employment, prior to or following a change of control. The Compensation Committee also believes that these agreements are important as a recruitment and retention device, as many of the companies with which we compete for executive talent have similar agreements in place for their senior employees.

Stock Ownership Requirements

In April 2012, the Board of Directors approved new stock ownership requirements for certain executives of the Company, including each of the NEOs. Our President and Chief Executive Officer is required to maintain an ownership level with a fair market value equal to six times his base salary, while the other NEOs are required to maintain an ownership level with a fair market value equal to two times their respective base salary levels. The initial measurement date is five years from the adoption of the new guidelines or an executive s hire date, whichever is later. Common stock owned outright, service-based awards outstanding, and deferred stock units are included when determining the ownership level. Stock options and performance-based awards are excluded. If the stock ownership requirement is not met after five years, the executive will be required to retain shares equal in value to no less than half of the after-tax value of shares vesting from any equity award.

Tax Considerations

Under Internal Revenue Code Section 162(m), a company generally may not deduct compensation in excess of $1,000,000 paid to the chief executive officer and the other three most highly compensated officers, other than the chief financial officer. Certain performance-based compensation is not included in compensation for purposes of the limit. The Compensation Committee will continue to assess the impact of Section 162(m) on its compensation practices; however, the Compensation Committee believes that it must maintain flexibility in its approach in order to structure a program that is the most effective in attracting, motivating and retaining the Company s key executives.

2013 Compensation Decisions

On February 20, 2013, the Compensation Committee approved the 2013 compensation amounts and awards for the NEOs serving at the time of the meeting. In setting executive compensation levels for 2013, the

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Compensation Committee considered a number of factors including market data, individual characteristics and responsibilities, and the Company s financial performance in 2012 and early 2013.

Base Salary: Except for market-based adjustments to the annual base salaries for Messrs. Meltzer and Shute, none of the NEOs received a base salary increase for 2013.

Annual Incentive Bonus: The Compensation Committee approved annual performance objectives for the NEOs relating to bookings, EBITDA and tactical imperatives, weighted 20%, 50% and 30%, respectively. Except for Messrs. Meltzer and Shute, the NEOs annualized target opportunities did not increase for 2013. Mr. Meltzer s target opportunity for 2013 is $450,000, which represents 100% of his adjusted base salary, and Mr. Shute s is $220,000, which represents 50% of his adjusted base salary. Mr. Meltzer s target opportunity as a percentage of his base salary increased from 85% to 100%; Mr. Shute s did not change.

Annual Equity Grants: In 2013, the annual equity grants to the NEOs other than the Chief Executive Officer were in the form of stock options and performance-based restricted stock units. Stock options, which account for 50% of the 2013 annual equity grants, have value to an award recipient only if our stock price appreciates. The performance-based restricted stock units, which account for the remaining 50% of the 2013 annual grants, vest based on the Company s TSR performance relative to a peer group of companies over a three-year performance period. Mr. Black s 2013 annual equity grant consisted of 50% time-based restricted stock units and 50% TSR performance-based restricted stock units.

Compensation Committee Report

The Compensation Committee of the board of directors of Allscripts Healthcare Solutions, Inc., together with the non-employee members of the board of directors, oversaw Allscripts 2012 compensation program on behalf of the board. In fulfilling its oversight responsibilities, the Compensation Committee and the non-employee members of the board of directors reviewed and discussed with management the Compensation Discussion and Analysis set forth above.

In reliance on the review and discussions referred to above, the Compensation Committee and non-employee members of the board of directors recommended to the board that the Compensation Discussion and Analysis be included in the Company s Annual Report on Form 10-K/A for the year ended December 31, 2012 and in this proxy statement.

