UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 2022

OR

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

For the transition period from to

Commission file number 001-37888

Tabula Rasa HealthCare, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-5726437**
(State of incorporation)	(I.R.S. Employer Identification No.)
228 Strawbridge Drive, Suite 100 **Moorestown, NJ 08057** (Address of Principal Executive Offices, including Zip Code)	**(866) 648 - 2767** (Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common Stock, par value $0.0001 per share	TRHC	The Nasdaq Stock Market
Preferred Stock Purchase Rights		The Nasdaq Stock Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of October 15, 2022, the Registrant had 27,124,287 shares of Common Stock outstanding.

TABULA RASA HEALTHCARE, INC.
QUARTERLY REPORT ON FORM 10-Q
For the period ended September 30, 2022

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

TABULA RASA HEALTHCARE, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash	$ 80,783	$ 9,395
Restricted cash	7,389	6,038
Accounts receivable, net of allowance of $107 and $110, respectively	18,960	21,405
Inventories	5,735	5,444
Prepaid expenses	3,484	3,812
Client claims receivable	16,193	11,257
Other current assets	20,439	18,033
Current assets of discontinued operations	26,861	14,511
Total current assets	179,844	89,895
Contingent consideration receivable	7,000	—
Property and equipment, net	10,038	11,778
Operating lease right-of-use assets	14,069	16,323
Software development costs, net	32,606	29,254
Goodwill	115,323	115,323
Intangible assets, net	40,275	45,358
Other assets	4,691	3,929
Noncurrent assets of discontinued operations	—	187,558
Total assets	$ 403,846	$ 499,418
Liabilities and stockholders’ equity (deficit)		
Current liabilities:		
Current operating lease liabilities	$ 3,195	$ 3,275
Accounts payable	14,685	8,870
Client claims payable	9,537	8,398
Accrued expenses and other liabilities	59,507	40,997
Current liabilities of discontinued operations	11,132	12,380
Total current liabilities	98,056	73,920
Line of credit	—	29,500
Long-term debt, net of discount of $3,404 and $5,701, respectively	231,868	319,299
Long-term debt – related party, net of discount of $1,299 and $0, respectively	88,429	—
Noncurrent operating lease liabilities	13,223	15,792
Deferred income tax liability, net	889	1,402
Other long-term liabilities	3,032	176
Noncurrent liabilities of discontinued operations	—	3,573
Total liabilities	435,497	443,662
Commitments and contingencies (Note 15)		
Stockholders’ equity (deficit):		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; no shares issued and outstanding at September 30, 2022 and December 31, 2021	—	—
Common stock, $0.0001 par value; 100,000,000 shares authorized, 27,967,305 and 26,036,236 shares issued and 27,081,443 and 25,666,434 shares outstanding at September 30, 2022 and December 31, 2021, respectively	3	3
Treasury stock, at cost; 885,862 and 369,802 shares at September 30, 2022 and December 31, 2021, respectively	(3,350)	(4,292)
Additional paid-in capital	349,911	320,392
Accumulated deficit	(378,215)	(260,347)
Total stockholders’ equity (deficit)	(31,651)	55,756
Total liabilities and stockholders’ equity (deficit)	$ 403,846	$ 499,418

See accompanying notes to unaudited consolidated financial statements.

TABULA RASA HEALTHCARE, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenue:				
Product revenue	$ 59,780	$ 50,321	$ 166,645	$ 139,021
Service revenue	17,321	17,589	50,163	51,964
Total revenue	77,101	67,910	216,808	190,985
Cost of revenue, exclusive of depreciation and amortization shown below:				
Product cost	46,221	38,518	129,157	104,939
Service cost	14,014	12,697	40,430	37,875
Total cost of revenue, exclusive of depreciation and amortization	60,235	51,215	169,587	142,814
Operating expenses:				
Research and development	4,018	3,699	11,226	11,069
Sales and marketing	2,857	2,719	7,678	8,225
General and administrative	27,917	14,393	58,945	45,725
Long-lived asset impairment charge	—	—	4,062	—
Depreciation and amortization	5,723	5,328	16,954	15,109
Total operating expenses	40,515	26,139	98,865	80,128
Loss from operations	(23,649)	(9,444)	(51,644)	(31,957)
Other income (expense):				
Interest expense, net	(2,717)	(2,230)	(7,430)	(6,959)
Other income	479	—	479	—
Total other expense, net	(2,238)	(2,230)	(6,951)	(6,959)
Loss from continuing operations before income taxes	(25,887)	(11,674)	(58,595)	(38,916)
Income tax (benefit) expense	(7)	82	368	284
Net loss from continuing operations	(25,880)	(11,756)	(58,963)	(39,200)
Net loss from discontinued operations, net of tax	(14,185)	(5,355)	(58,905)	(18,484)
Net loss	$ (40,065)	$ (17,111)	$ (117,868)	$ (57,684)
Net loss per share:				
Net loss per share from continuing operations, basic and diluted	$ (1.07)	$ (0.50)	$ (2.45)	$ (1.68)
Net loss per share from discontinued operations, basic and diluted	(0.58)	(0.23)	(2.45)	(0.80)
Total net loss per share, basic and diluted	$ (1.65)	$ (0.73)	$ (4.90)	$ (2.48)
Weighted average common shares outstanding, basic and diluted	24,350,182	23,407,391	24,075,666	23,230,138

See accompanying notes to unaudited consolidated financial statements.

TABULA RASA HEALTHCARE, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share amounts)

	Stockholders' Equity (Deficit) Nine Months Ended September 30, 2022						
	Common Stock		Treasury Stock		Additional	Accumulated	Stockholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Equity (Deficit)
Balance, January 1, 2022	26,036,236	$ 3	(369,802)	$ (4,292)	$ 320,392	$ (260,347)	$ 55,756
Issuance of common stock awards	16,471	—	—	—	—	—	—
Issuance of restricted stock	297,434	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(138,882)	—	—	—	—
Exercise of stock options, net of shares withheld	11,646	—	—	—	60	—	60
Stock-based compensation expense	—	—	—	—	8,609	—	8,609
Net loss	—	—	—	—	—	(28,193)	(28,193)
Balance, March 31, 2022	26,361,787	3	(508,684)	(4,292)	329,061	(288,540)	36,232
Issuance of common stock awards	12,262	—	—	—	—	—	—
Issuance of restricted stock	424,540	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(30,542)	—	—	—	—
Exercise of stock options, net of shares withheld	927	—	(109)	—	3	—	3
Stock-based compensation expense	—	—	—	—	6,692	—	6,692
Net loss	—	—	—	—	—	(49,610)	(49,610)
Balance, June 30, 2022	26,799,516	3	(539,335)	(4,292)	335,756	(338,150)	(6,683)
Issuance of common stock awards	—	—	615,066	3,082	(3,082)	—	—
Issuance of restricted stock	1,167,532	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(507,299)	—	—	—	—
Exercise of stock options, net of shares withheld	257	—	—	—	1	—	1
Shares withheld for payment of employee taxes	—	—	(454,294)	(2,140)	—	—	(2,140)
Stock-based compensation expense	—	—	—	—	17,236	—	17,236
Net loss	—	—	—	—	—	(40,065)	(40,065)
Balance, September 30, 2022	27,967,305	$ 3	(885,862)	$ (3,350)	$ 349,911	$ (378,215)	$ (31,651)

See accompanying notes to unaudited consolidated financial statements.

	Stockholders' Equity						
	Nine Months Ended September 30, 2021						
	Common Stock		Treasury Stock		Additional	Accumulated	Stockholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Equity
Balance, January 1, 2021	24,222,674	$ 2	(217,778)	$ (4,018)	$ 352,445	$ (179,900)	$ 168,529
Cumulative effect of change in accounting policy	—	—	—	—	(74,850)	(1,392)	(76,242)
Issuance of common stock awards	1,416	—	—	—	—	—	—
Issuance of restricted stock	629,088	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(12,880)	—	—	—	—
Exercise of stock options, net of shares withheld	224,503	—	(6,218)	(274)	2,501	—	2,227
Stock-based compensation expense	—	—	—	—	8,602	—	8,602
Net loss	—	—	—	—	—	(19,492)	(19,492)
Balance, March 31, 2021	25,077,681	2	(236,876)	(4,292)	288,698	(200,784)	83,624
Issuance of restricted stock	120,598	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(22,913)	—	—	—	—
Exercise of stock options, net of shares withheld	84,396	—	—	—	885	—	885
Stock-based compensation expense	—	—	—	—	12,349	—	12,349
Net loss	—	—	—	—	—	(21,081)	(21,081)
Balance, June 30, 2021	25,282,675	2	(259,789)	(4,292)	301,932	(221,865)	75,777
Issuance of restricted stock	13,290	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(30,986)	—	—	—	—
Exercise of stock options, net of shares withheld	27,122	—	—	—	571	—	571
Stock-based compensation expense	—	—	—	—	8,011	—	8,011
Net loss	—	—	—	—	—	(17,111)	(17,111)
Balance, September 30, 2021	25,323,087	$ 2	(290,775)	$ (4,292)	$ 310,514	$ (238,976)	$ 67,248

See accompanying notes to unaudited consolidated financial statements.

TABULA RASA HEALTHCARE, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash flows from operating activities:		
Net loss	$ (117,868)	$ (57,684)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	24,285	35,343
Amortization of deferred financing costs and debt discount	1,972	1,714
Deferred taxes	(513)	337
Stock-based compensation	32,537	28,962
Acquisition-related contingent consideration paid	—	(67)
Impairment charges	46,355	—
Loss on divestiture of business	2,879	—
Other noncash items	(9)	9
Changes in operating assets and liabilities, net of effect of divestiture:		
Accounts receivable, net	5,107	789
Inventories	(291)	(866)
Prepaid expenses and other current assets	(1,375)	(6,084)
Client claims receivables	(4,936)	(872)
Other assets	(1,357)	(2,604)
Accounts payable	5,074	1,587
Accrued expenses and other liabilities	13,534	2,138
Client claims payables	1,139	423
Other long-term liabilities	3,220	(108)
Net cash provided by operating activities	9,753	3,017
Cash flows from investing activities:		
Purchases of property and equipment	(1,021)	(1,611)
Software development costs	(23,860)	(22,649)
Proceeds from divestiture of business (1)	118,561	—
Net cash provided by (used in) investing activities	93,680	(24,260)
Cash flows from financing activities:		
Proceeds from exercise of stock options	64	3,683
Payments for employee taxes for shares withheld	(1,112)	—
Payments for debt financing costs	(350)	(8)
Borrowings on line of credit	27,700	17,500
Repayments of line of credit	(57,200)	—
Payment of acquisition-related notes payable	—	(13,000)
Payments of acquisition-related contingent consideration	—	(99)
Repayments of long-term debt and finance leases	—	(4)
Net cash (used in) provided by financing activities	(30,898)	8,072
Net increase (decrease) in cash and restricted cash	72,535	(13,171)
Cash and restricted cash, beginning of period	15,706	28,532
Cash and restricted cash, end of period (2)	$ 88,241	$ 15,361
Supplemental disclosure of cash flow information:		
Purchases of property and equipment and software development included in accounts payable and accrued expenses	$ 1,082	$ 370
Cash paid for interest	$ 7,204	$ 8,169
Cash paid for taxes	$ 137	$ 44
Interest costs capitalized to software development costs	$ 257	$ 216
Employee taxes for shares withheld included in accrued expenses	$ 1,028	$ —
Reconciliation of cash and restricted cash:		
Cash	$ 80,783	$ 10,757
Restricted cash	7,389	4,014
Cash from discontinued operations	69	590
Total cash and restricted cash	$ 88,241	$ 15,361

(1) The cash proceeds received from divestiture of business do not include $1,477 of additional consideration subsequently received by the Company in October 2022 due to customary post-closing adjustments or $3,000 of transaction costs incurred as of the sale date and expected to be paid in the fourth quarter of 2022. See Note 3 for additional information.

(2) The cash flows related to discontinued operations have not been segregated. Accordingly, the unaudited consolidated statements of cash flows include the results of continuing and discontinued operations. As a result of the divestiture, the changes in operating assets and liabilities for the nine months ended September 30, 2022 exclude changes related to the divested business. See Note 3 for discussion of discontinued operations and divestiture of business.

See accompanying notes to unaudited consolidated financial statements.

TABULA RASA HEALTHCARE, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

1. Nature of Business

Tabula Rasa HealthCare, Inc. (the “Company”) is a healthcare technology company advancing the safe use of medications by creating solutions designed to empower pharmacists, providers, and patients to optimize medication regimens, combating medication overload and reducing adverse drug events. The Company’s advanced proprietary technology solutions, including MedWise®, identify causes of and risks for medication-related problems so healthcare professionals can minimize harm and reduce medication-related risks. The Company’s software and services help improve patient outcomes and lower healthcare costs through reduced hospitalizations, emergency department visits, and healthcare utilization. The Company serves a number of different organizations within the healthcare industry, including health plans, and at-risk provider groups, the majority of which are organizations with Programs of All-Inclusive Care for the Elderly (“PACE”).

2. Basis of Presentation, Summary of Significant Accounting Policies, and Recent Accounting Pronouncements

(a) Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. The unaudited interim consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements and, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals and adjustments) necessary to present fairly the Company’s interim consolidated financial position for the periods indicated. The interim results for the three and nine months ended September 30, 2022 are not necessarily indicative of results to be expected for the year ending December 31, 2022, any other interim periods, or any future year or period. As such, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K filed with the SEC on February 25, 2022 (the “2021 Form 10-K”).

Except as described below, there have been no material changes to the Company’s significant accounting policies described in the 2021 Form 10-K that have a material impact on the Company’s accompanying unaudited consolidated financial statements and related notes.

(b) Assets and Liabilities Held for Sale and Discontinued Operations

A long-lived asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable within a year. A long-lived asset (or disposal group) classified as held for sale is initially measured at the lower of its carrying amount or fair value less costs to sell. An impairment loss is recognized for any initial or subsequent write-down of the long-lived asset (or disposal group) to fair value less costs to sell. A gain or loss not previously recognized by the date of the sale of the long-lived asset (or disposal group) is recognized at the date of derecognition.

Long-lived assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Long-lived assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Unless otherwise noted, amounts and disclosures throughout the notes to the unaudited consolidated financial statements relate to the Company’s continuing operations.

Additional details surrounding the Company’s assets and liabilities held for sale and discontinued operations are included in Note 3.

TABULA RASA HEALTHCARE, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

(c) Cloud Computing Arrangements

Costs to implement cloud computing arrangements that are hosted by third-party vendors are capitalized when incurred during the application development phase. Capitalized implementation costs are amortized on a straight-line basis over the reasonably certain term of the hosting arrangement, beginning when the service is ready for its intended use. As of September 30, 2022 and December 31, 2021, capitalized implementation costs of $882 and $747, respectively, were included in prepaid expenses, and $1,276 and $0, respectively, were included in other assets on the Company's consolidated balance sheets. Accumulated amortization for these arrangements was $554 and $398 as of September 30, 2022 and December 31, 2021, respectively. Amortization expense for the three months ended September 30, 2022 and 2021, was $51 and $53, respectively. Amortization expense for the nine months ended September 30, 2022 and 2021, was $156 and $155, respectively.

(d) Vendor Financing Arrangements

On February 24, 2022, the Company expanded its existing relationship with a third-party service provider for business process outsourcing and technology services for its third-party administration services and electronic health records solutions. As a result, the third-party provider hired approximately 180 employees from the Company, hired to fill existing open positions and will augment with additional resources to meet client demand. The agreement term is seven years and includes total estimated fees of $115,300.

The arrangement includes extended payment terms for cloud computing implementation costs, internally developed software support, and business process support. In order to determine the present value of the commitment, the Company used an imputed interest rate of 9.5%, which was reflective of its estimated uncollateralized borrowing rate at signing. As of September 30, 2022, the outstanding principal balance of the financing arrangement was $3,772 with an unamortized discount of $876, and was included in accrued expenses and other liabilities and other long-term liabilities on the Company's consolidated balance sheet. Imputed interest expense from the arrangement was $53 and $89 for the three and nine months ended September 30, 2022, respectively.

(e) Concentrations of Credit Risk

The Company is subject to concentrations of credit risk related to cash, restricted cash, accounts receivable, and client claims receivable. While the Company maintains its cash and restricted cash with financial institutions with high credit ratings, it often maintains these deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any realized losses on cash or restricted cash to date.

The Company's medication fulfillment services clients are sponsors of the federal Medicare Part D plan (prescription drug coverage plan) and, therefore, subject to the payment regulations established by the Centers for Medicare & Medicaid Services ("CMS"). Under CMS guidelines, Medicare Part D sponsors are required to remit payment for claims within 14 calendar days of the date on which an electronically-submitted claim is received and within 30 days of the date on which non-electronically-submitted claims are received. The Company extends credit to clients based upon such terms, as well as management's evaluation of creditworthiness, and generally collateral is not required.

The Company's clients also include health plans and other healthcare providers. Credit associated with these accounts is extended based upon management's evaluation of creditworthiness and is monitored on an on-going basis.

As of September 30, 2022 and December 31, 2021, no client represented more than 10% of net accounts receivable.

As of September 30, 2022 one client represented 21% of client claims receivable. As of December 31, 2021, two clients represented 13% and 11%, respectively, of client claims receivable.

One client accounted for 15% and 13% of total revenue for the three months ended September 30, 2022 and 2021, respectively, and 16% and 14% of total revenue for the nine months ended September 30, 2022 and 2021, respectively.

(f) Recent Accounting Pronouncement

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-08, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers ("ASU 2021-08"). ASU 2021-08 requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities from acquired contracts using the revenue recognition guidance under ASC Topic 606 (Revenue from Contracts with Customers) in order to align the recognition of a contract liability with the definition of performance obligation. This approach differs from the current requirement to measure contract assets and contract liabilities acquired in a business combination at fair value. ASU 2021-08 is effective for financial statements issued for fiscal years beginning after December 15, 2022; early adoption is permitted. The Company plans to adopt ASU 2021-08 on January 1, 2023 and does not expect it to have a significant impact on the consolidated financial statements.

3. Discontinued Operations

In February 2022, the Company announced plans to evaluate non-core assets, refocus its corporate strategy, and increase stockholder value, and the Company commenced a plan to sell the DoseMe business, which the Company acquired in January 2019. In March 2022, the Company completed its evaluation of additional divestiture opportunities and commenced plans to sell the SinfoníaRx and PrescribeWellness businesses, which were acquired in September 2017 and March 2019, respectively. As described below, the Company completed the sale of its unincorporated PrescribeWellness business division (the "PrescribeWellness Business") in August 2022.

The DoseMe, SinfoníaRx, and PrescribeWellness businesses comprised the majority of the Company's MedWise HealthCare segment. The Company's completed sale of the PrescribeWellness Business and plan of sale with respect to DoseMe and SinfoníaRx represent a strategic business shift having a significant effect on the Company's operations and financial results. As a result, the Company determined that these businesses met such requirements to be classified as held for sale and discontinued operations as of March 31, 2022 and continued to meet the requirements as of September 30, 2022. Accordingly, unless otherwise indicated, the accompanying consolidated financial statements have been recast for all periods presented to reflect the assets, liabilities, revenue, and expenses related to these businesses as discontinued operations.

Divestiture of Business

On August 1, 2022 (the "Sale Date"), the Company completed the sale of its PrescribeWellness Business, including the assets, properties, and rights that were primarily used or held for use in connection with the PrescribeWellness Business, as well as the KD Assets (as defined below) to Transaction Data Systems, Inc. ("TDS"). On the Sale Date, the Company also completed the acquisition of certain intellectual property from karmadata, Inc. ("KD") that had historically been licensed to the Company, (the "KD Assets"). The KD Assets acquired were simultaneously transferred to TDS on the Sale Date. The purchase consideration included $125,000 in cash, subject to certain customary post-closing adjustments, of which $118,561 was paid directly to the Company and $5,900 was paid to KD on the Sale Date. In October 2022, TDS also paid the Company $1,477 for certain customary post-closing adjustments subsequent to the Sale Date. The Company is also entitled to receive up to $15,000 contingent consideration to be paid by TDS based upon the PrescribeWellness Business's achievement of certain performance-based metrics during the fiscal years ending December 31, 2023 and 2024. The contingent consideration had an estimated fair value of $7,000 on the Sale Date. See Note 14 for additional discussion on the fair value assessment of the contingent consideration receivable.

TABULA RASA HEALTHCARE, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

In connection with the sale of the PrescribeWellness Business, the Company entered into a transition services agreement ("TSA") with TDS pursuant to which the Company is providing services, including, but not limited to, business support services for the PrescribeWellness business after the sale through April 2023. The Company recognized $479 of income related to the TSA for the three and nine months ended September 2022, which is reported in other income on the Company's consolidated statement of operations.

