

Item 1.01 Entry into a Material Definitive Agreement.

On March 11, 2011, athenahealth, Inc. (the “Company”) and International Business Machines Corporation entered into an amendment (the “Amendment”) to the Professional Services Agreement, dated October 2, 2009 (the “PSA”). The Amendment is effective as of January 1, 2011, and provides for, among other things, (i) the initial term of the PSA to continue until December 31, 2015; (ii) an economic cost adjustment for the purposes of pricing and to reflect changes in the cost of living; (iii) updated annual charges; and (iv) revised termination fees in the event of a termination of the PSA for convenience by the Company.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the Amendment, which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ending March 31, 2011, with portions omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

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 hereunto duly authorized.

athenahealth, Inc.

(Registrant)

March 17, 2011 **/s/ DANIEL H. ORENSTEIN**

Daniel H. Orenstein

SVP, General Counsel, and Secretary