NON-EMPLOYEE MEMBERS OF THE BOARD OF DIRECTORS

Ralph H. Thurman

Stuart L. Bascomb

Dennis H. Chookaszian

Robert J. Cindrich

David D. Stevens

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2012 Summary Compensation Table

The following table presents the total compensation of all individuals serving as Allscripts Chief Executive Officer during 2012, all individuals serving as Allscripts Chief Financial Officer during 2012, the three other most highly compensated executive officers who were serving in such capacities at December 31, 2012, and our former President. In connection with the Eclipsys merger, we changed our fiscal year-end back to a calendar year-end, December 31st. We previously changed our fiscal year-end from December 31st to May 31st in connection with the consummation of the 2008 transactions involving Misys plc. The table below includes historical compensation information both for fiscal year 2010 (June 1, 2009 through May 31, 2010), which we refer to as FY2010, the seven month period ended December 31, 2010 (June 1, 2010 through December 31, 2010), which we refer to as T2010, and the years ended December 31, 2012 and 2011.

Name and Principal Position	Year (1)	Salary $	Bonus $ (2)	Stock Awards $ (3)	Non-Equity Incentive Plan Compensation $ (4)	All Other Compensation $ (5)	Total $
Paul M. Black (6) President and Chief Executive Officer	2012	34,091	2,750,000	6,155,970(7)	0	100,466	9,040,527
Glen E. Tullman (8) Former Chief Executive Officer	2012	800,000	312,500	4,074,017(9)	0	1,936,155	7,122,672
	2011	787,500	468,750	5,900,046	0	15,602	7,171,898
	T2010	437,500	156,250	3,687,515	227,500	3,367	4,512,132
	FY2010	741,667	315,000	2,250,031	750,000	15,572	4,072,270
Richard J. Poulton (6) Chief Financial Officer	2012	79,688	337,500	2,000,014	0	2,455	2,419,657
W. David Morgan (6) Former Interim Chief Financial Officer	2012	329,860	91,667	599,260	0	10,732	1,031,519
William J. Davis (10) Former Chief Financial Officer	2012	192,709	104,167	0	0	12,025	308,901
	2011	500,000	312,500	2,300,039	0	14,510	3,127,049
	T2010	282,292	104,167	1,825,020	151,667	5,447	2,368,593
	FY2010	425,000	191,250	750,022	318,750	14,480	1,699,502
Lee A. Shapiro (8) Former President	2012	600,000	250,000	3,893,787(9)	480,600	18,902	5,243,289
	2011	600,000	375,000	2,300,039	0	18,572	3,293,611
	T2010	350,000	125,000	1,950,028	182,000	3,609	2,610,637
	FY2010	594,792	213,750	1,080,011	600,000	15,572	2,504,125
Diane K. Adams (11) Former Executive Vice President,	2012	450,000	103,333	2,445,699(9)	360,450	12,146	3,371,628
Culture and Talent	2011	400,000	155,000	1,350,033	0	11,594	1,916,627
	T2010	187,500	51,667	810,007	90,242	1,002	1,140,418
Clifford B. Meltzer (6) Executive Vice President, Solutions Development	2012	425,000	0	1,652,859	289,361	241,020	2,608,240
Stephen E. Shute (6) Executive Vice President, Sales & Services	2012	425,000	182,500	1,652,859	329,919	5,160	2,595,438

(1) The T2010 year represents the period of June 1, 2010 through December 31, 2010, and FY 2010 represents the Company s 2010 fiscal year of June 1, 2009 through May 31, 2010.

(2) For 2012, the amounts reported for Messrs. Tullman, Davis, Morgan, Shapiro and Ms. Adams represent cash retention bonuses paid pursuant to the 2010 Merger Bonus Plan. The amounts reported in 2012 for Mr. Black represents a sign-on bonus of $1.25 million and a

guaranteed bonus paid in 2012 with respect to the 2013 annual incentive plan equal to $1.5 million, each of which is subject to clawback if Mr. Black involuntarily terminates his employment prior to December 31, 2013 for a reason other than constructive discharge. The amount reported for Mr. Poulton represents a sign-on bonus paid pursuant to employment agreement executed upon joining the Company in 2012.