During the six months ended June 30, 2022, as a result of the Company's intention to sell the PrescribeWellness Business, the Company prepared an impairment test on the related net assets held for sale. Using a market approach to determine fair value, the Company concluded that the carrying value of the net assets held for sale for the PrescribeWellness Business did not exceed its fair value, less costs to sell. As a result, the Company recorded goodwill impairment charges of $12,145 and impairment charges of $8,500 on net assets held for sale, summarized in the results of the PrescribeWellness business presented below. On August 1, 2022, the Company recorded an additional $2,879 for the final loss on the sale of the PrescribeWellness Business, resulting in an aggregate loss of $11,379 on the net assets sold for the nine months ended September 30, 2022.

The following table summarizes the net assets sold as finally reported on the sale date of August 1, 2022 and as of December 31, 2021, classified as discontinued operations on the consolidated balance sheets as of December 31, 2021:

	August 1, 2022	December 31, 2021
Accounts receivable, net	$ 5,020	8,002
Prepaid expenses and other assets	1,751	1,038
Property and equipment, net	371	—
Operating lease right-of-use assets	1,252	—
Software development costs, net	14,536	—
Goodwill	35,314	—
Intangible assets, net	81,504	—
Impairment of carrying value	(8,500)	—
Total current assets of discontinued operations	$ 131,248	$ 9,040
Property and equipment, net	$ —	$ 412
Operating lease right-of-use assets	—	1,434
Software development costs, net	—	11,474
Goodwill	—	47,459
Intangible assets, net	—	84,617
Other assets	—	64
Total noncurrent assets of discontinued operations	$ —	$ 145,460
Operating lease liabilities	$ 1,086	$ 620
Accounts payable	491	913
Accrued expenses and other liabilities	2,754	3,529
Total current liabilities of discontinued operations	$ 4,331	$ 5,062
Noncurrent operating lease liabilities	$ —	$ 830
Other long-term liabilities	—	135
Total noncurrent liabilities of discontinued operations	$ —	$ 965

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The following table summarizes the results of operations of the PrescribeWellness Business, which are included in loss from discontinued operations, net of tax in the consolidated statements of operations for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$ 2,537	$ 10,533	$ 19,306	$ 27,629
Cost of revenue, exclusive of depreciation and amortization	1,229	3,426	7,747	9,883
Operating expenses	2,336	8,373	14,930	24,427
Impairment charges	—	—	20,645	—
Loss on disposal of business	2,879	—	2,879	—
Loss from discontinued operations before income taxes	(3,907)	(1,266)	(26,895)	(6,681)
Income tax (benefit) expense	(11)	12	(299)	66
Net loss from discontinued operations, net of tax	$ (3,896)	$ (1,278)	$ (26,596)	$ (6,747)

The following table summarizes the significant operating non-cash items and investing activities of PrescribeWellness Business:

	Nine Months Ended September 30,	
	2022	2021
Depreciation and amortization	$ 4,551	$ 12,059
Impairment charges	20,645	—
Stock-based compensation	1,697	2,352
Loss on disposal of business	2,879	—
Purchases of property and equipment	(22)	(305)
Software development costs	(4,443)	(9,783)

Held for Sale

The Company considers the sale of the DoseMe and SinfoníaRx businesses to be highly probable within one year. During the three and nine months ended September 30, 2022, as a result of the Company's intention to sell the DoseMe and SinfoníaRx businesses, the Company prepared an impairment test on the related net assets held for sale. Using a market approach to determine fair value, the Company concluded that the carrying values of the net assets held for sale for the SinfoníaRx and DoseMe businesses did not exceed their fair values, less costs to sell. As a result, the Company recorded goodwill impairment charges of $6,127 and $15,521 of impairment charges on the net assets held for sale related to the DoseMe and SinfoníaRx businesses for the nine months ended September 30, 2022. For the three months ended September 30, 2022, the Company recorded $5,845 of impairment charges on the net assets held for sale related to the DoseMe and SinfoníaRx businesses. No goodwill impairment charges related to the DoseMe and SinfoníaRx businesses were recorded for the three months ended September 30, 2022.

The following table summarizes the results of operations of the DoseMe and SinfoníaRx businesses, which are included in loss from discontinued operations, net of tax in the consolidated statements of operations for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$ 6,407	$ 8,143	$ 23,094	$ 26,961
Cost of revenue, exclusive of depreciation and amortization	7,055	6,521	20,479	19,755
Operating expenses	3,879	5,659	13,639	18,827
Impairment charges	5,845	—	21,648	—
Loss from discontinued operations before income taxes	(10,372)	(4,037)	(32,672)	(11,621)
Income tax (benefit) expense	(83)	40	(363)	116
Net loss from discontinued operations, net of tax	$ (10,289)	$ (4,077)	$ (32,309)	$ (11,737)

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The following table summarizes the DoseMe and SinfoníaRx businesses’ current and noncurrent assets and liabilities classified as discontinued operations on the consolidated balance sheets as of September 30, 2022 and December 31, 2021:

	September 30, 2022	December 31, 2021
Cash	$ 69	$ 273
Accounts receivable, net	4,964	4,644
Prepaid expenses and other assets	796	554
Property and equipment, net	1,349	—
Operating lease right-of-use assets	3,732	—
Software development costs, net	6,910	—
Goodwill	1,927	—
Intangible assets, net	22,635	—
Impairment of carrying value	(15,521)	—
Total current assets of discontinued operations	$ 26,861	$ 5,471
Property and equipment, net	$ —	$ 1,485
Operating lease right-of-use assets	—	3,296
Software development costs, net	—	4,466
Goodwill	—	8,053
Intangible assets, net	—	24,675
Other assets	—	123
Total noncurrent assets of discontinued operations	$ —	$ 42,098
Operating lease liabilities	$ 3,458	$ 793
Accounts payable	3,077	3,395
Accrued expenses and other liabilities	4,597	3,130
Total current liabilities of discontinued operations	$ 11,132	$ 7,318
Noncurrent operating lease liabilities	—	$ 2,608
Other long-term liabilities	—	—
Total noncurrent liabilities of discontinued operations	$ —	$ 2,608

The following table summarizes the DoseMe and SinfoníaRx businesses’ significant operating non-cash items and investing activities of discontinued operations:

	Nine Months Ended September 30,	
	2022	2021
Depreciation and amortization	$ 2,780	$ 8,175
Impairment charges	21,648	—
Stock-based compensation	2,667	2,510
Purchases of property and equipment	(50)	(1,323)
Software development costs	(2,998)	(6,155)

4. Revenue

The Company generates the majority of its revenue from its CareVention HealthCare segment.

Client contracts generally have a term of one to five years and generally renew at the end of the initial term. In most cases, clients may terminate their contracts with a notice period ranging from 0 to 180 days without cause, thereby limiting the term in which the Company has enforceable rights and obligations. Revenue is recognized in an amount that reflects the consideration that is expected in exchange for the goods or services. Generally, there are not significant differences between the timing of revenue recognition and billing. Consequently, the Company has determined that client contracts do not include a financing component.

The Company does not disclose the amount of variable consideration that the Company expects to recognize in future periods as the variable consideration in the Company’s contracts is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, and the terms of that variable consideration relate specifically to the Company's efforts to transfer the distinct service, or to a specific outcome from transferring the distinct service. The Company's contracts primarily include monthly fees associated with unspecified quantities of medications, members, claims, medication safety reviews, or user subscriptions that fluctuate throughout the contract. See below for a description of the Company's revenues.

CareVention HealthCare

PACE Product Revenue

The Company provides medication fulfillment pharmacy services to PACE organizations. While the majority of medications are routinely filled in order to treat chronic conditions, the mix and quantity of medications can vary. Revenue from medication fulfillment services is generally billed monthly or weekly, depending on whether the PACE organization is contracted with a pharmacy benefit manager, and is recognized when medications are delivered and control has passed to the client. At the time of delivery, the Company has performed substantially all of its performance obligations under its client contracts. The Company does not experience a significant level of returns or reshipments.

PACE Solutions

The Company provides medication safety services and health plan management services to PACE organizations. These services primarily include medication reviews, risk adjustment services, third-party administration services, pharmacy benefit management ("PBM") solutions, and electronic health records software. Revenue related to these services primarily consists of a fixed monthly fee assessed based on number of members served ("per member per month"), a fee for each claim adjudicated, and subscription fees. These fees are recognized when the Company satisfies its performance obligation to stand ready to provide PACE services, which occurs when the Company's clients have access to the PACE services. The Company generally bills for PACE services on a monthly basis.

For client contracts for which the Company performs both medication fulfillment and PBM services, the Company recognizes revenue using the gross method at the contract price negotiated with its clients and when the Company has concluded it controls the prescription drug before it is transferred to the client plan members. The Company controls prescription drugs dispensed indirectly through its retail pharmacy network because it has separate contractual arrangements with those pharmacies, has discretion in setting the price for the transaction, and assumes primary responsibility for fulfilling the promise to provide prescription drugs to its client plan members while performing the related PBM services. These factors indicate that the Company is the principal and, as such, the Company recognizes the total prescription price contracted with clients in revenue.

MedWise HealthCare

Medication Safety Services

The Company provides medication safety services, which include identification of high-risk individuals, medication regimen reviews including patient and prescriber counseling, and targeted interventions to increase adherence and close gaps in care. Revenue related to these services primarily consists of per member per month fees and fees for each medication review and clinical assessment completed. Revenue is recognized when the Company satisfies its performance obligation to stand ready to provide medication safety services, which occurs when the Company's clients have access to the medication safety services and when medication reviews and clinical assessments are completed. The Company generally bills for the medication reviews and clinical assessments when they are completed. The Company generally bills for the medication safety services on a monthly basis.

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Software Subscription and Services

The Company provides software as a service (“SaaS”) solutions which allow for the identification of individuals with high medication-related risk and for optimizing medication therapy. Revenues related to these software services primarily consist of monthly subscription fees and are recognized monthly as the Company meets its performance obligation to provide access to the software. Revenue for implementation and set-up services is generally recognized over the contract term as the software services are provided. The Company generally bills for the software services on a monthly basis.

Disaggregation of Revenue

In the following table, revenue is disaggregated by operating segment. Substantially all of the Company’s revenue is recognized in the U.S.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
CareVention HealthCare:				
PACE product revenue	$ 59,780	$ 50,321	$ 166,645	$ 139,021
PACE solutions	16,416	14,707	47,604	42,973
	$ 76,196	$ 65,028	$ 214,249	$ 181,994
MedWise HealthCare:				
Medication safety services	$ 843	$ 2,820	$ 2,336	$ 8,817
Software subscription and services	62	62	223	174
	$ 905	$ 2,882	$ 2,559	$ 8,991
Total revenue	$ 77,101	$ 67,910	$ 216,808	$ 190,985

Contract Balances

Assets and liabilities related to the Company’s contracts are reported on a contract-by-contract basis at the end of each reporting period. Contract balances consist of contract assets and contract liabilities. Contract assets are recorded when the right to consideration for services is conditional on something other than the passage of time. Contract assets relating to unbilled receivables are transferred to accounts receivable when the right to consideration becomes unconditional. Contract assets are classified as current or non-current based on the timing of the Company’s rights to the unconditional payments. Contract assets are generally classified as current and recorded within other current assets on the Company’s consolidated balance sheets.

Contract liabilities include advance customer payments and billings in excess of revenue recognized. The Company generally classifies contract liabilities in accrued expenses and other current liabilities and in other long-term liabilities on the Company’s consolidated balance sheets. The Company anticipates that it will satisfy most of its performance obligations associated with its contract liabilities within one year.

The following table provides information about the Company’s contract assets and contract liabilities from contracts with clients as of September 30, 2022 and December 31, 2021.

	September 30, 2022	December 31, 2021
Contract assets	$ 15,072	$ 12,695
Contract liabilities	4,110	2,191

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Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	September 30, 2022
Contract assets:	
Contract assets, beginning of period	$ 12,695
Decreases due to cash received	(12,466)
Changes to the contract assets at the beginning of the period as a result of changes in estimates	451
Changes during the year, net of reclassifications to receivables	14,392
Contract assets, end of period	$ 15,072
Contract liabilities:	
Contract liabilities, beginning of period	$ 2,191
Revenue recognized that was included in the contract liabilities balance at the beginning of the period	(1,903)
Increases due to cash received, excluding amounts recognized as revenue during the year	3,822
Contract liabilities, end of period	$ 4,110

During the nine months ended September 30, 2021, the Company recognized $1,404 of revenue that was included in the December 31, 2020 contract liability balance of $1,982.

5. Net Loss per Share

Basic and diluted net loss per share is computed by dividing net loss by the weighted average number of shares of common stock of the Company outstanding during the period.

The following table presents the calculation of basic and diluted net loss per share for the Company's common stock:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Numerator (basic and diluted):				
Net loss from continuing operations	$ (25,880)	$ (11,756)	$ (58,963)	$ (39,200)
Net loss from discontinued operations	(14,185)	(5,355)	(58,905)	(18,484)
Net loss	$ (40,065)	$ (17,111)	$ (117,868)	$ (57,684)
Denominator (basic and diluted):				
Weighted average shares of common stock outstanding, basic and diluted	24,350,182	23,407,391	24,075,666	23,230,138
Net loss per share from continuing operations, basic and diluted	$ (1.07)	$ (0.50)	$ (2.45)	$ (1.68)
Net loss per share from discontinued operations, basic and diluted	(0.58)	(0.23)	(2.45)	(0.80)
Total net loss per share, basic and diluted	$ (1.65)	$ (0.73)	$ (4.90)	$ (2.48)

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The following potential common shares, presented based on amounts outstanding as of September 30, 2022 and 2021, were excluded from the calculation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect.

	September 30,	
	2022	2021
Stock options to purchase common stock	1,402,931	1,671,680
Unvested restricted stock and restricted stock units	2,217,033	1,624,523
Common stock warrants	4,646,393	4,646,393
Conversion of convertible senior subordinated notes	4,646,393	4,646,393
	12,912,750	12,588,989

For the three and nine months ended September 30, 2022 and 2021, shares related to the conversion of the convertible senior subordinated notes were included in the table above using the if-converted method.

For the three and nine months ended September 30, 2022, shares related to performance stock units were excluded from the table above, as the performance conditions were unmet as of September 30, 2022 (see Note 13).

6. Other Current Assets

As of September 30, 2022 and December 31, 2021, other current assets consisted of the following:

	September 30, 2022	December 31, 2021
Contract assets	$ 15,072	$ 12,695
Non-trade receivables	1,235	3,289
Divestiture related consideration receivables	1,477	—
Other	2,655	2,049
Total other current assets	$ 20,439	$ 18,033

7. Property and Equipment

Accumulated depreciation was $18,890 and $17,427 as of September 30, 2022 and December 31, 2021, respectively. Depreciation expense on property and equipment for the three months ended September 30, 2022 and 2021 was $801 and $825, respectively. Depreciation expense on property and equipment for the nine months ended September 30, 2022 and 2021 was $2,862 and $2,672, respectively.

8. Software Development Costs

The Company capitalizes certain costs incurred in connection with obtaining or developing its proprietary software platforms, which support its product and service contracts. These costs include third-party contractors and payroll for employees directly involved with the software development, including external direct costs of material and services, and interest expense related to the borrowings attributable to software development. As of September 30, 2022 and December 31, 2021, capitalized software costs consisted of the following:

	September 30, 2022	December 31, 2021
Software development costs	$ 51,305	$ 49,481
Less: accumulated amortization	(18,699)	(20,227)
Software development costs, net	$ 32,606	$ 29,254
Capitalized software development costs included above not yet subject to amortization	$ 4,505	$ 5,328

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Amortization expense for the three months ended September 30, 2022 and 2021 was $3,224 and $2,579, respectively. Amortization expense for the nine months ended September 30, 2022 and 2021 was $9,005 and $6,682, respectively.

During the first quarter of 2022, the Company became aware of changes in circumstances impacting the future functionality of certain capitalized software development costs in the MedWise HealthCare segment and evaluated the recoverability of the related long-lived assets by comparing their carrying amount to the future net undiscounted cash flows expected to be generated by the assets to determine if the carrying value was not recoverable. The recoverability test indicated that certain capitalized software development costs were impaired and, as a result, the Company used an income approach to measure the fair value of the assets and recognized non-cash impairment charges of $4,062 for the nine months ended September 30, 2022. There were no identified circumstances that would impact the future functionality of capitalized software development costs during the three months ended September 30, 2022.

9. Goodwill and Intangible Assets

The Company's goodwill as of September 30, 2022 and December 31, 2021 was $115,323, which relates to the Company's CareVention HealthCare segment.

During the first and second quarters of 2022, the Company experienced a sustained decline in the market price of its common stock and determined that an indicator of impairment was present. The Company performed a quantitative goodwill impairment assessment as of June 30, 2022, estimating the fair value of the Company's reporting unit using a market approach. Based on the analysis performed, the Company determined that the estimated fair value of the Company's reporting unit exceeded its carrying value, and, as a result, goodwill was not impaired as of June 30, 2022. No indicators of impairment were identified for the three months ended September 30, 2022.

Intangible assets consisted of the following as of September 30, 2022 and December 31, 2021:

	Weighted Average Amortization Period (in years)	Gross Value	Accumulated Amortization	Intangible Assets, net
September 30, 2022				
Trade names	2.6	$ 1,340	$ (982)	$ 358
Client relationships	11.7	51,264	(14,438)	36,826
Non-competition agreements	5.0	1,640	(1,221)	419
Developed technology	6.2	14,720	(12,076)	2,644
Domain name	10.0	59	(31)	28
Total intangible assets		$ 69,023	$ (28,748)	$ 40,275

	Weighted Average Amortization Period (in years)	Gross Value	Accumulated Amortization	Intangible Assets, net
December 31, 2021				
Trade names	2.9	$ 1,340	$ (853)	$ 487
Client relationships	11.7	51,264	(11,042)	40,222
Non-competition agreements	5.0	1,640	(975)	665
Developed technology	6.2	14,720	(10,768)	3,952
Domain name	10.0	59	(27)	32
Total intangible assets		$ 69,023	$ (23,665)	$ 45,358

Amortization expense for intangible assets for the three months ended September 30, 2022 and 2021 was $1,694 and $1,907, respectively. Amortization expense for intangible assets for the nine months ended September 30, 2022 and 2021 was $5,083 and $5,738, respectively.

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The estimated amortization expense for the remainder of 2022 and each of the next five years and thereafter is as follows:

Years Ending December 31,		
2022 (October 1 – December 31)	$	1,669
2023		6,162
2024		4,684
2025		4,466
2026		4,338
2027		4,271
Thereafter		14,685
Total estimated amortization expense	$	40,275

10. Accrued Expenses and Other Liabilities

As of September 30, 2022 and December 31, 2021, accrued expenses and other liabilities consisted of the following:

	September 30, 2022		December 31, 2021	
Employee related expenses	$	8,961	$	8,595
Contract liability		3,864		2,015
Customer deposits		903		904
Client funds obligations*		7,389		6,038
Contract labor		2,852		838
Divestiture closing fees		3,000		—
Interest		711		2,281
Vendor financing arrangements		176		—
Professional fees		2,161		1,327
Consideration payable to customer		24,500		15,971
Income and non-income taxes payable		95		15
Other expenses		4,895		3,013
Total accrued expenses and other liabilities	$	59,507	$	40,997

*This amount represents client funds held by the Company, with an offsetting amount included in restricted cash.

11. Line of Credit and Long-Term Debt

(a) Line of Credit

On December 18, 2020, the Company and its subsidiaries entered into a Loan and Security Agreement (the "2020 Credit Facility"), with Western Alliance Bank ("WAB"). The 2020 Credit Facility provided for a $120,000 secured revolving credit facility, with a $1,000 sublimit for cash management services and letters of credit and foreign exchange transactions.

Amounts under the 2020 Credit Facility could be borrowed, repaid, and re-borrowed from time to time until the maturity date on May 16, 2025, and were permitted to be used for, among other things, working capital and other general corporate purposes. Loans under the 2020 Credit Facility bore interest at a rate equal to the LIBOR rate plus 3.25%. The obligations under the 2020 Credit Facility were secured by all of the assets of the borrowers, subject to certain exceptions and exclusions as set forth in the 2020 Credit Facility. The 2020 Credit Facility was subject to a commitment fee of 0.50% of the total commitment amount payable on the closing date, and 0.25% of the total commitment amount payable on each anniversary thereafter. Additionally, the 2020 Credit Facility was subject to an unused line fee.

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On August 1, 2022, the Company entered into a payoff letter with WAB with respect to the 2020 Credit Facility, pursuant to which the Company voluntarily elected to pay all amounts outstanding, including principal and interest, under the 2020 Credit Facility and related loan documents (the “Pay Off”) using cash on hand and proceeds from the sale of the PrescribeWellness Business. Accordingly, the Company paid a total of $57,406 to WAB for the Pay Off, and terminated the 2020 Credit Facility and related loan documents (the “Termination”). The Company did not incur any prepayment or early termination penalties in connection with either the Pay Off or the Termination. Upon the Termination and in connection with the Pay Off, all security interests and pledges granted to the secured parties thereunder were terminated and released.

Interest expense on the 2020 Credit Facility was $266 and $1,363 for the three and nine months ended September 30, 2022, respectively. Interest expense on the 2020 Credit Facility was $314 and $842 for the three and nine months ended September 30, 2021, respectively.

In connection with the 2020 Credit Facility, the Company recorded deferred financing costs of $1,534. The Company amortized the associated deferred financing costs to interest expense using the effective-interest method over the term of the agreement. On August 1, 2022, in connection with the Termination, the remaining balance of deferred financing costs was amortized to interest expense. The Company amortized $698 and $973 to interest expense for the three and nine months ended September 30, 2022, respectively, for deferred financing costs. The Company amortized $136 and $404 to interest expense during the three and nine months ended September 30, 2021, respectively, for deferred financing costs.

(b) Convertible Senior Subordinated Notes

On February 12, 2019, the Company issued and sold an aggregate principal amount of $325,000 of 1.75% convertible senior subordinated notes (the “2026 Notes”) in a private placement pursuant to Rule 144A under the Securities Act of 1933, as amended. The 2026 Notes bear interest at a rate of 1.75% per year, payable semiannually in arrears on February 15 and August 15 of each year, beginning on August 15, 2019. The 2026 Notes will mature on February 15, 2026, unless earlier converted or repurchased. The initial conversion rate for the notes is 14.2966 shares of the Company’s common stock per $1 principal amount of the 2026 Notes. This conversion rate is equal to an initial conversion price of approximately $69.95 per share of the Company’s common stock.

Holders may convert all or any portion of their 2026 Notes at any time prior to the close of business on the business day immediately preceding August 15, 2025 only under the following circumstances: (1) during any calendar quarter commencing after March 31, 2019 (and only during such calendar quarter), if the last reported sale price of the Company’s common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the measurement period) in which the trading price (as defined in the indenture governing the 2026 Notes) per $1 principal amount of 2026 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company’s common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events, including certain distributions, the occurrence of a fundamental change or make-whole fundamental change (as defined in the indenture governing the 2026 Notes) or a transaction resulting in the Company’s common stock converting into other securities or property or assets. On or after August 15, 2025 until the close of business on the first scheduled trading day immediately preceding the maturity date, a holder may convert all or any portion of its 2026 Notes regardless of the foregoing circumstances. Upon conversion, the Company will pay or deliver shares of our common stock, cash or a combination thereof at the Company’s option. As of September 30, 2022, none of the conditions allowing holders of the 2026 Notes to convert had been met. Debt issuance costs related to the 2026 Notes of $9,372 are being amortized to interest expense using the effective interest method over the contractual term, resulting in an effective interest rate of 2.20%.

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During the three months ended September 30, 2022, the Company recognized $1,757 of interest expense related to the 2026 Notes, of which $1,422 was paid or accrued and $335 was non-cash accretion of the debt discounts recorded. During the nine months ended September 30, 2022, the Company recognized $5,265 of interest expense related to the 2026 Notes, of which $4,266 was paid or accrued and $999 was non-cash accretion of the debt discounts recorded.

During the three months ended September 30, 2021, the Company recognized $1,750 of interest expense related to the 2026 Notes, of which $1,423 was paid or accrued, and $327 was non-cash accretion of the debt discounts recorded. During the nine months ended September 30, 2021, the Company recognized $5,243 of interest expense related to the 2026 Notes, of which $4,266 was paid or accrued, and $977 was non-cash accretion of the debt discounts recorded. In addition, unpaid additional interest payable as a result of the failure to remove the restrictive legend on the 2026 Notes had accrued on the 2026 Notes from and including February 17, 2020, but ceased accruing on February 16, 2021 as a result of the restrictive legend being removed. The Company recorded $212 of additional interest expense for the nine months ended September 30, 2021.

As of September 30, 2022, total accrued interest payable related to the 2026 Notes was $711, which is included in accrued expenses and other liabilities on the consolidated balance sheets. The 2026 Notes have a carrying value of $320,297 as of September 30, 2022. The 2026 Notes are classified as long-term debt on the Company’s consolidated balance sheets, and will be until such 2026 Notes are within one year of maturity.

(c) Convertible Note Hedge and Warrant Transactions

In connection with the offering of the 2026 Notes, the Company entered into convertible note hedge transactions with affiliates of certain of the initial purchasers (the “option counterparties”) of the 2026 Notes pursuant to the terms of call option confirmations. The Company has the option to purchase a total of 4,646,393 shares of its common stock at a price of approximately $69.95 per share. The total premiums paid for the note hedges were $101,660. The Company also entered into warrant transactions with the option counterparties whereby they have the option to purchase 4,646,393 shares of the Company’s common stock at a price of $105.58 per share. The Company received $65,910 in cash proceeds from the sale of the warrants. As these instruments are considered indexed to the Company's own stock and are considered equity classified, the convertible note hedges and warrants are recorded in stockholders’ equity, are not accounted for as derivatives and are not remeasured each reporting period. The net costs incurred in connection with the convertible note hedge and warrant transactions were recorded as a reduction to additional paid-in capital on the Company’s consolidated balance sheets.

The convertible note hedge transactions are expected generally to reduce the potential dilution to the Company’s common stock upon conversion of the 2026 Notes and/or offset any potential cash payments the Company is required to make in excess of the principal amount of converted 2026 Notes, as the case may be. The warrant transactions could separately have a dilutive effect on the Company’s common stock to the extent that the market price per share of the Company’s common stock exceeds the strike price of the warrants.

As of September 30, 2022, no warrants have been exercised and all warrants to purchase shares of the Company’s common stock were outstanding.

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(d) Long-Term Debt

The following table represents the total long-term debt obligations of the Company at September 30, 2022 and December 31, 2021:

	September 30, 2022	December 31, 2021
Convertible senior subordinated notes	$ 235,272	$ 325,000
Convertible senior subordinated notes - related party	89,728	—
Unamortized discount, including debt issuance costs, on convertible senior subordinated notes	(4,703)	(5,701)
Total long-term debt, net	$ 320,297	$ 319,299

12. Income Taxes

For the three months ended September 30, 2022 and 2021, the Company recorded income tax benefit of $7 and income tax expense of $82, respectively, which resulted in effective tax rates of 0.0% and (0.7)%, respectively.

For the nine months ended September 30, 2022 and 2021, the Company recorded income tax expense of $368 and $284, respectively, which resulted in effective tax rates of (0.6)% and (0.7)%, respectively.

The effective tax rates differ from the U.S. statutory tax rate primarily due to the full valuation allowance recorded that is currently limiting the realizability of the Company's net deferred tax assets as of the end of the periods presented. As of September 30, 2022, the Company has recorded a full valuation allowance against its deferred tax assets. Accordingly, the tax benefit was limited due to unbenefited losses in the three and nine months ended September 30, 2022 and 2021, respectively. The Company calculates its provision for income taxes during its interim periods by applying the estimated annual effective tax rate for the full year ordinary income or loss to the respective reporting period's year to date income or loss, while also adding any income tax expense or benefit related to discrete items occurring within that interim period.

On February 12, 2021, the Company received a private letter ruling from the Internal Revenue Service, which determined, based on information submitted and representations made by the Company, that the Company met the requirements to deduct the interest expense resulting from the amortization of the debt discount associated with the 2026 Notes. As a result, the Company recorded a deferred tax asset of $26,313 and a corresponding $26,313 increase to its valuation allowance.

13. Stock-Based Compensation

In September 2016, the Company adopted the 2016 Equity Compensation Plan ("2016 Plan"). During the term of the 2016 Plan, the share reserve will automatically increase on the first trading day in January of each calendar year by an amount equal to the lesser of 5% of the total number of outstanding shares of common stock on the last trading day in December of the prior calendar year or such other number set by the Company's Board of Directors (the "Board"). In accordance with the terms of the 2016 Plan, the share reserve increased by 1,283,321 shares on February 25, 2022. As of September 30, 2022, 1,123,371 shares were available for future grants under the 2016 Plan.

The following stock-based compensation information disclosed below includes results of both continuing and discontinued operations.

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Restricted Common Stock and Restricted Stock Units

The Company issues restricted stock awards and restricted stock units pursuant to the 2016 Plan to employees and non-employee directors. Restricted stock awards and restricted stock units generally vest over a one- to four-year period and the unvested portion of these awards is forfeited if the employee or non-employee director leaves the Company before the vesting period is completed. The grant-date fair value of restricted stock awards and restricted stock units is determined using the Company's closing stock price at grant date.

The following table summarizes the aggregate restricted stock award activity, inclusive of performance based restricted stock awards, and restricted stock unit activity under the 2016 Plan for the nine months ended September 30, 2022:

	Number of shares	Weighted average grant-date fair value
Outstanding at December 31, 2021	2,196,566	$ 40.19
Granted	1,935,883	4.44
Vested	(1,224,471)	34.32
Forfeited	(676,723)	16.40
Outstanding at September 30, 2022	2,231,255	$ 19.61

The table above includes 14,222 restricted stock units which had vested but had not been issued as of September 30, 2022.

For the three months ended September 30, 2022 and 2021, an aggregate of $13,061 and $6,447 of expense, respectively, was recognized related to restricted stock awards and restricted stock units, excluding performance-based restricted stock awards described below.

For the nine months ended September 30, 2022 and 2021, an aggregate of $26,129 and $22,846 of expense, respectively, was recognized related to restricted stock awards and restricted stock units, excluding performance-based restricted stock awards as described below. As of September 30, 2022, there was unrecognized compensation expense of $30,976 related to unvested restricted stock awards and unvested restricted stock units, excluding performance-based restricted stock awards described below, under the 2016 Plan, which is expected to be recognized over a weighted average period of 2.4 years.

Expense related to restricted stock awards for the three and nine months ended September 30, 2022 includes $8,143 for the accelerated vesting of unvested shares of restricted stock related to separation agreements with two retired named executive officers. See Note 17 for additional information.

Performance-Based Equity Awards

On October 29, 2020, pursuant to the 2016 Plan, the Board approved grants totaling 26,400 shares of restricted stock to certain employees, of which 1,400 expired on April 30, 2021 and 12,500 expired on December 31, 2021. The remaining 12,500 shares fully vested subject to the achievement of certain milestones on December 31, 2021. The awards had a grant-date fair value of $35.95 per share based on the Company's closing stock price on the grant date. Stock-based compensation costs associated with these grants were recognized over the service period based upon the Company's assessment of the probability that the performance conditions would be achieved. The Company recognized $194 and $556 of stock-based compensation expense related to these grants for the three and nine months ended September 30, 2021, respectively.

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On April 27, 2021, pursuant to the 2016 Plan, the Board approved awards of performance stock units to certain employees. Each award reflects a target number of shares (“Target 2021 Shares”) that may be issued to the award recipient. The awards are earned upon the Company’s achievement of certain revenue performance targets during the three-year performance period ending December 31, 2023. Depending on the results achieved during the performance period, the actual number of shares that a grant recipient may receive at the end of the performance period may range from 0% to 200% of the Target 2021 Shares granted. The performance stock unit awards have a grant-date fair value of $44.13 per share based on the Company’s closing stock price on the grant date. Stock-based compensation costs associated with these grants are recognized over the performance period based upon the Company’s assessment of the probability that the performance targets will be achieved. The Company did not recognize any stock-based compensation expense related to the performance stock units for the three and nine months ended September 30, 2022, as the achievement of the underlying performance targets was considered unlikely. During the nine months ended September 30, 2022, 47,175 performance stock units expired. As of September 30, 2022, the number of Target 2021 Shares was 45,550 shares. As of September 30, 2022, the maximum number of achievable performance stock units was 91,100 and the maximum unrecognized compensation expense was $4,020.

On August 22, 2022, pursuant to the 2016 Plan, the Board approved awards of performance stock units to certain executives. Each award reflects a target number of shares (“Target 2022 Shares”) that may be issued to the award recipient. The awards are earned upon the Company’s achievement of certain market performance targets during the three-year performance period ending December 31, 2024. Depending on the results achieved during the performance period, the actual number of shares that a grant recipient may receive at the end of the performance period may range from 0% to 200% of the Target 2022 Shares granted. The performance stock unit awards have a grant-date fair value of $4.38 per share based on the fair value of the Company’s stock price at grant date and the expected vesting units, taking into consideration the possibilities of all possible performance achievement levels. Stock-based compensation costs associated with these grants are recognized over the performance period. The Company recognized $69 of stock-based compensation expense related to the performance stock units for the three and nine months ended September 30, 2022. As of September 30, 2022, the number of Target 2022 Shares was 350,000 shares. As of September 30, 2022, the maximum number of achievable performance stock units was 700,000 and the remaining unrecognized compensation expense was $1,463.

Other Stock Awards

During the first quarter of 2021, the Board approved the grant of stock awards to certain non-employee directors and to a consultant pursuant to the 2016 Plan. The awards provided for the issuance of 1,416 shares of the Company’s common stock, which immediately vested on the grant date. These grants had a weighted average grant-date fair value of $40.85 per share. For the nine months ended September 30, 2021, the Company recorded $58 of expense related to these stock awards.

During the first quarter of 2022, the Board approved grants of stock awards to certain non-employee directors and employees pursuant to the 2016 Plan. The awards provided for the issuance of 16,471 shares of the Company’s common stock, which immediately vested on the grant date. These grants had a weighted average grant-date fair value of $5.57 per share. For the nine months ended September 30, 2022, the Company recorded $92 of expense related to these stock awards.

During the second quarter of 2022, the Board approved grants of stock awards to certain non-employee directors pursuant to the 2016 Plan. The awards provided for the issuance of 12,262 shares of the Company’s common stock, which immediately vested on the grant date. These grants had a weighted average grant-date fair value of $3.64 per share. For the nine months ended September 30, 2022, the Company recorded $45 of expense related to these stock awards.

During the third quarter of 2022, the Board approved grants of stock awards to certain employees pursuant to the 2016 Plan. The awards provided for the issuance of 615,066 shares of the Company’s common stock, which immediately vested on the grant date. These grants had a weighted average grant-date fair value of $5.01 per share. For the three and nine months ended September 30, 2022, the Company recorded $3,081 of expense related to these stock awards.

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Stock Options

The Company recorded $1,025 and $1,586 of stock-based compensation expense related to employee and non-employee director stock options for the three months ended September 30, 2022 and 2021, respectively. The Company recorded $3,121 and $5,502 of stock-based compensation expense related to employee and non-employee stock options for the nine months ended September 30, 2022 and 2021, respectively. The Company records forfeitures as they occur.

No grants for employee and non-employee stock options were made during the nine months ended September 30, 2022. The table below sets forth the weighted average assumptions for employee grants during the nine months ended September 30, 2021:

Valuation assumptions:	Nine Months Ended September 30, 2021
Expected volatility	58.57 %
Expected term (years)	5.48
Risk-free interest rate	0.50 %
Dividend yield	—

The weighted average grant date fair value of employee options granted during the nine months ended September 30, 2021 was $28.26 per share.

The following table summarizes stock option activity under the 2016 Plan for the nine months ended September 30, 2022:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at December 31, 2021	1,604,226	$ 29.90		
Exercised	(12,830)	4.96		
Forfeited	(188,465)	44.18		
Outstanding at September 30, 2022	1,402,931	$ 28.21	3.8	$ 260
Options vested and expected to vest at September 30, 2022	1,402,931	$ 28.21	3.8	$ 260
Exercisable at September 30, 2022	1,370,302	$ 27.57	3.8	$ 260

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the Company's closing stock price or estimated fair value on the last trading day of the fiscal quarter for those stock options that had exercise prices lower than the fair value of the Company's common stock. This amount changes based on the fair market value of the Company's stock. The total intrinsic value of options exercised during the nine months ended September, 2022 and 2021 was $109 and $11,113, respectively.

As of September 30, 2022, there was $867 of total unrecognized compensation cost related to nonvested stock options granted under the 2016 Plan, which is expected to be recognized over a weighted average period of 0.4 years.

Cash received from option exercises for the nine months ended September 30, 2022 and 2021 was $64 and $3,683, respectively.

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The Company recorded total stock-based compensation expense for the three and nine months ended September 30, 2022 and 2021 in the following expense categories of its consolidated statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of revenue - product	$ 331	$ 256	$ 778	$ 852
Cost of revenue - service	793	883	2,264	2,631
Research and development	1,741	1,261	4,021	4,533
Sales and marketing	285	209	593	1,251
General and administrative	12,228	4,292	20,517	14,833
Discontinued operations	1,858	1,110	4,364	4,862
Total stock-based compensation expense	$ 17,236	$ 8,011	$ 32,537	$ 28,962

Employee Stock Purchase Plan

In February 2021, the Board, subject to stockholder approval, adopted the Tabula Rasa HealthCare, Inc. Employee Stock Purchase Plan (the “ESPP”), which allows eligible employees to purchase common shares of Company stock through payroll deductions at a 15% discount off the lower of (i) the fair market value per share of common stock on the start date of the applicable offering period or (ii) the fair market value per share of common stock on the purchase date. The ESPP was approved by the Company’s stockholders at the 2021 annual meeting of stockholders in June 2021. The number of shares of common stock reserved for issuance under the ESPP will initially be 480,097 shares, subject to adjustment as provided in the ESPP, all of which remained available as of September 30, 2022.

14. Fair Value Measurements

The Company’s financial instruments consist of accounts receivable, client claims receivables, contract assets, contingent consideration receivable, accounts payable, client claims payable, contract liabilities, accrued expenses, vendor financing arrangements, and long-term debt, which includes the Company’s convertible senior subordinated notes. The carrying values of accounts receivable, client claims receivables, contract assets, accounts payable, client claims payable, contract liabilities, and accrued expenses are representative of their fair values due to the relatively short-term nature of those instruments. Vendor financing arrangements are recorded at net carrying value, which approximates fair value. See below for additional information on the Company’s convertible senior subordinated notes.

The Company had classified assets measured at fair value on a recurring basis at September 30, 2022 as follows:

	Fair Value Measurement at Reporting Date Using			
	Level 1	Level 2	Level 3	Balance as of September 30, 2022
Assets				
Contingent consideration receivable - long-term	$ —	$ —	$ 7,000	$ 7,000

In connection with the sale of the PrescribeWellness Business on August 1, 2022, additional consideration may be payable to the Company based on the achievement of certain customer and revenue metrics, as defined in the purchase agreement, for the periods ending December 31, 2023 and 2024. See Note 3 for additional information regarding the sale of the PrescribeWellness Business.

The contingent consideration is measured at fair value on a recurring basis and may include the use of significant unobservable inputs, hence these instruments represent Level 3 measurements within the fair value hierarchy. All changes in contingent consideration subsequent to the initial sale-date measurement are recorded in net income or loss.

(Amounts in thousands, except share and per share data)

The fair value of the contingent consideration receivable was determined using an income-approach based on projections for the achievement of the performance metrics. Changes in the projected customer and revenue metrics or discount rate may result in higher or lower fair value measurements. The contingent consideration receivable was recorded at the estimated fair value of $7,000 at the sale date of August 1, 2022, and the estimated fair value remained $7,000 as of September 30, 2022.

The following table presents the financial instruments that are not carried at fair value but require fair value disclosure as of September 30, 2022:

	Face Value	Carrying Value	Fair Value
1.75% Convertible Senior Subordinated Notes due 2026	$ 325,000	$ 320,297	$ 258,131

The fair value of the 2026 Notes at each balance sheet date is determined based on recent quoted market prices for these notes which is a Level 2 measurement. As discussed in Note 11, the 2026 Notes are carried at their aggregate face value of $325,000, less any unamortized debt issuance costs.

15. Commitments and Contingencies

(a) Employment Agreements

The Company has change-in-control and severance agreements with each of the Company's named executive officers and other key members of management that provide for, among other things, salary, performance bonuses or other incentive compensation, payments in the event of termination of the executives upon the occurrence of a change in control, and restrictive covenants pursuant to which the employees have agreed to refrain from competing with the Company or soliciting the Company's employees or clients for a period following the employee's termination of employment.

(b) Legal Proceedings

The Company is not currently involved in any significant claims or legal actions that, in the opinion of management, are expected to have a material adverse impact on the Company.