(3) For 2012, the amounts in this column represent equity awards granted under the 2011 Stock Incentive Plan. The amounts reported in these columns are valued based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. With regard to Mr. Tullman s performance-based award, the amount reported in this column assumes the probable outcome of the performance conditions with respect to the performance-based awards and is valued based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The grant date fair value assuming maximum performance with respect to the portion of the 2012 annual equity awards delivered to Mr. Tullman in the form of performance-based equity awards is $1,425,018. Based on the Company s performance during 2012, Mr. Tullman s performance-based equity award did not vest. See Note 10 to the Consolidated Financial Statements included in our Annual Report on Form 10-K/A for the year ended December 31, 2012 for a discussion of the relevant assumptions used in calculating these amounts pursuant to FASB ASC Topic 718.

(4) Amounts included in this column for 2012 represent bonuses payable under the 2012 Incentive Program based on the achievement of an adjusted earnings per share measure during 2012 and, for Mr. Shute, sales and commission payments pursuant to the terms of his employment agreement. Please see the Compensation Discussion and Analysis for further information regarding the 2012 Incentive Program.

(5) Amounts included in this column for 2012 are set forth by category in the 2012 All Other Compensation Table below.

(6) Messrs. Black, Poulton, Morgan, Meltzer and Shute were not NEOs prior to 2012.

(7) The grant date fair value of Mr. Black s performance-based awards was approximately $8.95 per share and was calculated based on the probable outcome of the market-based performance conditions and the application of a Monte Carlo simulation model. The grant date fair value of the performance awards does not correspond to the actual value that may be recognized by Mr. Black with respect to this award, which may be higher or lower based on a number of factors, including the Company s performance, the performance of the companies in the Company s 2012 peer group, stock price fluctuations and applicable vesting. Under FASB ASC Topic 718, the vesting condition related to the performance share units granted to Mr. Black is considered a market condition and not a performance condition. Accordingly, there is no grant date fair value below or in excess of the amount reflected in the table above for Mr. Black that could be calculated and disclosed based on achievement of market conditions. For Mr. Black, the amount reported in this column also includes the annual restricted stock unit award granted to each director in 2012 totaling $200,008. Mr. Black forfeited 7,264 restricted stock units of the 18,299 restricted stock units granted, which represented the portion of the award that was unvested at the time of his appointment to the position of President and Chief Executive Officer of the Company.

(8) Messrs. Tullman and Shapiro separated from the Company effective December 19, 2012.

(9) For Messrs. Tullman and Shapiro and Ms. Adams, this amount also includes the incremental fair value associated with modifications to their outstanding equity awards in 2012 totaling $2,173,999, $1,774,949, and $942,833, respectively. As noted in the Compensation Discussion and Analysis, in 2012, the vesting terms of certain of Messrs. Tullman s and Shapiro s, and Ms. Adams equity awards were modified in connection with their separations from the Company to conform with the vesting provisions under their employment agreements for a termination without cause and, in the case of Messrs. Tullman and Shapiro, to provide the additional vesting provisions in connection with their agreement to serve as a consultant of the Company. See Note 10 to the Consolidated Financial Statements included in our Annual Report on Form 10-K/A for the year ended December 31, 2012 for a discussion of the relevant assumptions used in calculating these amounts pursuant to FASB ASC Topic 718.

(10) Mr. Davis resigned as Chief Financial Officer of the Company effective May 18, 2012.

(11) Ms. Adams separated from the Company effective January 19, 2013.