(c) Vendor Purchase Agreements

On March 29, 2019, the Company entered into an Affiliated Pharmacy Agreement and Pharmaceutical Program Supply Agreement (the "Prior Thrifty Drug Agreements") with Thrifty Drug Stores, Inc. ("Thrifty Drug"). On July 1, 2020, the Company entered into a new Affiliated Pharmacy Agreement and Pharmaceutical Program Supply Agreement with Thrifty Drug (the "Thrifty Drug Agreements") to replace the Prior Thrifty Drug Agreements, which, among other things, extended the Company's agreement with Thrifty Drug through September 30, 2023. Pursuant to the terms of the Thrifty Drug Agreements, the Company has agreed to purchase not less than 98% of the Company's total prescription product requirements from Thrifty Drug. The Company commenced purchasing prescription products under the Prior Thrifty Drug Agreements in May 2019 and has continued to do so under the Thrifty Drug Agreements beginning in July 2020. Both the Prior Thrifty Drug Agreements and the Thrifty Drug Agreements authorize Thrifty Drug to hold a security interest in all of the products purchased by the Company under the respective agreements.

As of September 30, 2022 and December 31, 2021 the Company had $1,993 and $1,854, respectively, due to Thrifty Drug as a result of prescription drug purchases.

In December 2019, the Company entered into an updated agreement with its data aggregation partner related to the Company's pharmacy cost management services. The agreement is effective January 1, 2020 with a three-year term expiring December 31, 2022 and commits the Company to a monthly minimum purchase obligation of $30.

In June 2021 and October 2021, the Company entered into agreements with a provider for cloud hosting and support services. The June 2021 agreement was effective June 3, 2021 and expires on April 28, 2024. Pursuant to the June 2021 agreement, the Company is committed to a minimum purchase obligation of $1,272 over the term of the agreement. The October 2021 agreement was effective October 1, 2021 and expires on September 30, 2024. Pursuant to the October 2021 agreement, the Company is committed to a minimum purchase obligation of $7,050 over the term of the agreement. Commitments under the October 2021 agreement are inclusive of commitments under the June 2021 agreement. As of September 30, 2022, the Company had a remaining commitment of $4,700 under the October 2021 agreement, of which $691 pertained to the June 2021 agreement.

In August 2021, the Company entered into an agreement with a third party to provide enterprise support and information technology services. The agreement is effective November 1, 2021 and expires on October 31, 2026 and commits the Company to a minimum purchase obligation of $8,960 through October 31, 2024. As of September 30, 2022, the Company had a remaining commitment of $6,222.

In November 2021, the Company entered into an agreement with a provider for cloud hosting services. The agreement is effective November 25, 2021 and expires on November 25, 2022 and commits the Company to a minimum purchase obligation of $1,598 over the contract term. As of September 30, 2022, the Company had a remaining commitment of $243.

16. Segment Reporting

The Company operates its business through two segments. As discussed in Note 3 above, the divestiture of the PrescribeWellness Business and the planned divestitures of the DoseMe and SinfoníaRx businesses, which collectively comprised the majority of the Company’s MedWise HealthCare segment, represent a strategic business shift in the Company’s operations. The Company determined that these businesses met the requirements of discontinued operations as of March 31, 2022 and continued to meet the requirements as of September 30, 2022. As a result, these businesses are excluded from the Company’s segment reporting. The Company presents continuing operations of the remaining components of the MedWise HealthCare segment combined with its shared services as Shared Services and Other.

The Company's chief operating decision maker (“CODM”), the Chief Executive Officer, allocates resources and assesses performance based upon financial information at the reportable segment level. Substantially all revenues are generated and substantially all tangible assets are held in the U.S.

CareVention HealthCare primarily provides services to PACE organizations that include medication fulfillment pharmacy services and PACE solutions, such as medication safety services, PBM solutions, and health plan management services.

MedWise HealthCare primarily generates revenues from medication safety services and software subscription solutions, which identify individuals with high medication-related risk and optimize medication therapy.

Shared services primarily consist of unallocated corporate sales and marketing expenses and general and administrative expenses associated with the management and administration of the Company’s business objectives.

The CODM uses revenue in accordance with GAAP and Adjusted EBITDA as the relevant segment performance measures to evaluate the performance of the segments and allocate resources.

Adjusted EBITDA is a segment performance financial measure that offers a useful view of the overall operation of the Company’s businesses and may be different from similarly titled segment performance financial measures used by other companies.

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Adjusted EBITDA consists of net loss plus certain other expenses, which include interest expense, provision for income taxes, depreciation and amortization, impairment charges, business optimization expenses, severance costs, executive transition costs, cooperation agreement costs, divestiture-related expense, acquisition-related expense, stock-based compensation expense, loss on disposal of business, and settlement costs. The Company considers business optimization expenses to include contract termination payments, severance, retention payments, and other employee and non-recurring vendor costs incurred related to its business optimization initiatives during 2022. The Company considers severance costs to include severance payments related to the realignment of its resources. The Company considers executive transition costs to include nonrecurring costs related to the hiring and onboarding of new named executive officers and separation costs related to former named executive officers. The Company considers cooperation agreement costs to include legal, professional services, and other non-recurring costs related to the Company's cooperation agreement with Indaba Capital Management. The Company considers divestiture-related expense to include nonrecurring direct transaction costs. The Company considers acquisition-related expense to include nonrecurring direct transaction and integration costs. The Company considers loss on disposal of business to include nonrecurring loss resulting from the sale of PrescribeWellness Business. The Company considers settlement costs to include amounts payable by the Company or reductions to amounts owed to the Company as a result of a contractual settlement.

Management considers revenue and Adjusted EBITDA to be the appropriate metric to evaluate and compare the ongoing operating performance of the Company's segments on a consistent basis across reporting periods as it eliminates the effect of items which are not indicative of each segment's core operating performance.

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The following tables present the Company's segment information:

	CareVention HealthCare	Shared Services and Other	Consolidated
Revenue:			
Three Months Ended September 30, 2022			
Product revenue	$ 59,780	$ —	$ 59,780
Service revenue			
PACE solutions	16,416	—	16,416
Medication safety services	—	843	843
Software subscription and services	—	62	62
Total service revenue	16,416	905	17,321
Total revenue	$ 76,196	$ 905	$ 77,101
Three Months Ended September 30, 2021			
Product revenue	$ 50,321	$ —	$ 50,321
Service revenue			
PACE solutions	14,707	—	14,707
Medication safety services	—	2,820	2,820
Software subscription and services	—	62	62
Total service revenue	14,707	2,882	17,589
Total revenue	$ 65,028	$ 2,882	$ 67,910
Nine Months Ended September 30, 2022			
Product revenue	$ 166,645	$ —	$ 166,645
Service revenue			
PACE solutions	47,604	—	47,604
Medication safety services	—	2,336	2,336
Software subscription and services	—	223	223
Total service revenue	47,604	2,559	50,163
Total revenue	$ 214,249	$ 2,559	$ 216,808
Nine Months Ended September 30, 2021			
Product revenue	$ 139,021	$ —	$ 139,021
Service revenue			
PACE solutions	42,973	—	42,973
Medication safety services	—	8,817	8,817
Software subscription and services	—	174	174
Total service revenue	42,973	8,991	51,964
Total revenue	$ 181,994	$ 8,991	$ 190,985

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	CareVention HealthCare	Shared Services and Other	Consolidated
Adjusted EBITDA (loss) from Continuing Operations:			
Three Months Ended September 30, 2022			
Adjusted EBITDA (loss)	$ 14,051	$ (11,998)	$ 2,053
Three Months Ended September 30, 2021			
Adjusted EBITDA (loss)	$ 14,014	$ (10,875)	$ 3,139
Nine Months Ended September 30, 2022			
Adjusted EBITDA (loss)	$ 39,531	$ (34,339)	$ 5,192
Nine Months Ended September 30, 2021			
Adjusted EBITDA (loss)	$ 40,983	$ (32,998)	$ 7,985

The following table presents the Company's reconciliation net loss as presented in the consolidated statements of operations to the segments' total Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Reconciliation of Net Loss to Adjusted EBITDA from Continuing Operations				
Net loss	$ (40,065)	$ (17,111)	$ (117,868)	$ (57,684)
Add:				
Interest expense, net	2,717	2,230	7,430	6,959
Income tax (benefit) expense	(7)	82	368	284
Depreciation and amortization	5,723	5,328	16,954	15,109
Impairment charges	—	—	4,062	—
Business optimization expenses	—	—	787	—
Severance costs	122	354	697	516
Executive transition	1,821	—	1,971	—
Cooperation agreement costs	1,122	—	1,122	—
Divestiture-related expense	1,057	—	2,591	—
Acquisition-related expense	—	—	—	217
Stock-based compensation expense	15,378	6,901	28,173	24,100
Loss from discontinued operations	14,185	5,355	58,905	18,484
Adjusted EBITDA from continuing operations	$ 2,053	$ 3,139	$ 5,192	$ 7,985
Adjusted EBITDA (loss) from discontinued operations	(3,593)	2,578	(1,036)	7,294
Total Adjusted EBITDA (loss)	$ (1,540)	$ 5,717	$ 4,156	$ 15,279

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	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Reconciliation of Net Loss from Discontinued Operations, net of tax to Adjusted EBITDA (Loss) from Discontinued Operations				
Net loss from discontinued operations, net of tax	$ (14,185)	$ (5,355)	$ (58,905)	$ (18,484)
Add:				
Income tax (benefit) expense	(94)	52	(662)	182
Depreciation and amortization	—	6,771	7,331	20,234
Impairment charges	5,845	—	42,293	—
Loss on disposal of business	2,879	—	2,879	—
Settlement	—	—	1,448	500
Divestiture-related expense	104	—	216	—
Stock-based compensation expense	1,858	1,110	4,364	4,862
Adjusted EBITDA (loss) from discontinued operations	$ (3,593)	$ 2,578	$ (1,036)	$ 7,294

Asset information by segment is not a key measure of performance used by the CODM. Accordingly, the Company has not disclosed asset information by segment.

17. Related Party Transactions

The Company's CareVention HealthCare segment provides medication fulfillment pharmacy services and certain PACE solutions services to a client whose Chief Executive Officer is a member of the Board. For the three months ended September 30, 2022 and 2021, $1,894 and $1,679, respectively, of revenue related to this client was included in the Company's consolidated statements of operations. For the nine months ended September 30, 2022 and 2021, $5,541 and $4,834, respectively, of revenue related to this client was included in the Company's consolidated statements of operations. As of September 30, 2022 and December 31, 2021, $225 and $67, respectively, was included in accounts receivable, net, on the Company's consolidated balance sheets.

During the second quarter of 2022, a holder of the Company's convertible senior subordinated notes became a significant stockholder. The stockholder held approximately $88,429 of the Company's convertible senior subordinated notes, net of discount, which is presented on the Company's consolidated balance sheet as of September 30, 2022. See Note 11 for more information on the Company's convertible senior subordinated notes.

On September 13, 2022, the Company entered into a cooperation agreement (the "Cooperation Agreement") with a significant stockholder of the Company, pursuant to which, among other matters, the Company agreed to effect certain changes to its management team and the composition of the Board of Directors and implement certain corporate governance changes. In connection with the Cooperation Agreement, the Company agreed to reimburse the stockholder $464 of fees incurred, which are included within the accrued expenses and other liabilities on the Company's consolidated balance sheet as of September 30, 2022.

On September 13, 2022, in connection with the entry into separation agreements with two retired named executive officers, the Company incurred $9,927 of separation costs, which included stock-based compensation related to the accelerated vesting of unvested shares of restricted stock, severance payments and benefits, relevant payroll taxes, and outplacement services. These costs are included within general and administrative expenses on the Company's consolidated statement of operations, of which $1,616 are included within accrued expenses and other liabilities on the Company's consolidated balance sheet as of September 30, 2022.

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On September 13, 2022, the Company entered into consulting services agreements with two retired named executive officers to provide certain consulting and advisory services to the Company, including assisting with the transition of key client relationships and strategic business partners and prospects. The consulting services agreements expire on December 31, 2022. The Company did not incur costs pursuant to these consulting services agreements during the three and nine months ended September 30, 2022.

18. Rights Plan

On July 25, 2022, the Board approved and adopted a Rights Agreement (the “Rights Agreement”), by and between the Company and American Stock Transfer & Trust Company, LLC, as Rights Agent. Pursuant to the Rights Agreement, the Board declared a dividend of one preferred share purchase right (each, a “Right”) for each outstanding share of common stock. The Rights are distributable to stockholders of record as of the close of business on August 5, 2022 and are not exercisable initially. If the Rights become exercisable, each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of a newly-designated series of preferred stock, Series A Junior Participating Preferred Stock, par value $0.0001 per share, of the Company, at an exercise price of $26.00, subject to adjustment. The Rights expire at the earlier of (a) the redemption or exchange of the Rights as provided in the Rights Agreement or (b) July 25, 2023.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited consolidated financial statements and related notes and other financial information included in Part 1, Item 1 of this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and related notes thereto for the year ended December 31, 2021, included in our 2021 Form 10-K.

Forward-Looking Statements

This discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by words such as "believe," "will," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "could," "potentially" or the negative of these terms or similar expressions. You should read these statements carefully because they discuss future expectations, contain projections of future results of operations or financial condition, or state other "forward-looking" information. These statements relate to, without limitation, our future plans, objectives, expectations, intentions, the potential sales of the SinfoníaRx and DoseMe businesses of the Company and the timing and benefits thereof, and financial performance and the assumptions that underlie these statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that might cause such a difference include, but are not limited to: (i) the overall macroeconomic environment, including the effects of inflation, supply chain constraints, and the impact of changes in interest rates, on our business and results of operations; (ii) our ability to adapt to changes or trends within the market for healthcare in the U.S.; (iii) a significant increase in competition from a variety of companies in the healthcare industry; (iv) developments and changes in laws and regulations, including increased regulation of the healthcare industry through legislative action and revised rules and standards; (v) the extent to which we are successful in gaining new long-term relationships with clients or retaining existing clients; (vi) clients demands for our services and our ability to fulfill client demands; (vii) the growth and success of our clients, which is difficult to predict and is subject to factors outside of our control; (viii) our ability to maintain relationships with a specified drug wholesaler; (ix) increasing consolidation in the healthcare industry; (x) managing our growth effectively; (xi) fluctuations in operating results; (xii) our ability to manage our cash flows; (xiii) failure or disruption of our information technology and security systems; (xiv) dependence on or changes to our senior management and key employees; (xv) changes in our strategy as a result of our entry into the Cooperation Agreement with Indaba; (xvi) our future indebtedness and our ability to obtain additional financing, reduce expenses, or generate funds when necessary; (xvii) our ability to execute on our planned divestitures of our SinfoníaRx and DoseMe businesses, the costs associated therewith, and risks related to diverting management's attention from our ongoing business operations; (xviii) risks related to the volatility in our stock price; (xix) the impacts of the ongoing COVID-19 pandemic and other health epidemics; and (xx) the risks described in Part I, Item 1A of our 2021 Form 10-K and our other filings and reports filed with or furnished to the Securities and Exchange Commission. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. These statements, like all statements in this report, speak only as of their date, and we undertake no obligation to update or revise these statements in light of future developments, except as required by applicable law. We caution investors that our business and financial performance are subject to substantial risks and uncertainties.

Overview

Tabula Rasa HealthCare, Inc. (the "Company," "we," "us," and "our") is a healthcare technology company advancing the safe use of medications by creating solutions designed to empower pharmacists, providers, and patients to optimize medication regimens. Our advanced proprietary technology, MedWise®, identifies causes of and risks for medication-related problems, including adverse drug events ("ADEs"), so healthcare professionals can minimize harm and reduce medication-related risks. Our software and services help improve patient outcomes and lower healthcare costs through reduced hospitalizations, emergency department visits, and healthcare utilization. Our vision and mission are supported by our experienced leadership team, our significant investments, and collaborations to advance precision pharmacotherapy research and its application in clinical practice, and our culture.

We operate our business through two segments, CareVention HealthCare and MedWise HealthCare.

CareVention HealthCare primarily services PACE, which is a Centers for Medicare & Medicaid Services ("CMS") sponsored program providing comprehensive medical and social services to adults age 55 and older who need a nursing facility level of care but can live safely in community settings. We access the market through a number of different service lines and brands, including CareKinesis®, Capstone Risk Adjustment Services, CareVention Consulting™, PACElogic™, TruChart®, PeakTPA, PersonifilRx®, and Pharmastar®.

Our largest CareVention HealthCare revenue offering is our medication fulfillment services, which is built around our novel and proprietary MedWise® technology, designed to enable clinicians to increase patient safety, create individualized medication regimens, promote adherence, and eliminate unnecessary prescriptions. Our medication fulfillment and adherence packaging services utilize MedWise technology to reduce medication-related risk for the high-cost, high-risk PACE population. The CareVention HealthCare suite of offerings also includes risk adjustment services, pharmacy benefit management ("PBM") solutions, cloud-based electronic health records ("EHR") solutions, and third-party administration services, which are all specifically tailored to the PACE market. Our CareVention HealthCare segment serves more than 150 healthcare organizations.

The CareVention HealthCare segment revenue model is primarily based on payments on a per-member per-month ("PMPM") basis, payments on a subscription basis, payments on a transaction basis, and payments for medication charges and dispensing fees for medication fulfillment.

Divestiture of Non-Core Businesses

In February 2022, we announced plans to evaluate non-core assets to refocus our corporate strategy and increase stockholder value, and we commenced an initial plan to sell the DoseMe business, which we acquired in January 2019. In March 2022, we completed our evaluation of additional divestiture opportunities and commenced plans to sell the SinfoníaRx and PrescribeWellness businesses, acquired in September 2017 and March 2019, respectively.

On August 1, 2022 (the "Sale Date"), we completed the sale of our unincorporated PrescribeWellness business division (the "PrescribeWellness Business"), and the assets, properties, and rights that were primarily used or held for use in connection with the PrescribeWellness Business, and the KD Assets (as defined below), to Transaction Data Systems, Inc. ("TDS"). On the Sale Date, we also completed the acquisition of certain intellectual property from karmadata, Inc. ("KD"), which had historically been licensed to the Company (the "KD Assets"). The KD Assets acquired were simultaneously transferred to TDS on the Sale Date. The purchase consideration included $125 million in cash, subject to certain customary post-closing adjustments, of which $118.6 million was paid directly to us and $5.9 million was paid to KD on the Sale Date. In October 2022, TDS also paid us $1.5 million for certain customary post-closing adjustments. We are also entitled to receive up to $15.0 million in contingent consideration to be paid by TDS based upon the PrescribeWellness Business's achievement of certain performance-based metrics during the fiscal years ending December 31, 2023 and 2024.

On the Sale Date, we also announced a strategic partnership to offer our proprietary MedWise® Science, an accumulative, simultaneous, multi-drug analysis tool that identifies medication related risk, into TDS's pharmacy management systems.

When the Company commenced plans to sell the DoseMe, SinfoníaRx, and PrescribeWellness businesses, these businesses collectively comprised the majority of our MedWise HealthCare segment. Our sale of the PrescribeWellness Business and plans to sell the DoseMe and SinfoníaRx businesses represent a strategic business shift having a significant effect on our Company's operations and financial results. As a result, we determined that these businesses met the requirements to be classified as held for sale and discontinued operations as of March 31, 2022, and the remaining two businesses continued to meet such requirements as of September 30, 2022. Accordingly, the accompanying consolidated financial statements in this Quarterly Report on Form 10-Q have been recast for all periods presented to reflect the assets, liabilities, revenue, and expenses related to these businesses as discontinued operations.

The continuing operations of the remaining components of our MedWise HealthCare segment promote medication safety and adherence to improve patient outcomes and reduce healthcare costs. The MedWise HealthCare segment revenue model is primarily based on payments on a PMPM basis, payments on a subscription basis, and payments on a fee-for-service basis for each medication safety review and clinical assessment completed.

Unless otherwise noted, management's discussion and analysis of our Company's results of operations relate to our Company's continuing operations.

Substantially all of our revenue is recognized in the U.S. and substantially all of our long-lived assets are located in the U.S.

Key Business Metrics

We continually monitor certain corporate metrics, including the following key metrics, that we believe are useful in evaluating and managing our operating performance compared to that of other companies in our industry.

	Three Months Ended September 30,		Change	
	2022	2021	$	%
	(Dollars in thousands)			
Revenues from continuing operations	$ 77,101	$ 67,910	$ 9,191	14 %
Net loss from continuing operations	(25,880)	(11,756)	(14,124)	120
Adjusted EBITDA from continuing operations	2,053	3,139	(1,086)	(35)

	Nine Months Ended September 30,		Change	
	2022	2021	$	%
	(Dollars in thousands)			
Revenues from continuing operations	$ 216,808	$ 190,985	$ 25,823	14 %
Net loss from continuing operations	(58,963)	(39,200)	(19,763)	50
Adjusted EBITDA from continuing operations	5,192	7,985	(2,793)	(35)

We monitor the key metrics set forth in the preceding table to help us evaluate trends, establish budgets, measure the effectiveness and efficiency of our operations, and gauge our cash generation. We discuss Adjusted EBITDA in more detail in "Non-GAAP Financial Measures." We also monitor revenue retention rate on an annual basis, which is described in our 2021 Form 10-K.

Factors Affecting our Future Performance

General

We believe that our future success depends on many factors, including our ability to maintain and grow our relationships with existing clients, expand our client base, and expand our offerings to meet evolving market needs. While these areas present significant opportunity, they also present risks that we must manage to ensure successful results. Please refer to "Item 1A – Risk Factors" in our 2021 Form 10-K for a discussion of certain risks and uncertainties that may impact our future success.

Divestitures of Non-Core Businesses

As described above, on August 1, 2022 we completed the sale of the PrescribeWellness Business and are engaged in efforts to sell the DoseMe and SinfoníaRx businesses. We used the proceeds from the sale of the PrescribeWellness Business to pay off our line of credit and increase our liquidity, and the remaining proceeds, along with those anticipated from divestiture of the remaining two businesses, will provide our Company the financial flexibility to optimize our capital structure, as well as to focus on our core value-based care business including our offerings targeted at the PACE market and our MedWise science.

Components of Our Results of Operations

Revenue

Our revenue is derived from our product sales and service activities under our CareVention HealthCare and MedWise HealthCare segments. For the three months ended September 30, 2022 and 2021, product revenue represented 78% and 74% of our total revenue, respectively, and service revenue represented 22% and 26% of our total revenue, respectively. For the nine months ended September 30, 2022 and 2021, product revenue represented 77% and 73% of our total revenue, respectively, and service revenue represented 23% and 27% of our total revenue, respectively.

CareVention HealthCare

PACE Product Revenue

We provide medication fulfillment pharmacy services to PACE organizations. While the majority of medications are routinely filled in order to treat chronic conditions, the mix and quantity of medications can vary. Revenue from medication fulfillment services is generally billed monthly or weekly, depending on whether the PACE organization is contracted with a pharmacy benefit manager, and is recognized when medications are delivered and control has passed to the client. At the time of delivery, we have performed substantially all our performance obligations under our client contracts. We do not experience a significant level of returns or reshipments.

PACE Solutions

We provide medication safety services and health plan management services to PACE organizations. These services primarily include medication safety services, risk adjustment services, PBM solutions, EHR solutions, and third-party administration services. Revenue related to these services primarily consists of a fixed monthly fee assessed on a PMPM basis, a fee for each claim adjudicated, and subscription fees. These fees are recognized when we satisfy our performance obligation to stand ready to provide PACE services, which occurs when our clients have access to the PACE services. We generally bill for PACE services on a monthly basis as the services are provided.

MedWise HealthCare

Medication Safety Services

We provide medication safety services, which include identification of high-risk individuals, medication regimen reviews, including patient and prescriber counseling, and targeted interventions to increase adherence and close gaps in care. Revenue related to these services primarily consists of PMPM fees and fees for each medication review and clinical assessment completed. Revenue is recognized when we satisfy our performance obligation to stand ready to provide medication safety services, which occurs when our clients have access to the medication safety services and when medication reviews and clinical assessments are completed. We generally bill for the medication safety services on a monthly basis.

Software Subscription and Services

We provide software as a service (“SaaS”) solutions, which allow for the identification of individuals with high medication-related risk. Revenues related to these software services primarily consist of monthly subscription fees and are recognized monthly as we meet our performance obligation to provide access to the software. Revenue for implementation and set-up services is generally recognized over the contract term as the software services are provided. We generally bill for the software services on a monthly basis.

Cost of Revenue (exclusive of depreciation and amortization)

Product Cost

Cost of product revenue includes all costs directly related to the fulfillment and distribution of medications under our CareVention HealthCare offerings. Costs consist primarily of the purchase price of the prescription medications we dispense, which for the three months ended September 30, 2022 and 2021, represented 81% and 82%, respectively, of our total product costs. For each of the nine months ended September 30, 2022 and 2021, medication costs represented 81% of our total product costs. In addition to costs incurred to purchase the medications we dispense, other costs include shipping; packaging; expenses associated with operating our medication fulfillment centers, including salaries and related costs, such as stock-based compensation for personnel; technology expenses; direct overhead expenses; and allocated indirect overhead costs. We allocate indirect overhead costs among functions based on employee headcount.

Service Cost

Cost of service revenue includes all costs directly related to servicing our CareVention HealthCare and MedWise HealthCare service contracts. These costs primarily consist of labor costs, including stock-based compensation, outside contractors, expenses related to supporting our software platforms, direct overhead expenses, and allocated indirect overhead costs. We allocate indirect overhead costs among functions based on employee headcount.

Research and Development Expenses

Our research and development expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in our research and development functions. This personnel includes employees engaged in scientific research, healthcare analytics, the design and development of new scientific algorithms, and the enhancement of our software and technology platforms. Research and development expenses also include fees paid to third-party consultants, costs related to quality assurance and testing, and other allocated facility-related overhead and expenses.

We capitalize certain costs incurred in connection with obtaining or developing the proprietary software platforms that support our product and service contracts, including third-party contractors and payroll costs for employees directly involved with the software development. Capitalized software development costs are amortized beginning when the software project is substantially completed and when the asset is ready for its intended use. Costs incurred during the preliminary project stage and post implementation stage, as well as maintenance and training costs, are expensed as incurred. We continue to focus our research and development efforts on adding new features and applications to increase the functionality and enhance the ease of use of our existing suite of software solutions.

We believe continued investment in our software solutions is important for our future growth. We expect our research and development expenses will fluctuate in the near term as we refocus on our core business but will decrease as a percentage of revenue in the long term.

Sales and Marketing Expenses

Sales and marketing expenses consist principally of salaries, commissions, bonuses, and stock-based compensation and employee benefits for sales, marketing, and account management personnel, as well as travel costs related to sales, marketing, and account management activities. Marketing costs also include costs for communication and branding materials, conferences, trade shows, public relations, and allocated overhead.

We expect our sales and marketing expenses to fluctuate in the near term as we refocus on our core business but decrease as a percentage of revenue in the long term.

General and Administrative Expenses

General and administrative expenses consist principally of employee-related expenses, including salaries, benefits, and stock-based compensation, for employees who are responsible for information systems, administration, human resources, finance, strategy, legal and executive management, as well as other corporate expenses associated with these functional areas. General and administrative expenses also include professional fees for legal, consulting, and accounting services and allocated overhead. General and administrative expenses are expensed when incurred.

We expect that our general and administrative expenses will fluctuate in the near term as we refocus on our core business but decrease as a percentage of revenue in the long term.

Long-Lived Asset Impairment Charge

Long-lived assets consist of property and equipment, software development costs and definite-lived intangible assets. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that we consider in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends, and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset for recoverability, we compare forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset to its carrying value. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use and disposition of an asset are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset over its fair value, determined based on discounted cash flows or a combination of income and market approaches.

Depreciation and Amortization Expenses

Depreciation and amortization expenses are primarily attributable to our capital investment in equipment, our capitalized software, and acquisition-related intangibles.

Interest Expense

Interest expense is primarily attributable to interest expense associated with our convertible senior subordinated notes (the “2026 Notes”), our Loan and Security Agreement with Western Alliance Bank (the “2020 Credit Facility”) prior to its termination on August 1, 2022, and the promissory notes related to the purchase consideration for the acquisition of Personica, LLC. Interest expense also includes the amortization of debt discount and debt issuance costs related to our various debt arrangements and imputed interest.

Results of Operations

The following table summarizes our results of operations for the three and nine months ended September 30, 2022 and 2021 (in thousands):

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Change $	Change %	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Change $	Change %
Revenue:								
Product revenue	$ 59,780	$ 50,321	$ 9,459	19 %	$ 166,645	$ 139,021	$ 27,624	20 %
Service revenue	17,321	17,589	(268)	(2)	50,163	51,964	(1,801)	(3)
Total revenue	77,101	67,910	9,191	14	216,808	190,985	25,823	14
Cost of revenue, exclusive of depreciation and amortization shown below:								
Product cost	46,221	38,518	7,703	20	129,157	104,939	24,218	23
Service cost	14,014	12,697	1,317	10	40,430	37,875	2,555	7
Total cost of revenue, exclusive of depreciation and amortization	60,235	51,215	9,020	18	169,587	142,814	26,773	19
Operating expenses:								
Research and development	4,018	3,699	319	9	11,226	11,069	157	1
Sales and marketing	2,857	2,719	138	5	7,678	8,225	(547)	(7)
General and administrative	27,917	14,393	13,524	94	58,945	45,725	13,220	29
Long-lived asset impairment charge	—	—	—	—	4,062	—	4,062	100
Depreciation and amortization	5,723	5,328	395	7	16,954	15,109	1,845	12
Total operating expenses	40,515	26,139	14,376	55	98,865	80,128	18,737	23
Loss from operations	(23,649)	(9,444)	(14,205)	150	(51,644)	(31,957)	(19,687)	62
Other income (expense):								
Interest expense, net	(2,717)	(2,230)	(487)	22	(7,430)	(6,959)	(471)	7
Other income	479	—	479	100	479	—	479	100
Total other expense	(2,238)	(2,230)	(8)	—	(6,951)	(6,959)	8	—
Loss from continuing operations before income taxes	(25,887)	(11,674)	(14,213)	122	(58,595)	(38,916)	(19,679)	51
Income tax (benefit) expense	(7)	82	(89)	(109)	368	284	84	30
Net loss from continuing operations	(25,880)	(11,756)	(14,124)	120	(58,963)	(39,200)	(19,763)	50
Net loss from discontinued operations, net of tax	(14,185)	(5,355)	(8,830)	165	(58,905)	(18,484)	(40,421)	219
Net loss	$ (40,065)	$ (17,111)	$ (22,954)	134	$ (117,868)	$ (57,684)	$ (60,184)	104

Comparison of the Three Months Ended September 30, 2022 and 2021 (Continuing Operations)

Product Revenue

Product revenue increased $9.5 million, or 19%, to $59.8 million for the three months ended September 30, 2022, as compared to the same period in 2021. Increased medication fulfillment volume from growth in the number of patients served by our existing clients, medication mix of prescriptions filled, and payer mix contributed $4.8 million to the increase. New CareVention HealthCare clients that started services after the end of the third quarter in 2021 contributed $4.0 million to the increase. The remaining increase in product revenue was due to medications dispensed by our community pharmacy network on behalf of CareVention HealthCare as a result of amended client agreements.

Service Revenue

Service revenue decreased $0.3 million, or 2%, to $17.3 million for the three months ended September 30, 2022, as compared to the same period in 2021.

Medication safety services revenue decreased $2.0 million, or 70%, during the three months ended September 30, 2022, as compared to the same period in 2021. The decrease was primarily due to the conclusion of the Enhanced Medication Therapy Management ("EMTM") pilot program on December 31, 2021, which contributed $2.3 million of revenue during the three months ended September 31, 2021. As a result, no revenues related to the EMTM program were recognized after December 31, 2021. This decrease was partially offset by the addition of new clients since the third quarter of 2021, which contributed $0.3 million of revenue during the nine months ended September 30, 2022.

The decrease in medication safety services was partially offset by an increase in CareVention HealthCare PACE solutions revenue of approximately $1.7 million, or 12%, to $16.4 million for the three months ended September 30, 2022, as compared to the same period in 2021. The increase was attributable to the addition of new clients and growth with existing clients since the third quarter of 2021, primarily within our PBM solutions, third-party administration services and risk adjustment services.

Cost of Product Revenue

Cost of product revenue increased $7.7 million, or 20%, to $46.2 million for the three months ended September 30, 2022, as compared to the same period in 2021. Increased medication volume from growth in the number of patients served by our customers contributed approximately $5.7 million to the change, of which $2.6 million was attributable to new clients and $0.7M was attributable to medications dispensed by our community pharmacy network on behalf of CareVention HealthCare as a result of amended client agreements. The increase in cost of product revenue was also due to a $1.0 million increase in distribution charges related to higher shipping costs and volume for the medications we fulfilled. The remaining $1.0 million increase was primarily due to employee compensation costs, including stock-based compensation, due to an increase in employee headcount.

Cost of Service Revenue

Cost of service revenue increased $1.3 million, or 10%, to $14.0 million for the three months ended September 30, 2022, as compared to the same period in 2021. The increase was primarily comprised of $3.4 million of costs related to a new vendor arrangement for business process support and technology services. These increases were partially offset by a $1.4 million reduction in employee compensation costs, including stock-based compensation, for the employees hired by the third-party provider and a $0.6 million reduction in resources contracted to deliver medication safety services due to the conclusion of the EMTM program on December 31, 2021.

Research and Development Expenses

Research and development expenses increased $0.3 million, or 9%, to $4.0 million for the three months ended September 30, 2022, as compared to the same period in 2021. The increase was primarily related to a $0.5 million increase in stock-based compensation expense as a result of more outstanding awards during 2022 compared to 2021. This increase was partially offset by a $0.1 million decrease in publication expenses and $0.1 million decrease in rent expense.

Sales and Marketing Expenses

Sales and marketing expenses increased $0.1 million, or 5%, to $2.9 million for the three months ended September 30, 2022, as compared to the same period in 2021. The increase was primarily attributable to a $0.3 million increase in employee compensation costs, which included $0.1 million in stock-based compensation expense. This increase was partially offset by a $0.2 million decrease in professional consulting services related to executing our branding and marketing strategies.

General and Administrative Expenses

General and administrative expenses increased $13.5 million, or 94%, to $27.9 million for the three months ended September 30, 2022, as compared to the same period in 2021. The increase was primarily attributable to a $8.7 million increase in employee compensation costs compared to 2021, of which $7.9 million was stock-based compensation primarily due to vesting of restricted stock awards related to the retirement of former named executive officers as well as additional grants outstanding during 2022 as compared to 2021. The increase in general and administrative expenses also included executive transition expenses of $1.8 million incurred during 2022 related to the separation and transition of retired named executive officers and $1.1 million of legal and advisory costs related to a stockholder cooperation agreement. The remaining increase in general and administrative costs was primarily due to $0.9 million of divestiture related costs and a $0.8 million increase in professional services, primarily related to a new provider of enterprise support services we engaged during the fourth quarter of 2021 as part of business optimization initiatives.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased $0.4 million, or 7%, to $5.7 million for the three months ended September 30, 2022, as compared to the same period in 2021. This increase was primarily due to a $0.6 million increase in the amortization of capitalized software related to new software functionality placed into service after the end of the third quarter in 2021 to support our business. The increase was offset by a $0.2 million decrease in amortization expense related to definite-lived intangible assets which have been fully amortized since the end of the first quarter in 2021.

Interest Expense

Interest expense for the three months ended September 30, 2022 was $2.7 million, an increase of $0.5 million, or 22%, as compared to the same period in 2021. The increase was primarily attributable to a $0.6 million increase in interest expense on the 2020 Credit Facility due to increased borrowings and an increase in interest rates in 2022 compared to 2021. The increase in interest expense was also due to amortization of the remaining balance of deferred financing costs to interest expense as a result of terminating the 2020 Credit Facility. As discussed under Liquidity and Capital Resources below, the Company fully repaid and terminated the 2020 Credit Facility on August 1, 2022.

The increase in interest expense was partially offset by the full satisfaction of the acquisition-related notes payable in October 2021 related to the October 2020 acquisition of Personica, LLC. Approximately $0.1 million of interest expense was recognized for the three months ended September 30, 2021 related to the acquisition-related notes payable.

Income Taxes

For the three months ended September 30, 2022 and 2021, we recorded income tax benefit of $7 thousand and income tax expense of $82 thousand, respectively, which resulted in effective tax rates of 0.0% and (0.7%), respectively. Income tax expense was primarily related to indefinite-lived deferred tax liabilities for goodwill amortization. The effective tax rates differ from the U.S. statutory tax rate primarily due to the full valuation allowance recorded that was currently limiting the realizability of our net deferred tax assets as of September 30, 2022 and 2021. Accordingly, the tax benefit was limited due to unbenefited losses in the three months ended September 30, 2022 and 2021. We calculate the provision for income taxes during interim periods by applying the estimated annual effective tax rate for the full year ordinary income or loss to the respective reporting period's year-to-date income or loss, while also adding any income tax expense or benefit related to discrete items occurring within that interim period.

Other Income

In connection with the sale of the PrescribeWellness Business, we entered into a transition services agreement ("TSA") with TDS pursuant to which we are providing business support services for the PrescribeWellness Business after the sale. We recognized $479 of income related to the TSA for the three months ended September 2022, which is reported in other income on our consolidated statement of operation.

Net Loss from Discontinued Operations, Net of Tax

During the first quarter of 2022, we announced plans to evaluate non-core assets and commenced plans to sell the SinfoníaRx, PrescribeWellness, and DoseMe businesses, which were acquired in September 2017, March 2019, and January 2019, respectively. On August 1, 2022, we completed the sale of the PrescribeWellness Business. Our completed sale of the PrescribeWellness Business and plan of sale with respect to DoseMe and SinfoníaRx represent a strategic business shift having a significant effect on our operations and financial results. As a result, we determined that these businesses met such requirements to be classified as held for sale and discontinued operations as of March 31, 2022 and continued to meet the requirements as of September 30, 2022. Accordingly, all related assets and liabilities and the results of operations for all periods presented are classified as discontinued operations in the consolidated financial statements.

Net loss from discontinued operations, net of tax, for the SinfoníaRx and DoseMe businesses was $10.3 million and $4.1 million for the three months ended September 30, 2022 and 2021, respectively. Net loss from discontinued operations, net of tax, for the PrescribeWellness Business was $3.9 million and $1.3 million for the three months ended September 30, 2022 and 2021, respectively. See Note 3 in the notes to our consolidated financial statements as reported in this Quarterly Report on Form 10-Q for additional information.

Comparison of the Nine Months Ended September 30, 2022 and 2021 (Continuing Operations)

Product Revenue

Product revenue increased $27.6 million, or 20%, to $166.6 million for the nine months ended September 30, 2022, as compared to the same period in 2021. Increased medication fulfillment volume from growth in the number of patients served by our existing clients, medication mix of prescriptions filled, and payer mix contributed $17.1 million to the increase. Medications dispensed on behalf of CareVention HealthCare by our community pharmacy network increased $5.4 million resulting from amended client agreements. In addition, new CareVention HealthCare clients that started services after the end of the third quarter in 2021 contributed $5.1 million to the increase in product revenue during 2022.

Service Revenue

Service revenue decreased $1.8 million, or 3%, to $50.2 million for the nine months ended September 30, 2022, as compared to the same period in 2021.

Medication safety services revenue decreased $6.5 million, or 74%, during the nine months ended September 30, 2022, as compared to the same period in 2021. The decrease was primarily due to the conclusion of the EMTM pilot program on December 31, 2021, which contributed $6.9 million of revenues during the nine months ended September 30, 2021. As a result, no revenues related to the EMTM program were recognized after December 31, 2021. This decrease was partially offset by the addition of new clients since the third quarter of 2021, which contributed $0.8 million of revenue during the nine months ended September 30, 2022.

The decrease in medication safety services was partially offset by a $4.6 million, or 11%, increase in CareVention HealthCare PACE solutions revenue to $47.6 million for the nine months ended September 30, 2022, as compared to the same period in 2021. The increase was attributable to the addition of new clients and growth with existing clients since the third quarter of 2021, primarily within our PBM solutions, third-party administration services, and risk adjustment services.

Cost of Product Revenue

Cost of product revenue increased $24.2 million, or 23%, to $129.2 million for the nine months ended September 30, 2022, as compared to the same period in 2021. Increased medication volume from growth in the number of patients served by our customers contributed approximately $19.2 million to the change, of which new clients contributed $3.2 million and $5.4 million was attributable to medications dispensed by our community pharmacy network on behalf of CareVention HealthCare as a result of amended client agreements. The increase in cost of product revenue was also due to a $3.0 million increase in distribution charges related to higher shipping costs and volume for the medications we fulfilled. Cost of product revenue also increased $1.8 million due to employee compensation costs, including stock-based compensation, due to an increase in employee headcount.

Cost of Service Revenue

Cost of service revenue increased $2.6 million, or 7%, to $40.4 million for the nine months ended September 30, 2022 compared to the same period in 2021. The increase was primarily comprised of $8.3 million of costs related to a new vendor arrangement for business process support and technology services and an increase in information technology expenses of $0.7 million. These increases were partially offset by a $4.7 million reduction in employee compensation costs, including stock-based compensation, for the employees hired by the third-party provider and a $1.7 million reduction in resources contracted to deliver medication safety services due to the conclusion of the EMTM program on December 31, 2021.