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2012 All Other Compensation

Name	Parking Expense Payments	401(k) Matching Contributions	Life Insurance Premiums	Relocation Assistance (A)	Tax Reimbursements (B)	Director Compensation (C)	Post-Termination Payments (D)	Total
Paul M. Black	$ 0	$ 0	$ 109	$ 0	$ 0	$ 100,357	$ 0	$ 100,466
Glen E. Tullman	$ 4,200	$ 9,333	$ 2,622	$ 0	$ 0	$ 0	$ 1,920,000	$ 1,936,155
Richard J. Poulton	$ 700	$ 1,500	$ 255	$ 0	$ 0	$ 0	$ 0	$ 2,455
W. David Morgan	$ 0	$ 9,800	$ 932	$ 0	$ 0	$ 0	$ 0	$ 10,732
William J. Davis	$ 1,750	$ 9,800	$ 475	$ 0	$ 0	$ 0	$ 0	$ 12,025
Lee A. Shapiro	$ 4,200	$ 9,800	$ 4,902	$ 0	$ 0	$ 0	$ 0	$ 18,902
Diane K. Adams	$ 0	$ 9,800	$ 2,346	$ 0	$ 0	$ 0	$ 0	$ 12,146
Clifford B. Meltzer	$ 0	$ 0	$ 4,128	$ 150,000	$ 86,892	$ 0	$ 0	$ 241,020
Stephen E. Shute	$ 4,200	$ 0	$ 960	$ 0	$ 0	$ 0	$ 0	$ 5,160

(A) The relocation assistance paid to Mr. Meltzer represents the standard amount provided to personnel at the executive vice president level. Mr. Meltzer relocated from San Jose, California area to the Raleigh, North Carolina area in 2012.

(B) The amounts reported for Mr. Meltzer represent tax gross-ups for relocation assistance.

(C) Prior to being named President and Chief Executive Officer of the Company on December 19, 2012, Mr. Black served on our board of directors as a non-employee director; accordingly, the amount reported represents the cash compensation earned by Mr. Black during his service as a non-employee director.

(D) The amount reported for Mr. Tullman includes payments made to Mr. Tullman in connection with his separation from the Company in 2012 totaling $1,920,000. Please see the Potential Payments Upon Termination or Change of Control section of this proxy statement for further information regarding the amount of compensation received or to be received by Messrs. Tullman and Shapiro and Ms. Adams in connection with their separations from the Company.

2012 Grants of Plan-Based Awards

The following table provides information regarding non-equity incentive plan awards and equity-based awards granted in 2012.

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	Grant Date	Approval Date	Threshold $	Target $	Maximum $	Threshold #	Target #	Maximum #	Stock Awards: Number of Shares of Stock or Units #	Option Awards: Number of Securities Underlying Options #	Exercise or Base Price of Option Awards $	Grant Date Fair Value of Stock and Option Awards $ (12)
Paul M. Black	12/24/2012(2)	12/19/2012				82,599	330,397	660,794		0	0	2,955,957
	12/24/2012(3)	12/19/2012							330,397	0	0	3,000,005
	6/18/2012(4)								18,299	0	0	200,008
Glen E. Tullman				160,000						0	0	
	8/31/2012(5)	8/31/2012				45,239	90,477	135,716				950,009
	8/31/2012(6)	8/31/2012							90,477	0	0	950,009
	(11)								238,698	0	0	2,173,999
Richard J. Poulton	10/29/2012(7)	10/1/2012							76,104	0	0	1,000,007
	10/29/2012(7)	10/1/2012							76,104	0	0	1,000,007
W. David Morgan	5/1/2012(7)	4/29/2012							27,448	0	0	300,007
	5/1/2012(7)	4/29/2012							22,873	0	0	250,002
	5/1/2012(8)	4/29/2012							4,506	0	0	49,251
William J. Davis										0	0	
Lee A. Shapiro			405,000	450,000	495,000					0	0	
	5/1/2012(9)	4/29/2012							62,618	0	0	684,415
	5/1/2012(10)	4/29/2012							62,618	0	0	684,415
	5/30/2012(6)	5/30/2012							68,369	0	0	750,008
	(11)								198,900	0	0	1,774,949
Diane K. Adams			303,750	337,500	371,250					0	0	
	5/1/2012(9)	4/29/2012							34,440	0	0	376,429
	5/1/2012(10)	4/29/2012							34,440	0	0	376,429
	5/30/2012(6)	5/30/2012							68,369	0	0	750,008
	(11)								108,314	0	0	942,833
Clifford B. Meltzer			243,844	270,938	298,032					0	0	
	5/1/2012(9)	4/29/2012							34,440	0	0	376,429
	5/1/2012(10)	4/29/2012										