Research and Development Expenses

Research and development expenses increased $0.1 million, or 1%, to $11.2 million for the nine months ended September 30, 2022 as compared to the same period in 2021. The increase was primarily attributable to investments in information technology spend of $0.4 million and $0.4 million of expenses related to non-recurring business optimization initiatives during 2022, specifically efforts associated with consolidating our electronic health records solutions platforms. The increase in research and development expenses was partially offset by a $0.7 million decrease in employee compensation costs compared to 2021, of which $0.5 million represented stock-based compensation expense.

Sales and Marketing Expenses

Sales and marketing expenses decreased $0.5 million, or 7%, to $7.7 million for the nine months ended September 30, 2022 as compared to the same period in 2021. The decrease was primarily attributable to a $0.7 million decrease in stock-based compensation expense compared to 2021. This decrease was partially offset by an aggregate increase of $0.2 million in conference related travel expenses and professional consulting services related to executing our branding and marketing strategies.

General and Administrative Expenses

General and administrative expenses increased $13.2 million, or 29%, to $58.9 million for the nine months ended September 30, 2022 as compared to the same period in 2021. The increase was primarily attributable to a $5.7 million increase in stock-based compensation expense compared to 2021 as a result of vesting of restricted stock awards related to the retirement of former named executive officers and additional grants outstanding during 2022 as compared to 2021. Professional services expense increased by $2.3 million related to a new provider of enterprise support services we engaged during the fourth quarter of 2021 as part of our business optimization initiatives and $0.7 million related to other professional services. The increase in general and administrative expenses also included $2.3 million of divestiture related costs, $2.0 million of executive transition costs primarily related to the retirement and transition of former named executive officers, and $1.1 million of legal and advisory costs related to a stockholder cooperation agreement. Additionally, the increase in general and administrative expenses was partially offset by a $1.1 million decrease in employee compensation costs primarily due to a decrease in employee headcount as a result of the Company's business optimization initiative to outsource the enterprise support services previously mentioned.

Long-Lived Asset Impairment Charge

During the nine months ended September 30, 2022, we recorded a $4.1 million long-lived asset impairment charge related to certain capitalized software development costs. During the first quarter of 2022, we became aware of changes in circumstances impacting the future application of certain capitalized software development costs and evaluated the recoverability of the related long-lived assets by comparing their carrying amount to the future net undiscounted cash flows expected to be generated by the assets to determine if the carrying value was not recoverable. The recoverability test indicated that certain capitalized software development costs were impaired. As a result, we recognized an impairment loss equal to $4.1 million for the nine months ended September 30, 2022. We did not record any long-lived asset impairment charges in 2021.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased $1.8 million, or 12%, to $16.9 million for the nine months ended September 30, 2022 from $15.1 million for the nine months ended September 30, 2021. This increase was primarily due to a $2.3 million increase in the amortization of capitalized software related to new software functionality placed into service after the end of the second quarter of 2021 to support our business. This increase was partially offset by a decrease in amortization expense of $0.7 million primarily due to definite-lived intangible assets which have been fully amortized since the end of the first quarter in 2022.

Interest Expense

Interest expense increased $0.5 million to approximately $7.4 million for the nine months ended September 30, 2022, as compared to the same period in 2021. The increase was primarily attributable to a $1.1 million increase in interest expense on the 2020 Credit Facility due to an increase in borrowings and interest rates in 2022 compared to 2021. The increase in interest expense was also due to amortization of the remaining balance of deferred financing costs to interest expense as a result of terminating the 2020 Credit Facility. As discussed under Liquidity and Capital Resources below, the Company repaid and terminated the 2020 Credit Facility on August 1, 2022.

The increase in interest expense was partially offset by the full satisfaction of the acquisition-related notes payable in October 2021 related to the October 2020 acquisition of Personica, LLC. Approximately $0.5 million of interest expense was recognized for the nine months ended September 30, 2021 related to the acquisition-related notes payable.

Other Income

In connection with the sale of the PrescribeWellness Business, we entered into a transition services agreement (“TSA)” with TDS pursuant to which we are providing business support services for the PrescribeWellness Business after the sale. We recognized $479 of income related to the TSA for the nine months ended September 2022, which is reported in other income on our consolidated statement of operation.

Income Taxes

For the nine months ended September 30, 2022 and 2021, we recorded income tax expense of $0.4 million and $0.3 million, respectively, which resulted in effective tax rates of (0.6%) and (0.7%), respectively. Income tax expense was primarily related to indefinite-lived deferred tax liabilities for goodwill amortization. The effective tax rates differ from the U.S. statutory tax rate primarily due to the full valuation allowance recorded that was currently limiting the realizability of our net deferred tax assets as of September 30, 2022 and 2021. Accordingly, the tax benefit was limited due to unbenefited losses in the nine months ended September 30, 2022 and 2021. We calculate the provision for income taxes during interim periods by applying the estimated annual effective tax rate for the full year ordinary income or loss to the respective reporting period’s year-to-date income or loss, while also adding any income tax expense or benefit related to discrete items occurring within that interim period.

Net Loss from Discontinued Operations, Net of Tax

During the first quarter of 2022, we announced plans to evaluate non-core assets and commenced plans to sell the SinfoníaRx, PrescribeWellness, and DoseMe businesses, which were acquired in September 2017, March 2019, and January 2019, respectively. On August 1, 2022, we completed the sale of the PrescribeWellness Business. Our completed sale of the PrescribeWellness Business and plan of sale with respect to DoseMe and SinfoníaRx represent a strategic business shift having a significant effect on our operations and financial results. As a result, we determined that these businesses met such requirements to be classified as held for sale and discontinued operations as of March 31, 2022 and continued to meet the requirements as of September 30, 2022. Accordingly, all related assets and liabilities and the results of operations for all periods presented are classified as discontinued operations in the consolidated financial statements.

Net loss from discontinued operations, net of tax, for the SinfoníaRx and DoseMe businesses was $32.3 million and $11.7 million for the nine months ended September 30, 2022 and 2021, respectively. Net loss from discontinued operations, net of tax, for the PrescribeWellness Business was $26.6 million and $6.7 million for the nine months ended September 30, 2022 and 2021, respectively. See Note 3 in the notes to our consolidated financial statements as reported in this Quarterly Report on Form 10-Q for additional information.

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA

To provide investors with additional information about our financial results, we disclose Adjusted EBITDA, which is a non-GAAP financial measure. Adjusted EBITDA consists of net loss plus certain other expenses, which include interest expense, provision for income taxes, depreciation and amortization, impairment charges, settlement costs, business optimization expenses, severance costs, executive transition costs, cooperation agreement costs, divestiture-related expense, acquisition-related expense, loss on disposal of business, and stock-based compensation expense. We consider settlement costs to include amounts payable by us or reductions to amounts owed to us as a result of a contractual settlement. We consider business optimization expenses to include contract termination payments, severance, retention payments, and other employee and non-recurring vendor costs incurred related to our business optimization initiatives during 2022. We consider severance costs to include severance payments related to the realignment of our resources. We consider executive transition costs to include nonrecurring costs related to the hiring and onboarding of new named executive officers and separation costs related to former named executive officers. We consider cooperation agreement costs to include legal, professional services, and other non-recurring costs related to our cooperation agreement with Indaba Capital Management. We consider divestiture-related expense to include nonrecurring direct transaction costs. We consider acquisition-related expense to include nonrecurring direct transaction and integration costs. We consider loss on disposal of business to include the nonrecurring loss resulting from the sale of the PrescribeWellness Business. We present Adjusted EBITDA because it is one of the measures used by our management and Board of Directors to understand and evaluate our core operating performance, and we consider it an important supplemental measure of performance. We believe this metric is commonly used by the financial community, and we present it to enhance investors' understanding of our operating performance. We believe Adjusted EBITDA provides investors and other users of our financial information consistency and comparability with our past financial performance.

Our management uses Adjusted EBITDA:

- as a measure of operating performance to assist in comparing performance from period to period on a consistent basis;
- to prepare and approve our annual budget; and
- to develop short- and long-term operational plans.

Adjusted EBITDA is not in accordance with, or an alternative to, measures prepared in accordance with GAAP. In addition, this non-GAAP measure is not based on any comprehensive set of accounting rules or principles. As a non-GAAP measure, Adjusted EBITDA has limitations in that it does not reflect all the amounts associated with our results of operations as determined in accordance with GAAP. In particular:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect cash interest income or expense;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the potentially dilutive impact of stock-based compensation and related employer taxes;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Adjusted EBITDA does not reflect costs incurred in connection with our business optimization initiatives during 2022;

- Adjusted EBITDA does not reflect severance costs related to the realignment of our resources; and
- Adjusted EBITDA does not reflect executive transition costs related to the hiring and onboarding of new named executive officers and separation costs related to former named executive officers;
- Adjusted EBITDA does not reflect costs related to our cooperation agreement with Indaba Capital Management;
- Adjusted EBITDA does not reflect costs incurred in connection with our plans to divest non-core businesses;
- other companies, including companies in our industry, may calculate Adjusted EBITDA, or similarly titled measures differently, which reduce its usefulness as a comparative measure.

Because of these and other limitations, you should consider Adjusted EBITDA alongside GAAP-based financial performance measures, including various cash flow metrics, net loss and our other GAAP financial results and not in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. You should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in the presentation, and we do not intend to imply that our future results will be unaffected by unusual or non-recurring items.

The following is a reconciliation of our net loss to Adjusted EBITDA for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Reconciliation of Net Loss to Adjusted EBITDA (loss)				
Net loss	$ (40,065)	$ (17,111)	$ (117,868)	$ (57,684)
Add:				
Interest expense, net	2,717	2,230	7,430	6,959
Income tax (benefit) expense	(101)	134	(294)	466
Depreciation and amortization	5,723	12,099	24,285	35,343
Impairment charges	5,845	—	46,355	—
Settlement	—	—	1,448	500
Business optimization expenses	—	—	787	—
Severance costs	122	354	697	516
Executive transition	1,821	—	1,971	—
Cooperation agreement costs	1,122	—	1,122	—
Divestiture-related expense	1,161	—	2,807	—
Loss on disposal of business	2,879	—	2,879	—
Acquisition-related expense	—	—	—	217
Stock-based compensation expense	17,236	8,011	32,537	28,962
Adjusted EBITDA (loss) (1)	$ (1,540)	$ 5,717	$ 4,156	$ 15,279

(1) The financial results and Adjusted EBITDA related to discontinued operations have not been segregated. The table above includes the results of continuing and discontinued operations. See Note 3 and Note 16 in the notes to the consolidated financial statements in this Quarterly Report on Form 10-Q for discussion of discontinued operations and segment reporting for continuing operations, respectively.

Liquidity and Capital Resources

We incurred a net loss of $117.9 million and $57.7 million for the nine months ended September 30, 2022 and 2021, respectively. Our primary liquidity and capital requirements are for research and development, sales and marketing, general and administrative expenses, and debt service obligations. We have funded our operations, working capital needs, and investments with cash generated through operations, proceeds from the divestiture of a non-core business, issuance of stock, and prior borrowings under the terminated 2020 Credit Facility. At September 30, 2022, we had unrestricted cash of $80.8 million.

Summary of Cash Flows

The following table shows a summary of our cash flows for the nine months ended September 30, 2022 and 2021:

	Nine Months Ended September 30,	
	2022	2021
Net cash provided by operating activities	$ 9,753	$ 3,017
Net cash provided by (used in) investing activities	93,680	(24,260)
Net cash (used in) provided by financing activities	(30,898)	8,072
Net increase (decrease) in cash and restricted cash (1)	$ 72,535	$ (13,171)

(1) The cash flows related to discontinued operations have not been segregated. Accordingly, the consolidated statements of cash flows and the following discussions include the results of continuing and discontinued operations. See Note 3 in the notes to the consolidated financial statements as reported in this Quarterly Report on Form 10-Q.

Operating Activities

Net cash provided by operating activities was $9.8 million for the nine months ended September 30, 2022 and consisted of our net loss of $117.9 million offset by changes in our operating assets and liabilities totaling $20.1 million and the addition of noncash items of $107.5 million. The noncash items primarily included $46.4 million of impairment charges primarily related to our long-lived assets and goodwill, $32.5 million of stock-based compensation expense, $24.3 million of depreciation and amortization expense, a $2.9 million loss related to the sale of the PrescribeWellness Business, and $2.0 million of amortization of deferred financing costs and debt discounts primarily related to the 2026 Notes, partially offset by a $0.5 million change in net deferred taxes. The change in operating assets and liabilities was primarily due to an increase in accrued expenses and other liabilities and increase in accounts payable due to the timing of vendor payments and an increase in consideration payable to customers of our PBM solutions. The change in operating assets and liabilities was also due to a decrease in accounts receivable, primarily as a result of improved collections, and an increase in long-term liabilities due to the vendor financing arrangement entered into in February 2022 related to business process outsourcing and technology services for our third-party administration services and electronic health records solutions. The change in operating assets and liabilities was partially offset by an increase in client claims receivable due to increased growth in PBM services utilized by our pharmacy clients.

Net cash provided by operating activities was $3.0 million for the nine months ended September 30, 2021 and consisted primarily of our net loss of $57.7 million and changes in our operating assets and liabilities totaling $5.6 million, offset by the addition of noncash items of $66.3 million. The noncash items primarily included $35.3 million of depreciation and amortization expense, $29.0 million of stock-based compensation expense, $1.7 million of amortization of deferred financing costs and debt discounts primarily related to the 2026 Notes and acquisition-related notes payable, and a $0.3 million change in net deferred taxes, offset by acquisition-related contingent consideration paid of $0.1 million related to the acquisition of Cognify in 2018. The change in operating assets and liabilities was primarily due to an increase in prepaid expenses and other current assets and an increase in other assets. The increase in prepaid expenses and other current assets was primarily due to an increase in contract assets related to rebate administration services under our PBM solutions. The increase in other assets was primarily due to an increase in nontrade receivables. The change in operating assets and liabilities was partially offset by an increase in accounts payable and accrued expenses and other liabilities.

Investing Activities

Net cash provided by investing activities was $93.7 million for the nine months ended September 30, 2022 and consisted primarily of $118.6 million of proceeds received from the sale of PrescribeWellness Business, which were offset by $23.9 million in software development costs for our CareVention HealthCare and MedWise HealthCare technologies and $1.0 million in purchases of property and equipment to support technology-related needs and infrastructure for our pharmacies and health plan management services.

Net cash used in investing activities was $24.3 million for the nine months ended September 30, 2021, which included $22.6 million in software development costs for our CareVention HealthCare and MedWise HealthCare technologies. Net cash used in investing activities also included $1.6 million in purchases of property and equipment primarily to support technology-related needs and infrastructure at our pharmacies, call center locations, and Moorestown, New Jersey headquarters, and improvements for our office space in Eden Prairie, Minnesota to support our health plan management services.

Financing Activities

Net cash used in financing activities was $30.9 million for the nine months ended September 30, 2022 and consisted primarily of $57.2 million of principal repayments on our 2020 Credit Facility, which was terminated on August 1, 2022, $1.1 million of payments on employee taxes for shares withheld, and $0.4 million of payments of debt financing costs. The cash used in financing activities for the nine months ended September 30, 2022 was partially offset by $27.7 million of borrowings on our 2020 Credit Facility to support business operations and initiatives and $0.1 million of proceeds received from the exercise of stock options.

Net cash provided by financing activities was $8.1 million for the nine months ended September 30, 2021 and included $17.5 million of borrowings on our 2020 Credit Facility to fund the repayment of the first and second promissory notes in connection with the October 2020 acquisition of Personica, LLC and $3.7 million of proceeds received from the exercise of stock options. Net cash provided by financing activities was partially offset by repayments of $13.0 million related to the first and second promissory notes in connection with the Personica, LLC acquisition and $0.1 million for the final payment of the contingent purchase price consideration in connection with the 2018 acquisition of the Cognify business.

Funding Requirements

On December 18, 2020, we entered into the 2020 Credit Facility with Western Alliance Bank ("WAB"), which provided for a $120.0 million secured revolving credit facility, with a $1.0 million sublimit for cash management services and letters of credit and foreign exchange transactions. The 2020 Credit Facility was scheduled to mature on May 16, 2025.

On August 1, 2022, we entered into a payoff letter with WAB with respect to the 2020 Credit Facility, pursuant to which we voluntarily elected to pay all amounts outstanding, including principal and interest, under the 2020 Credit Facility and related loan documents (the "Pay Off") using cash on hand and proceeds from the sale of PrescribeWellness Business. Accordingly, on August 1, 2022, we paid a total of $57.4 million to WAB for the Pay Off, and terminated the 2020 Credit Facility and related loan documents.

We believe that our unrestricted cash of $80.8 million as of September 30, 2022, cash flows from continuing operations, and anticipated proceeds from the sales of the SinfoníaRx and DoseMe businesses will be sufficient to fund our planned operations through at least November 2023. Our ability to maintain successful operations will depend on, among other things, new business, the retention of clients, and the effectiveness of sales and marketing initiatives.

We may seek additional funding through public or private debt or equity financings. We may not be able to obtain financing on acceptable terms, or at all. The terms of any financing may adversely affect our stockholders. If we are unable to obtain funding, we could be forced to delay, reduce, or eliminate our research and development programs, product portfolio expansion, or commercialization efforts, which could adversely affect our business prospects. There is no assurance that we will be successful in obtaining sufficient funding on terms acceptable to us to fund continuing operations, if at all.

Contractual Obligations and Commitments

During the three and nine months ended September 30, 2022, there were no material changes to our contractual obligations and commitments as compared to those described under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commitments"* in our 2021 Form 10-K.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Except as disclosed in Note 2 in the notes to our unaudited consolidated financial statements in this Quarterly Report on Form 10-Q, there have been no material changes in our critical accounting policies during the three and nine months ended September 30, 2022 as compared to those disclosed in the *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates"* in our 2021 Form 10-K.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There have been no material changes in our primary market risk exposures or how those exposures are managed from the information disclosed in our 2021 Form 10-K for the three and nine months ended September 30, 2022.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) and Rule 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our management, including our principal executive officer and our principal financial officer, conducted an evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q of the effectiveness of the design and operation of our disclosure controls and procedures.

Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2022, our disclosure controls and procedures are effective at the reasonable assurance level in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Inherent Limitations on Effectiveness of Controls and Procedures

Internal control over financial reporting may not prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Also, projections of any evaluation of effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the third quarter of fiscal 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently party to any material legal proceedings. From time to time, however, we may be a party to litigation and subject to claims in the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

Stockholders and potential investors in our securities should carefully consider the risk factors set forth in Part I, "Item 1A. Risk Factors" of our 2021 Form 10-K for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission on February 25, 2022. We have identified these risk factors as important factors that could cause our actual results to differ materially from those contained in any written or oral forward-looking statements made by us or on our behalf. Except as set forth below, there have been no material changes to such risk factors previously disclosed in our 2021 Form 10-K.

Actions of activist stockholders against us could be disruptive and costly. The possibility that activist stockholders may wage proxy contests or seek representation on our Board could cause uncertainty about the strategic direction of our business.

Stockholders may from time to time engage in proxy solicitations, advance stockholder proposals or board nominations or otherwise attempt to effect changes, assert influence or acquire some level of control over us.

We recently engaged in a process with one of our significant stockholders, which culminated in our entering into a cooperation agreement (the "Cooperation Agreement") with that stockholder and several resulting changes in our management and corporate governance. The stockholder also agreed to customary standstill provisions during the term of the Cooperation Agreement which extends until the date that is forty-five (45) days before the nomination window closes under the Bylaws for the Company's 2023 Annual Meeting.

That stockholder, following the termination of the standstill provisions in the Cooperation Agreement, or another activist stockholder, may attempt to effect additional changes in our strategic direction, and in furtherance thereof, seek changes in how our company is governed, through further changes to our Board of Directors or otherwise. While our Board and management team will continue to strive to maintain constructive, ongoing communications with our stockholders, including Indaba Capital Management, and welcomes their views and opinions with the goal of enhancing value for all stockholders, if that stockholder takes further action, or if another stockholder were to launch an activist campaign that seeks to further replace members of our Board or changes in our strategic direction, it could have an adverse effect on us because:

- Responding to actions by activist stockholders can disrupt our operations, are costly and time-consuming, and divert the attention of our Board and senior management team from the pursuit of business strategies, which could adversely affect our results of operations and financial condition;

- Perceived uncertainties as to our future direction as a result of changes to the composition of our Board or changes to our stockholder base may lead to the perception of a change in the direction of the business, instability or lack of continuity which may be exploited by our competitors, may result in the loss of potential business opportunities, cause concern for our client base, and make it more difficult to attract and retain qualified personnel and business partners;

- These types of actions could cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business; and

- If individuals are elected to our Board with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and to create additional value for our stockholders.

Our stockholder rights plan, or "poison pill," includes terms and conditions that could discourage a takeover or other transaction that stockholders may consider favorable.

On July 25, 2022, our Board approved and adopted a Rights Agreement, dated as of July 25, 2022 (the "Rights Agreement"), by and between the Company and American Stock Transfer & Trust Company, LLC, as rights agent. Pursuant to the Rights Agreement, the Board declared a dividend of one preferred share purchase right (each, a "Right") for each outstanding share of our common stock (the "Common Shares"). The Rights are distributable to stockholders of record as of the close of business on August 5, 2022 (the "Record Date"). One Right also will be issued together with each Common Share issued by the Company after the Record Date, but before the Distribution Date (as defined in the Rights Agreement) (or the earlier redemption or expiration of the Rights) and, in certain circumstances, after the Distribution Date.

Generally, the Rights Agreement works by causing substantial dilution to any person or group that acquires beneficial ownership of ten percent (10%) or more of the Common Shares without the approval of the Board. As a result, the overall effect of the Rights Agreement and the issuance of the Rights may be to render more difficult or discourage a merger, tender, or exchange offer or other business combination involving the Company that is not approved by the Board. The Rights Agreement is not intended to interfere with any merger, tender, or exchange offer or other business combination approved by the Board. The Rights Agreement also does not prevent the Board from considering any offer that it considers to be in the best interest of its stockholders. The description and terms of the Rights are set forth in the Rights Agreement, which has previously been filed as an exhibit to our public reports.

As discussed above, the Rights have certain anti-takeover effects, including potentially discouraging a takeover that stockholders may consider favorable. The Rights will cause substantial dilution to a person or group that attempts to acquire us on terms not approved by the Board.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of equity securities during the three months ended September 30, 2022.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference Form	Filing Date	Exhibit Number	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of Tabula Rasa HealthCare, Inc.	8-K	10/4/2016	3.1	
3.2	Certificate of Designation of Series A Junior Participating Preferred Stock of Tabula Rasa HealthCare, Inc.	8-K	7/26/2022	3.1	
3.3	Amended and Restated Bylaws of Tabula Rasa HealthCare, Inc.	8-K	10/4/2016	3.2	
4.1	Rights Agreement, dated as of July 25, 2022, by and between Tabula Rasa HealthCare, Inc. and American Stock Transfer & Trust Company, LLC, as rights agent	8-K	7/26/2022	4.1	
10.1††	Asset Purchase Agreement, by and among Tabula Rasa HealthCare Group, Inc., Transaction Data Systems, Inc., and Tabula Rasa HealthCare, Inc., dated as of June 18, 2022	8-K	6/21/2022	2.1	
10.2††	Asset Purchase Agreement, by and between Tabula Rasa HealthCare Group, Inc., and karmadata, Inc., dated as of June 18, 2022	8-K	6/21/2022	2.2	
10.3	Cooperation Agreement, by and between Tabula Rasa HealthCare, Inc. and Indaba Capital Management, L.P., dated as of September 13, 2022	8-K	9/14/2022	10.1	
10.4	Executive Transition and Separation Agreement, by and between Tabula Rasa HealthCare, Inc. and Dr. C. Knowlton, dated as of September 13, 2022	8-K	9/14/2022	10.2	
10.5	Executive Transition and Separation Agreement, by and between Tabula Rasa HealthCare, Inc. and Dr. O. Knowlton, dated as of September 13, 2022	8-K	9/14/2022	10.3	
10.6	Consulting Agreement, by and between Tabula Rasa HealthCare, Inc. and Dr. C. Knowlton, dated as of September 13, 2022	8-K	9/14/2022	10.4	
10.7	Consulting Agreement, by and between Tabula Rasa HealthCare, Inc. and Dr. O. Knowlton, dated as of September 13, 2022	8-K	9/14/2022	10.5	
10.8	Form of 2022 Performance Stock Unit Award Agreement				X
10.9	Indemnification Agreement, by and between Tabula Rasa HealthCare, Inc. and Jonathan Schwartz, dated as of September 13, 2022				X
31.1	Certification of Chief Executive Officer (Principal Executive Officer) required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Chief Financial Officer (Principal Financial Officer) required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1**	Certification of Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), as required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS	Inline XBRL Instance Document				X
101.SCH	Inline XBRL Schema Document				X
101.CAL	Inline XBRL Calculation Linkbase				X
101.DEF	Inline XBRL Definition Linkbase				X
101.LAB	Inline XBRL Label Linkbase				X
101.PRE	Inline XBRL Presentation Linkbase				X
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, formatted in Inline XBRL (contained in Exhibit 101)				X

* Represents management contract or compensatory plan or arrangement.

** This certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Tabula Rasa HealthCare, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Form 10-Q), irrespective of any general incorporation language contained in such filing.

†† Certain of the exhibits and schedules to this exhibit are omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally to the SEC, upon request, a copy of any omitted schedule or exhibit.

Signatures

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

	TABULA RASA HEALTHCARE, INC.	
Date: November 4, 2022	By:	/s/ BRIAN W. ADAMS
	Name:	Brian W. Adams
	Title:	Interim Chief Executive Officer *(Principal Executive Officer)*
Date: November 4, 2022	By:	/s/ THOMAS J. CANCRO
	Name:	Thomas J. Cancro
	Title:	Chief Financial Officer *(Principal Financial and Accounting Officer)*

Exhibit 10.8

TABULA RASA HEALTHCARE, INC.
2016 OMNIBUS INCENTIVE COMPENSATION PLAN

PERFORMANCE STOCK UNIT SUMMARY OF GRANT

Tabula Rasa Healthcare, Inc., a Delaware corporation (the "Company"), pursuant to its 2016 Omnibus Incentive Compensation Plan (the "Plan"), hereby grants to the individual listed below (the "Participant"), this performance stock unit grant representing the target number of stock units set forth below (the "Performance Stock Units") that may become earned and vested by the Participant based on the level of achievement of the Performance Goals. The actual number of Performance Stock Units earned and vested will be based on the actual performance level achieved with respect to the Performance Goals set forth on Schedule A. The Performance Stock Units are subject in all respects to the terms and conditions set forth herein, in the Performance Stock Unit Grant Agreement attached hereto as Exhibit A (the "Performance Stock Unit Grant Agreement") and the Plan, each of which is incorporated herein by reference and made part hereof. Unless otherwise defined herein, capitalized terms used in this Performance Stock Unit Summary of Grant (the "Summary of Grant") and the Performance Stock Unit Grant Agreement will have the meanings set forth in the Plan.

Participant:	[•]
Date of Grant:	[•]
Target Award:	[•] Performance Stock Units
Performance Period:	As set forth on Schedule A, the three-year period beginning on [•] and ending on [•] (the "Performance Period").
Performance Goals:	The performance goals are based on the performance measures set forth on Schedule A.
Vesting Schedule:	Except as set forth herein, the Performance Stock Units will become earned and vested based on the performance level achieved with respect to the Performance Goals and the Participant continuing to be employed by, or provide service to, the Employer through the last day of the applicable Performance Period (the "Vesting Date"). The number of Performance Stock Units set forth above is equal to the target number of shares of Company Stock that the Participant will earn and become vested in for 100% achievement of the Performance Goals (referred to as the "Target Award"). The actual number of shares of Company Stock that the Participant will become earned and vested in with respect to the Performance Stock Units may be greater or less than the Target Award, or even zero, and will be based on the performance level achieved by the Company with respect to the Performance Goals, as set forth on Schedule A. Performance level is measured based on the threshold, target and stretch performance levels set forth on Schedule A. If actual performance is between performance levels, the number of Performance Stock Units earned and vested will be interpolated on a straight line basis for pro-rata achievement of the Performance Goals, rounded down to the nearest whole number; provided that failure to achieve the threshold performance level with respect to a Performance Goal will result in no Performance Stock Units being earned and vested with respect to that Performance Goal.

Vesting Upon Death, Disability or Certain Termination Events:	In the event the Participant ceases to be employed by, or provide service to, the Employer, on account of (i) the Participant's Disability, (ii) involuntary termination by the Employer without Cause (as defined in the written Employment Agreement between the Company and the Participant), or (iii) a resignation by the Participant due to Good Reason (as defined in the written Employment Agreement between the Company and the Participant), the Participant will earn and vest in a pro-rata portion of the Performance Stock Units, based on the actual performance results for the Performance Period, prorated for the portion of the Performance Period during which the Participant was employed by, or providing service to the Employer.
Vesting Upon Change of Control:	In the event a Change of Control occurs while the Participant is employed by, or providing service to, the Employer, the Performance Period will end on the date of the Change of Control and the Performance Stock Units will become earned and vested based on the greater of (i) the Company's actual performance level achieved with respect to the Performance Goals as of the Change of Control date, or (ii) the target performance level as to each Performance Goal, such that 100% of the Target Award is earned and vested as of the date of the Change of Control.
Settlement Schedule:	The Participant will receive a payment with respect to the Performance Stock Units earned and vested pursuant to this Performance Stock Unit Grant Agreement, if any, within sixty (60) days following the date the Performance Stock Units become earned and vested in accordance with Section 2 of the Performance Stock Unit Grant Agreement (the "Payment Date"); provided, however, that such payment will be made not later than March 15 of the fiscal year following the end of the Performance Period; provided, that in the event of a Change of Control, the Payment Date shall be the closing date of such Change of Control and, provided further, that the Committee may determine, in its sole discretion at any time and for any reason, to accelerate the payment of the Awarded Shares (as defined below). Payment will be made with respect to the Performance Stock Units on the Payment Date in shares of Company Stock, with each Performance Stock Unit earned and vested equivalent to one share of Company Stock (such shares, the "Awarded Shares"). Notwithstanding the foregoing, if as of the Payment Date, there are an insufficient number of shares of Common Stock available to deliver in respect of a Participant's Awarded Shares pursuant to the terms of Section 4 of the Plan (the "Evergreen Share Reserve"), such Participant's Awarded Shares shall be paid on such Payment Date through a cash payment equal to the aggregate Fair Market Value of the Awarded Shares as of the last trading day prior to such Payment Date. For clarity, each Participant's Awarded Shares shall be paid by delivery of shares of Common Stock so long as there are sufficient shares of Common Stock in the Evergreen Share Reserve on the Payment Date and the Company shall not have any discretion to elect to pay a Participant's Awarded Shares in cash. In no event will any fractional shares be issued. Except as set forth herein, the Participant must be employed by the Company on the Vesting Date in order to earn and vest in the Performance Stock Units, unless the Committee determines otherwise.

Participant Acceptance:

By signing the acknowledgement below, the Participant agrees to be bound by the terms and conditions of the Plan, the Performance Stock Unit Grant Agreement and this Summary of Grant. The Participant accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, this Summary of Grant or the Performance Stock Unit Grant Agreement.

The Participant acknowledges delivery of the Plan and the Plan prospectus together this with this Summary of Grant and the Performance Stock Unit Grant Agreement. Additional copies of the Plan and the Plan prospectus are available by contacting [•] at [•].

Agreed and accepted:

____
Participant

____
Date

SCHEDULE A

PERFORMANCE GOALS

The number of Performance Stock Units that may become earned and vested will be determined based on the actual performance level achieved with respect to the following performance measure during the Performance Period (the "Performance Goals" and each individual measure, a "Performance Goal").

January 1, 2022-December 31, 2024 Performance Period*				
Performance Measure	**Weighting****	**Performance Level**	**Performance Goals**	**Percentage of Performance Stock Units Earned and Vested**
3-Year Relative Total Shareholder Return ("rTSR")	100%	Threshold	30th	25%
		Target	60th	100%
		Stretch	85th	200%

The actual number of Performance Stock Units earned and vested will be based on the actual performance level achieved at or between each performance level and will be interpolated on a straight line basis for pro-rata achievement of the Performance Goals, rounded down to the nearest whole number; provided that if the actual performance level achieved does not meet threshold performance for the applicable Performance Goal, then no Performance Stock Units will be earned and vested for that Performance Goal pursuant to this Agreement. The actual number of Performance Stock Units earned and vested will be determined by the Committee based on the actual performance level achieved with respect to the applicable Performance Goals.

rTSR shall be determined as follows:

Each of the Company's and each Index Company's "TSR" shall be equal to (x) the Average Final Price minus the Average Initial Price, plus Reinvested Dividends, divided by (y) the Average Initial Price.

The "Average Initial Price" is equal to the average closing price of a share of such company's stock during the 30 trading day period ending immediately prior to the first day of the Performance Period.

The "Average Final Price" is equal to the average closing price of a share of such company's stock during the last 30 trading days in the Performance Period.

"Reinvested Dividends" shall be calculated by multiplying (x) the aggregate number of shares of each company's stock (including fractional shares) that could have been purchased during the Performance Period had each cash dividend paid on a single share during the Performance Period been immediately reinvested in additional shares of such company's stock (or fractional shares) at the closing price per share of such company's stock on the applicable dividend payment date by (y) the Average Final Price.

At the end of the Performance Period, the Company's TSR and the TSR of each of the Index Companies will be ranked from highest to lowest, and rTSR shall be equal to the Company's percentile within such ranking.

The "Index Companies" shall consist of the following companies, which are the companies in the S&P 600 Health Care Equipment & Services Index as of the first day of the Performance Period.

Addus HomeCare Corporation
Fulgent Genetics, Inc.
Optimize RX
Allscripts
Glaukos Corporation
OraSure Technologies, Inc.
AMN Healthcare Services, Inc.
Hanger, Inc.
Orthofix Medical Inc.
AngioDynamics, Inc.
HealthStream, Inc.
Owens & Minor, Inc.

Apollo Medical Holdings, Inc.
Heska Corporation
RadNet, Inc.
Artivion, Inc.
Inogen, Inc.
Select Medical Holdings Corporation
Avanos Medical, Inc.
Integer Holdings Corporation
Simulations Plus
BioLife Solutions, Inc.
Lantheus Holdings, Inc.
Surmodics, inc.
Cardiovascular Systems, Inc.
LeMaitre Vascular, Inc.
Tactile Systems Technology, Inc.
Community Health Systems, Inc.
MEDNAX, Inc.
The Ensign Group, Inc.
Computer Programs and Systems, Inc.
Meridian Bioscience, Inc.
The Joint Corp.
CONMED Corporation
Merit Medical Systems, Inc.
The Pennant Group, Inc.
CorVel Corporation
Mesa Laboratories, Inc.
Tivity Health, Inc.
Covetrus, Inc.
ModivCare Inc.
U.S. Physical Therapy, Inc.
Cross Country Healthcare, Inc.
Natus Medical Incorporated
Varex Imaging Corporation
Cutera, Inc.
NEXTGEN HEALTHCARE, INC.
ZimVie Inc.
Embecta Corp.
Omnicell, Inc.
Zynex, Inc.

In the event of a merger, acquisition or business combination transaction of an Index Company during the Performance Period in which such Index Company is the surviving entity and remains publicly traded, the surviving entity shall remain an Index Company. Any entity involved in the transaction during the Performance Period that is not the surviving company shall no longer be an Index Company.

In the event of a merger, acquisition or business combination transaction of an Index Company, a “going private” transaction or other event involving an Index Company or the liquidation of an Index Company (other than a bankruptcy as described below), in each case during the Performance Period and where the Index Company is not the surviving entity or is no longer publicly traded, such Index Company shall no longer be an Index Company.

Notwithstanding the foregoing, in the event of a bankruptcy of an Index Company during the Performance Period where the Index Company is not publicly traded at the end of the Performance Period, such Index Company shall remain an Index Company but shall be deemed to be ranked last among all Peer Group Companies.

EXHIBIT A

TABULA RASA HEALTHCARE, INC.

PERFORMANCE STOCK UNIT GRANT AGREEMENT
(Pursuant to the 2016 Omnibus Equity Compensation Plan)

This Performance Stock Unit Grant Agreement (this "Agreement") is delivered by Tabula Rasa Healthcare, Inc., a Delaware corporation (the "Company"), pursuant to the Summary of Grant delivered with this Agreement to the individual named in the Summary of Grant (the "Participant"). The Summary of Grant, which specifies the Participant, the date as of which the grant is made (the "Date of Grant"), the vesting schedule and other specific details of the grant is incorporated herein by reference.

1. **Grant of Performance Stock Units**.

(a) Upon the terms and conditions set forth in this Agreement and in the Company's 2016 Omnibus Equity Compensation Plan (the "Plan"), the Company hereby grants to the Participant the number of performance stock units set forth in the Summary of Grant (the "Performance Stock Units"). Each Performance Stock Unit will entitle the Participant to receive, at such time as is determined in accordance with the provisions of this Agreement, either one share of common stock of the Company (the "Company Stock") or in an amount of cash equal to the aggregate Fair Market Value of such number of shares of Company Stock in accordance with Section 3 hereof. This Agreement is granted pursuant to the Plan and is subject in its entirety to all applicable provisions of the Plan. Capitalized terms used herein and not otherwise defined will have the meanings set forth in the Plan. The Participant agrees to be bound by all of the terms and conditions of the Plan.

(b) The Committee may, at any time prior to the final determination of whether the Performance Goals have been attained, change the Performance Goals to reflect a change in corporate capitalization, such as a stock split or stock dividend, or a corporate transaction, such as a merger, consolidation, separation, reorganization or partial or complete liquidation, or to equitably reflect the occurrence of any extraordinary event, any change in applicable accounting rules or principles, any change in the Company's method of accounting, any change in applicable law, any change due to any merger, consolidation, acquisition, reorganization, stock split, stock dividend, combination of shares or other changes in the Company's corporate structure or shares, or any other change of a similar nature.

2. **Vesting of Performance Stock Units**.

(a) The Performance Stock Units will become earned and vested based on the actual performance level achieved with respect to the Performance Goals set forth on Schedule A to the Summary of Grant and the Participant continuing to be employed by, or provide service to, the Employer through the Vesting Date (as defined in the Summary of Grant).

(b) The Committee will, as soon as practicable following the last day of the Performance Period, determine (i) the extent, if any, to which, each of the Performance Goals has been achieved with respect to the Performance Period and (ii) the number of shares of Company Stock (or corresponding cash payment), if any, which, the Participant will be entitled to receive with respect to this Agreement. Such determination will be final, conclusive and binding on the Participant, and on all other persons, to the maximum extent permitted by law. In the event that the Committee makes a final determination that the Performance Goals have not been achieved, the Participant will have no further rights to receive shares of Company Stock or payment of cash hereunder.

(c) Except as set forth in the Summary of Grant, if the Participant ceases to be employed by, or provide service to, the Employer for any reason prior to the Vesting Date, the Participant will forfeit all rights to receive shares of Company Stock or payment of cash hereunder and the Participant will not have any rights with respect to any portion of the shares of Company Stock (or cash corresponding thereto) that have not yet become vested as of the date the Participant ceases to be employed by, or provide service to, the Employer, irrespective of the level of achievement of the Performance Goals.

3. **Payment of Cash or Issuance of Company Stock.** As set forth in the Settlement Schedule in the Summary of Grant and as determined by the Committee in its sole discretion, either (a) one share of Company Stock will be issued to the Participant for each earned and vested Performance Stock Unit, or (b) an amount of cash equal to the aggregate Fair Market Value of such number of shares of Company Stock. Any Performance Stock Units not earned and vested will be forfeited. In no event will any fractional shares of Company Stock be issued. Accordingly, if shares of Company Stock are issued hereunder, the total number of shares of Company Stock to be issued pursuant to this Agreement will, to the extent necessary, be rounded down to the next whole share of Company Stock in order to avoid the issuance of a fractional share.

4. **Withholding.** [All obligations of the Company to deliver shares of Company Stock shall be subject to the rights of the Company to withhold amounts required by law for any Federal Insurance Contributions Act (FICA), federal income, state, local and other tax liabilities ("Withholding Taxes"). By accepting this Agreement, Participant hereby: (i) elects, effective on the date Participant accepts this Agreement, to sell shares of Company Stock in an amount having an aggregate Fair Market Value equal to the Withholding Taxes, and to allow the designated broker (the "Broker") to remit the cash proceeds of such sale to the Company (a "Sell to Cover"); (ii) directs the Company to make a cash payment to satisfy the Withholding Taxes from the cash proceeds of such sale directly to the appropriate taxing authorities; and (iii) represents and warrants that (1) on the date Participant accepts this Agreement he or she is not aware of any material, nonpublic information with respect to the Company or any securities of the Company, is not subject to any legal, regulatory or contractual restriction that would prevent the Broker from conducting sales, does not have, and will not attempt to exercise, authority, influence or control over any sales of shares of Company stock effected by the Broker pursuant to this Agreement, (2) is entering into the Agreement and this election to Sell to Cover in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 (regarding trading of the Company's securities on the basis of material nonpublic information) under the 1934 Act, and (3) it is Participant's intent that this election to Sell to Cover comply with the requirements of Rule 10b5-1(c)(1) under the 1934 Act and be interpreted to comply with the requirements of Rule 10b5-1(c) under the 1934 Act. Participant further acknowledges that by accepting this Agreement, Participant is adopting a 10b5-1 Plan to permit Participant to conduct a Sell to Cover sufficient to satisfy the Withholding Taxes. All obligations to pay any dividend equivalents, if any, will be paid net of any Withholding Taxes.] **OR** [All obligations of the Company under this Agreement shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable. Subject to Committee approval, the Participant may elect to satisfy any tax withholding obligation of the Employer with respect to the Performance Stock Units by having shares of Company Stock withheld up to an amount that does not exceed the applicable withholding tax rate for federal (including FICA), state and local tax liabilities. Unless the Committee determines otherwise, share withholding for taxes shall not exceed the Participant's minimum applicable tax withholding amount.]

5. **Rights of Participant**.

(a) Prior to the issuance, if any, of shares of Company Stock to the Participant with respect to earned and vested Performance Stock Units pursuant to the Settlement Schedule set forth in the Summary of Grant, the Participant will not have any rights of a shareholder of the Company on account of the Performance Stock Units.

(b) Notwithstanding the foregoing, if any dividend or other distribution, whether regular or extraordinary and whether payable in cash, securities or other property (other than shares of Company Stock), is declared and paid on the outstanding Company Stock prior to the issuance of shares of shares of Company Stock with respect to the earned and vested Performance Stock Units pursuant to the Settlement Schedule (i.e., those shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account will be established for the Participant and credited with a phantom dividend equal to the actual dividend or distribution which would have been paid on the Performance Stock Units subject to this Agreement had shares been issued with respect to such Performance Stock Units and been outstanding and entitled to that dividend or distribution. The phantom dividend equivalents so credited will vest at the same time as the Performance Stock Units to which they relate and will be distributed to the Participant (in the same form the actual dividend or distribution was paid to the holders of the Company Stock entitled to that dividend or distribution or in such other form as the Committee deems appropriate) concurrently with the issuance of shares or payment of cash of Company with respect to the earned and vested Performance Stock Units pursuant the Settlement Schedule set forth in the Summary of Grant.

6. **Recoupment Policy**. The Participant agrees that, subject to the requirements of applicable law, if the Participant breaches any restrictive covenant agreement between the Participant and the Employer or otherwise engages in activities that constitute Cause either while employed by, or providing service to, the Employer or within two years thereafter, the Company may require that the Participant forfeit any unvested Performance Stock Units and/or return to the Company all, or such portion of the shares of Company Stock issued or cash paid hereunder, in each case as the Committee may determine and in the event that the Participant no longer owns the shares of Company Stock, the Participant shall pay to the Company the amount of any gain realized or payment received as a result of any sale or other disposition of the shares (or, in the event the Participant transfers the shares by gift or otherwise without consideration, the Fair Market Value of the shares on the date of the breach of any restrictive covenant agreement or activity constituting Cause). The Participant agrees that payment by the Participant shall be made in such manner and on such terms and conditions as may be required by the Committee and the Employer shall be entitled to set off against the amount of any such payment any amounts otherwise owed to the Participant by the Employer. In addition, the Participant agrees that the Performance Stock Units shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board from time to time.

7. **Assignment by Company**. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Agreement may be assigned by the Company without the Participant's consent.

8. **No Employment or Other Rights**. This Agreement shall not confer upon the Participant any right to be retained in the employment of the Employer and shall not interfere in any way with the right of the Employer to terminate the Participant's employment at any time. The right of the Employer to terminate at will the Participant's employment at any time for any reason is specifically reserved.

9. **Entire Agreement**. This Agreement contains the entire agreement of the parties with respect to the Performance Stock Units granted hereby and may not be changed orally but only by an instrument in writing signed by the party against whom enforcement of any change, modification or extension is sought.

10. **Grant Subject to Plan Provisions**. This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects will be interpreted in accordance with the Plan. This grant is subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the shares, (c) changes in capitalization of the Company and (d) other requirements of applicable law. The Committee will have the authority to interpret and construe this grant pursuant to the terms of the Plan, and its decisions will be conclusive as to any questions arising hereunder.

11. **Notice**. Any notice to the Company provided for in this instrument shall be addressed to the Company in care of the General Counsel at the Company's corporate headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll records of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

12. **Applicable Law**. The validity, construction, interpretation and effect of this Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of laws provisions thereof.

13. **Application of Section 409A of the Code**. This Agreement is intended to comply with section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will in all respects be administered in accordance with section 409A of the Code. The issuance of Company Stock pursuant this Agreement is intended to be subject to a "substantial risk of forfeiture" under section 409A of the Code, and issued within the "short term deferral" exception under such statute following the lapse of the applicable forfeiture condition. Notwithstanding any provision in this Agreement to the contrary, if the Participant is a "specified employee" (as defined in section 409A of the Code) and it is necessary to postpone the commencement of any payments otherwise payable under this Agreement to prevent any accelerated or additional tax under section 409A of the Code, then the Company will

postpone the payment until five (5) days after the end of the six-month period following the original payment date. If the Participant dies during the postponement period prior to the payment of postponed amount, the amounts withheld on account of section 409A of the Code will be paid to the personal representative of the Participant's estate within sixty (60) days after the date of the Participant's death. The determination of who is a specified employee, including the number and identity of persons considered specified employees and the identification date, will be made by the Board or its delegate in accordance with the provisions of sections 416(i) and 409A of the Code. In no event will the Participant, directly or indirectly, designate the calendar year of distribution. This Agreement may be amended without the consent of the Participant in any respect deemed by the Committee or its delegate to be necessary in order to preserve compliance with section 409A of the Code.

Exhibit 10.9

INDEMNIFICATION AGREEMENT

This Indemnification Agreement, effective as of September 13, 2022 (this "***Agreement***"), is made by and between Tabula Rasa HealthCare, Inc., a Delaware corporation (the "***Company***") and Jonathan Schwartz ("***Indemnitee***").

RECITALS:

A. The Company desires to attract and retain the services of highly qualified individuals as directors, officers, employees and agents.

B. Under Delaware law, a director or officer's right to be reimbursed for the costs of defense of criminal, civil, and administrative actions, whether such claims are asserted under state or federal law in advance of the final determination of any such actions, does not depend upon the merits of the claims asserted against the director or officer and is separate and distinct from any right to indemnification the director or officer may be able to establish, and indemnification of the director or officer against criminal fines and penalties is permitted if the director or officer satisfies the applicable standard of conduct.

C. Indemnitee's willingness to serve as a director and/or officer of the Company is predicated, in substantial part, upon the Company's willingness to indemnify him/her in accordance with the principles reflected above and to provide advancement of Expenses (as defined in Section 1(e)) to Indemnitee, to the fullest extent permitted by the laws of the state of Delaware, and upon the other undertakings set forth in this Agreement.

D. Therefore, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's continued service as a director and/or officer of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's certificate of incorporation or bylaws (collectively, the "***Constituent Documents***"), any change in the composition of the Company's Board of Directors (the "***Board***") or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of Expenses to Indemnitee as set forth in this Agreement and for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

E. In light of the considerations referred to in the preceding recitals, it is the Company's intention and desire that the provisions of this Agreement be construed liberally, subject to their express terms, to maximize the protections to be provided to Indemnitee hereunder.

F**.** This Agreement supersedes and replaces in its entirety any previous Indemnification Agreement entered into between the Company and the Indemnitee.

AGREEMENT:

NOW, THEREFORE, the parties hereby agree as follows:

1. Certain Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) ***"Change in Control"*** means the occurrence after the date of this Agreement of any of the following events:

(i) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation, or other transaction (each, a ***"Business Combination"***), unless, in each case, immediately following such Business Combination all or substantially all of the beneficial owners of voting stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Combination;

(ii) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) during any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), Incumbent Directors cease for any reason to constitute at least a majority of the members of the Board.

(b) ***"Incumbent Directors"*** means the individuals who, as of the date hereof, are Directors of the Company and any individual becoming a Director subsequent to the date hereof whose election, nomination for election by the Company's stockholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination).

(c) ***"Claim"*** means (i) any threatened, asserted, pending or completed claim, counterclaim, cross claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; and (ii) any inquiry or investigation, whether made, instituted or conducted by the Company or any other party, including without limitation any federal, state or other governmental entity, that Indemnitee determines might lead to the institution of any such claim, demand, action, suit or proceeding. A Claim shall include any appeals therefrom.

(d) ***"Disinterested Director"*** means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(e) ***"Expenses"*** shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes (including ERISA excise taxes and penalties) imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, and all other disbursements, obligations or expenses of the types customarily incurred in connection with, or as a result of, prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a deponent or witness in, or otherwise participating in, an Indemnifiable Claim. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Indemnifiable Claim, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, (ii) Expenses incurred in connection with recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee is ultimately determined to be entitled to such indemnification, advancement or Expenses or insurance recovery, as the case may be. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(f) means attorneys' and experts' fees and expenses and all other costs and expenses paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to investigate, defend, be a witness in or participate in (including on appeal), any Claim.

(g) ***"Indemnifiable Claim"*** means any Claim based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her capacity as a director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, as to which Indemnitee is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent, (ii) any actual, alleged or suspected act or failure to act by Indemnitee in respect of any business, transaction, communication, filing, disclosure or other activity of the Company or any other entity or enterprise referred to in clause (i) of this sentence, or (iii) Indemnitee

’s status as a current or former director, officer, employee or agent of the Company or as a current or former director, officer, employee, member, manager, trustee or agent of the Company or any other entity or enterprise referred to in clause (i) of this sentence or any actual, alleged or suspected act or failure to act by Indemnitee in connection with any obligation or restriction imposed upon Indemnitee by reason of such status.

(h) **“*Indemnifiable Losses*”** means any and all Losses relating to, arising out of or resulting from any Indemnifiable Claim.

(i) **“*Independent Counsel*”** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Indemnifiable Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(j) **“*Losses*”** means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other), any federal, state, local or foreign taxes (including ERISA excise taxes and penalties) imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, and amounts paid in settlement, including without limitation all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

(k) ***“Subsidiary”*** means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding Voting Stock.

(l) ***“Voting Stock”*** means securities entitled to vote generally in the election of directors (or similar governing bodies).

2. Indemnification Obligation. Subject to Section 7, the Company shall indemnify, defend and hold harmless Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Indemnifiable Claims and Indemnifiable Losses in connection with any Indemnifiable Claim to which Indemnitee is a party, potential party, non-party witness or otherwise involved; *provided*, *however*, that, except as provided in Sections 4 and 20, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim.

3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company prior to the final disposition of any Indemnifiable Claim of any and all Expenses relating to any Indemnifiable Claim paid or incurred by Indemnitee or which Indemnitee determines are reasonably likely to be paid or incurred by Indemnitee. Indemnitee’s right to such advancement is not subject to the satisfaction of any standard of conduct. Advances shall be unsecured and interest free. Without limiting the generality or effect of the foregoing, within five business days after any request by Indemnitee, the Company shall, in accordance with such request, (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses; *provided* that Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) that remains unspent at the final disposition of the Claim to which the advance related. In connection with any such payment, advancement or reimbursement, Indemnitee shall execute and deliver to the Company an undertaking, which need not be secured and shall be accepted without reference to Indemnitee’s ability to repay the Expenses, by or on behalf of the Indemnitee, to repay any Expenses to the extent that amounts paid, advanced or reimbursed by the Company following the final disposition of such Indemnifiable Claim if Indemnitee shall have been determined, pursuant to Section 7, not to be entitled to indemnification hereunder.

4. Indemnification for Additional Expenses.

The Company shall also indemnify against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request, any Expenses paid or incurred by Indemnitee or which Indemnitee determines he or she is reasonably likely to pay or incur in connection with any Claim by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Indemnifiable Claims, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless in each case of whether Indemnitee ultimately is determined to be entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be; *provided*, *however*, that Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) which remains unspent at the final disposition of the Claim to which the advance related.

5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Indemnifiable Loss but not for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Procedure for Notification. To obtain indemnification under this Agreement in respect of an Indemnifiable Claim or Indemnifiable Loss, Indemnitee shall submit to the Company a written request therefor, including a brief description (based upon information then available to Indemnitee) of such Indemnifiable Claim or Indemnifiable Loss. If, at the time of the receipt of such request, the Company has directors' and officers' liability insurance in effect under which coverage for such Indemnifiable Claim or Indemnifiable Loss is potentially available, the Company shall give prompt written notice of such Indemnifiable Claim or Indemnifiable Loss to the applicable insurers in accordance with the procedures set forth and the time periods specified in the applicable policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Indemnifiable Claim or Indemnifiable Loss, in each case substantially concurrently with the delivery or receipt thereof by the Company. The failure by Indemnitee to timely notify the Company of any Indemnifiable Claim or Indemnifiable Loss shall not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of such Indemnifiable Claim or Indemnifiable Loss and such failure results in forfeiture by the Company of substantial defenses, rights or insurance coverage.

7. Determination of Right to Indemnification.

(a) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Indemnifiable Claim or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnitee shall be indemnified against all Indemnifiable Losses relating to such Indemnifiable Claim in accordance with Section 2 and no Standard of Conduct Determination (as defined in Section 7(b)) shall be required.

(b) To the extent that the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of, any determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of Indemnitee hereunder against Indemnifiable Losses relating to such Indemnifiable Claim (a "***Standard of Conduct Determination***") shall be made as follows: (i) unless a Change in Control has occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and (ii) if a Change in Control shall have occurred by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee. The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request, any and all costs and expenses (including attorneys' and experts' fees and expenses) incurred by Indemnitee in cooperating with the person or persons making such Standard of Conduct Determination.

(c) The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 7(b) to be made as promptly as practicable. If the person or persons determined under Section 7 to make the Standard of Conduct Determination shall not have made a determination within 30 days after the later of (A) receipt by the Company of written notice from Indemnitee advising the Company of the final disposition of the applicable Indemnifiable Claim (the date of such receipt being the "***Notification Date***") and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall, to the fullest extent permitted by law, be deemed to have satisfied the applicable standard of conduct; *provided* that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto.

(d) If (i) Indemnitee shall be entitled to indemnification pursuant to Section 7(a), (ii) no determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law is a legally required condition to indemnification of Indemnitee hereunder against any Indemnifiable Losses, or (iii) Indemnitee has been determined or deemed pursuant to Section 7(b) or (c) to have satisfied any applicable standard of conduct under Delaware law which is a legally required condition to indemnification of Indemnitee then the Company shall pay to Indemnitee, within five business days after the later of (x) the Notification Date regarding the Indemnifiable Claim giving rise to the Indemnifiable Losses and (y) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Indemnifiable Losses.

(e) If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b)(i), the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in Section 1(h), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences and clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 7(e) to make the Standard of Conduct Determination shall have been selected within 30 days after the Company gives its initial notice pursuant to the first sentence of this Section 7(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 7(e), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 7(b).

8. Presumption of Entitlement. In making any Standard of Conduct Determination, the person or persons making such determination shall, to the fullest extent permitted by law, (i) presume that Indemnitee has satisfied the applicable standard of conduct, and (ii) have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by the Indemnitee in the Court of Chancery of the State of Delaware. No determination by the Company (including by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct shall be a defense to any Claim by Indemnitee for indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

9. No Other Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere* or its equivalent, will not create a presumption that Indemnitee did not meet any applicable standard of conduct or that indemnification hereunder is otherwise not permitted.

10. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, or the substantive laws of the Company's jurisdiction of incorporation, any other contract or otherwise (collectively, "***Other Indemnity Provisions***"); *provided*, *however*, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under this Agreement or any Other Indemnity Provision.

11. Liability Insurance and Funding. For the duration of Indemnitee's service as a director and/or officer of the Company, and thereafter for so long as Indemnitee shall be subject to any pending or possible Indemnifiable Claim, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and/or officers of the Company that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. The Company shall provide Indemnitee with a copy of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials, and shall provide Indemnitee with a reasonable opportunity to review and comment on the same. Without limiting the generality or effect of the two immediately preceding sentences, the Company shall not discontinue or significantly reduce the scope or amount of coverage from one policy period to the next (i) without the prior approval thereof by a majority vote of the Incumbent Directors, even if less than a quorum, or (ii) if at the time that any such discontinuation or significant reduction in the scope or amount of coverage is proposed there are no Incumbent Directors, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed). In all policies of directors' and officers' liability insurance obtained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors and officers most favorably insured by such policy. The Company may, but shall not be required to, create a trust fund, grant a security interest or use other means, including without limitation a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this Agreement.

12. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities (other than Indemnitee's successors), including any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(f). Indemnitee shall execute all papers reasonably required to evidence such rights (all of Indemnitee's reasonable Expenses, including attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

13. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Indemnifiable Losses to the extent Indemnitee has otherwise actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents and Other Indemnity Provisions or otherwise.

14. Defense of Claims. The Company shall be entitled to participate in the defense of any Indemnifiable Claim or to assume the defense thereof, with counsel approved by the Indemnitee (which approval shall not be unreasonably withheld); without limiting Indemnitee' s right to approve counsel selected by Company to defend an Indemnifiable Claim, if Indemnitee believes, after consultation with counsel selected by Indemnitee, that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual or potential conflict, (b) the named parties in any such Indemnifiable Claim (including any impleaded parties) include both the Company and Indemnitee and that there may be one or more legal defenses available to Indemnitee that are different from or in addition to those available to the Company, or (c) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, then Indemnitee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Indemnifiable Claim) at the Company's expense. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Indemnifiable Claim effected without the Company's prior written consent. The Company shall not, without the prior written consent of the Indemnitee, effect any settlement of any threatened or pending Indemnifiable Claim which the Indemnitee is or could have been a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Indemnifiable Claim. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement; *provided* that Indemnitee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnitee.

15. Successors and Binding Agreement. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee and his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "***Company***" for purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(a) This Agreement shall inure to the benefit of and be enforceable by the Indemnitee's personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.

(b) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 15(a) and 15(b). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee's will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 15(c), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

(c) This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company, or (b) one (1) year after the final determination of any Indemnifiable Claim then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding (including any appeal thereof) commenced by Indemnitee pursuant to this Agreement relating thereto.

16. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid or one business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the addresses shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

17. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the Chancery Court of the State of Delaware for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the Chancery Court of the State of Delaware.

18. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal.

19. Miscellaneous. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. References to Sections are to references to Sections of this Agreement.

20. Legal Fees and Expenses. It is the intent of the Company that Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Accordingly, without limiting the generality or effect of any other provision hereof, if it should appear to Indemnitee that the Company may have failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of Indemnitee's choice, at the expense of the Company as hereafter provided, to advise and represent Indemnitee in connection with any such interpretation, enforcement or defense, including without limitation the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to Indemnitee's entering into an attorney-client relationship with such counsel, and in that connection the Company and Indemnitee agree that a confidential relationship shall exist between Indemnitee and such counsel. Without respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Indemnitee in connection with any of the foregoing.

21. Certain Interpretive Matters. No provision of this Agreement shall be interpreted in favor of, or against, either of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same agreement.

23. Contribution. To the fullest extent permissible under applicable law, if the indemnification or other rights and benefits provided to Indemnitee in this Agreement are unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for any and all Expenses as defined above in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Indemnifiable Claim in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Indemnifiable Claim; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representative to execute this Agreement as of the date first above written.

TABULA RASA HEALTHCARE, INC.

By: /s/ Brian W. Adams

Name: Brian W. Adams

Title: Interim Chief Executive Officer

Date:September 13, 2022

INDEMNITEE

/s/ Jonathan Schwartz
Signature of Indemnitee

Jonathan Schwartz
Print or Type Name of Indemnitee

September 13, 2022
Date

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brian W. Adams, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tabula Rasa HealthCare, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2022

/s/ BRIAN W. ADAMS
Brian W. Adams
Interim Chief Executive Officer
Principal Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas J. Cancro, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tabula Rasa HealthCare, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2022

/s/ THOMAS J. CANCRO
Thomas J. Cancro
Chief Financial Officer
Principal Financial and Accounting Officer

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Tabula Rasa HealthCare, Inc. (the “Company”) on Form 10-Q for the fiscal quarter ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian W. Adams, Interim Chief Executive Officer of the Company, and I, Thomas J. Cancro, Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2022	By:	/s/ BRIAN W. ADAMS
	Name:	**Brian W. Adams**
	Title:	**Interim Chief Executive Officer**
		(Principal Executive Officer)

Date: November 4, 2022	By:	/s/ THOMAS J. CANCRO
	Name:	**Thomas J. Cancro**
	Title:	**Chief Financial Officer**
		(Principal Financial and Accounting Officer)

**This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Tabula Rasa HealthCare, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing*