

Anesthesiology Practice Acquisitions

2014 Is Most Active Year on Record for Anesthesiology Acquisitions

How long will the anesthesiology consolidation trend continue?

The year 2014 came to a close amid a flurry of anesthesiology practice acquisition announcements by several of the most acquisition-oriented national anesthesiology practice management companies. These announcements capped-off the most active year for the acquisition of anesthesiology practices to date with 27 separate completed transactions identified by Haverford Healthcare Advisors. See the table below for a listing of the anesthesiology practice acquisitions that have taken place during 2014.

The 27 acquisitions were completed by 14 separate acquirers including several multi-billion dollar publicly traded companies along with numerous private equity-backed anesthesiology practice consolidators. Haverford estimates that these well-capitalized buyers spent nearly \$1.0 billion on practice acquisitions in 2014 (in addition to the \$2.3 billion that AmSurg Corporation spent to acquire Sheridan Healthcare, Inc. in May, 2014).

This large and diverse group of buyers has created a high level of demand for quality anesthesia practices resulting in a competitive “seller’s market” with transaction valuations

that are generally higher than those observed in 2013 and earlier. Based upon the number and diversity of potential buyers, Haverford projects the recent high levels of transaction activity to continue for at least the next 12 to 18 months.

Haverford Healthcare Advisors is a leading consultant to anesthesiologists in connection with the sale and valuation of their professional practices. We have successfully completed hundreds of advisory projects for physicians throughout the U.S. over the past 30 years. Haverford’s professionals can help you determine if your anesthesiology practice is a candidate for acquisition by a national firm.

To learn more about Haverford, please visit our website: www.HaverfordHealthcare.com or contact one of our Managing Directors.

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SELECTED ANESTHESIOLOGY & PAIN PRACTICE ACQUISITIONS, 2014

Date	Acquirer	Target	Target	Target Providers		
			State	Anes.	Other	Total
1 Jan-14	Advanced Pain Management	Medical Advanced Pain Specialists, PA	MN	11	-	11
2 Jan-14	American Anesthesiology (Mednax, Inc.)	Physician Anesthesia Associates, PA	MD	31	17	48
3 Feb-14	Sheridan Healthcare, Inc.	Greater Florida Anesthesiologists, LLC	FL	84	155	239
4 Feb-14	Resolute Anesthesia Pain Solutions, LLC	St. Lucie Anesthesia Associates, LLC	FL	8	13	21
5 Feb-14	American Anesthesiology (Mednax, Inc.)	Great Lakes Anesthesia Associates, PC	MI	14	42	56
6 Feb-14	Wellness Center USA, Inc.	National Pain Centers, Inc.	IL	-	-	-
7 Feb-14	Anesthesia Associates Northwest	Cascade Anesthesia Services, PC	OR	-	-	-
8 Mar-14	North American Partners in Anesthesia (NAPA)	Fair Oaks Anesthesia Associates, PC	VA	210	-	210
9 Apr-14	PhyMED Holdings, Inc./Anesthesia Med. Group	Anesthesia Services of Middle Tennessee, PLLC/Pain Management of Middle Tennessee, PLLC	TN	10	45	55
10 Apr-14	American Anesthesiology (Mednax, Inc.)	Fredericksburg Anesthesia Associates, Inc.	VA	16	-	16
11 May-14	American Anesthesiology (Mednax, Inc.)	Cross River Anesthesia Services, PC	NY	14	8	22
12 May-14	American Anesthesiology (Mednax, Inc.)	Anesthesia & Pain Management Group, LLC	NJ	11	3	14
13 May-14	Prospira PainCare Inc.	Advanced Interventional Pain Clinic	FL	-	-	-
14 May-14	Amsurg Corp.	Sheridan Healthcare, Inc.	FL	-	-	-
15 Jun-14	North Star Anesthesia, PA	Anesthesia Concepts, LLC	MD	-	-	-
16 Jun-14	U.S. Anesthesia Partners, Inc.	Northeast Houston Anesthesia Group	TX	30	9	39
17 Jul-14	Catterton Partners	Pain Doctor, Inc.	AZ	-	-	-
18 Jul-14	Resolute Anesthesia and Pain Solutions, LLC	Perth Amboy Anesthesiology, PC	NJ	23	-	23
19 Jul-14	American Anesthesiology (Mednax, Inc.)	Associated Anesthesiologists of Joliet, SC	IL	37	48	85
20 Aug-14	North American Partners in Anesthesia (NAPA)	Newton Anesthesia Associates, LLC	NJ	6	-	6
21 Sep-14	TeamHealth Holdings, Inc.	Florida Gulf-to-Bay Anesthesiology Associates, LLC	FL	50	150	200
22 Sep-14	TeamHealth Holdings, Inc.	Heartland Anesthesia Services, PC	NE	-	-	-
23 Sep-14	North American Partners in Anesthesia (NAPA)	Total Anesthesia, Inc.	VA	80	-	80
24 Oct-14	American Anesthesiology (Mednax, Inc.)	The NEXus Medical Group, LLC	GA	15	49	64
25 Dec-14	TeamHealth Holdings, Inc.	Certified Anesthesia Services, PLLC	DC	40	-	40
26 Dec-14	American Anesthesiology (Mednax, Inc.)	Metropolitan Anesthesia Alliance, PLLC	TN	27	46	73
27 Dec-14	North American Partners in Anesthesia (NAPA)	Atlantic Anesthesia, PA	NH	10	9	19

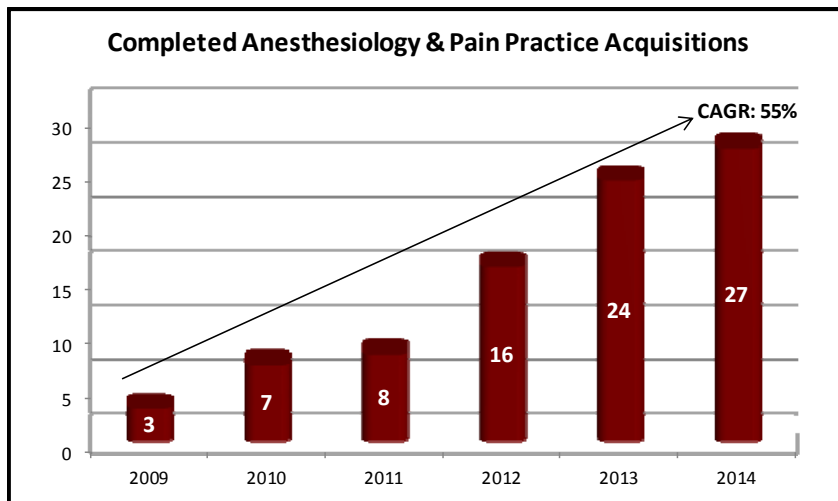
Source: Financial Information from press releases, SEC filings, and other publicly available resources

Anesthesiology Practice Acquisition Activity Increases at Dramatic Rate

Based on Haverford Healthcare Advisors' research, anesthesia consolidation has steadily increased over the past six years as an increasing number of acquirers are investing substantial capital in buyouts of independent anesthesiology practices.

Completed Anesthesiology & Pain Practice Acquisitions

Year	Count	% Growth
2009	3	0%
2010	7	133%
2011	8	14%
2012	16	100%
2013	24	50%
2014	27	13%
Total	85	



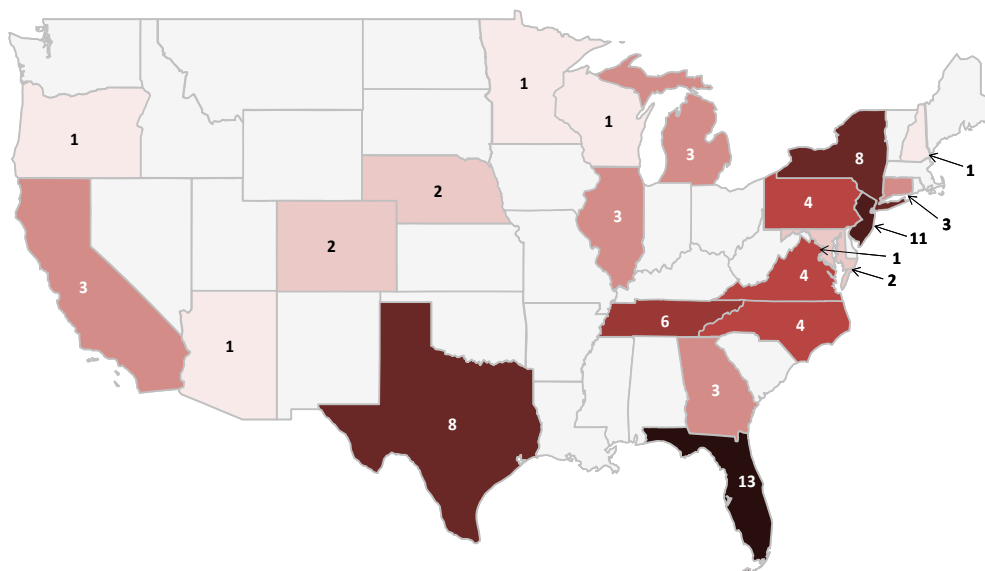
Completed anesthesia and pain management practice acquisitions have increased at a five year compound annual growth rate of 55%. Haverford projects that 2015 is likely to bring 30 or more announcements of completed practice acquisitions.

Florida, New Jersey, Texas and New York Among the Most Active States for Anesthesiology Acquisition Activity

2009-2014 Acquisitions by State

FL	13	15%
NJ	11	13%
TX	8	9%
NY	8	9%
TN	6	7%
NC	4	5%
PA	4	5%
VA	4	5%
CA	3	4%
CT	3	4%
GA	3	4%
IL	3	4%
MI	3	4%
CO	2	2%
MD	2	2%
NE	2	2%
Other	6	7%
Total	85	100%

Over the past several years, the majority of anesthesiology practice acquisitions have taken place along the eastern seaboard. The state of Texas has also experienced a significant amount of activity. Most of the practice acquirers have expressed to Haverford a desire to expand their presence geographically by completing acquisitions in other states. Despite the substantial number of transactions that have been completed over the past few years, the map below illustrates just how limited the penetration by the national anesthesia companies has been throughout most of the United States.



Haverford Completes Two Transaction Advisory Projects in December 2014



ATLANTIC ANESTHESIA

has been acquired by




NAPA North American Partners in Anesthesia

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Atlantic Anesthesia, PA of southeastern New Hampshire


Haverford Healthcare Advisors is pleased to announce our role as advisor to Atlantic Anesthesia, PA in connection with the company's sale to North American Partners in Anesthesia (NAPA) in December, 2014. Consisting of ten anesthesiologists and nine other providers, Atlantic Anesthesia is the exclusive provider of anesthesia services at Wentworth-Douglass Hospital in Dover, NH and Wentworth Surgical Center in Somersworth, NH. In addition, Atlantic Anesthesia offers pain management services through its pain management division, The Seacoast Pain Institute of New England ("SPINE").

Founded in 1986, NAPA is the leading single specialty anesthesia management company in the United States. This acquisition marks NAPA's continued growth in the New England anesthesia market. NAPA is known for partnering with hospitals and other health care facilities across the nation to provide anesthesia services and perioperative leadership that maximize operating room performance, enhance revenue, and demonstrate consistent patient and surgeon satisfaction ratings.



CERTIFIED Anesthesia Services

has been acquired by



TEAMHealth.

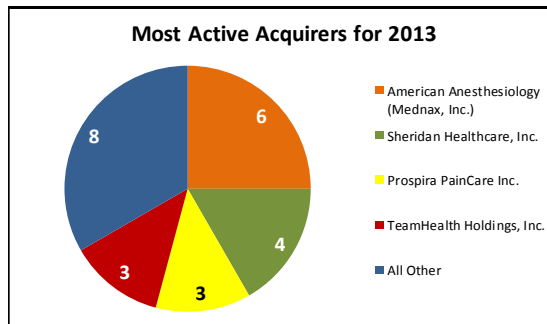
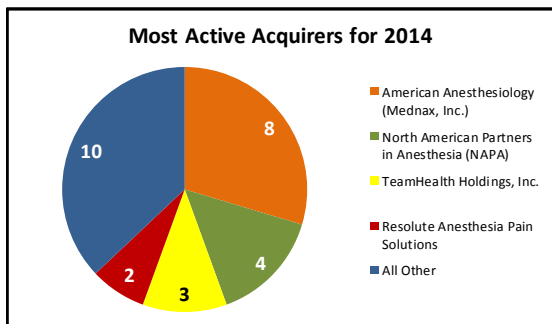
Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Certified Anesthesia Services, PLLC of Washington, D.C.

Haverford Healthcare Advisors is pleased to announce our role as advisor to Certified Anesthesia Services, PLLC (CAS) in connection with the company's sale to TeamHealth, Inc. in December, 2014. Based in Washington, D.C., CAS' more than 40 physicians and certified registered nurse anesthetists (CRNAs) manage approximately 28,000 cases annually through anesthesia management services for Sibley Memorial Hospital and seven ASCs.

TeamHealth (NYSE: TMH), which is headquartered in Knoxville, TN, is one of the largest providers of outsourced physician staffing solutions for hospitals in the U.S. Through its 21 regional locations and multiple service lines, TeamHealth's approximately 11,000 affiliated healthcare professionals provide emergency medicine, hospital medicine, anesthesia, urgent care, and pediatric staffing and management services to approximately 990 civilian and military hospitals, clinics, and physician groups in 47 states. TeamHealth was recently named one of "America's 100 Most Trustworthy Companies" for 2014 by Forbes magazine.

MEDNAX, NAPA and TeamHealth - Most Active Acquirers in 2014


For the past several years, American Anesthesiology (MEDNAX, Inc. – NYSE: MD) has been the most active acquirer of anesthesiology practices in the United States. American Anesthesiology completed eight transactions in 2014 and six transactions in 2013. North American Partners in Anesthesia (NAPA) was the second most active acquirer in 2014 with four completed deals. Despite MEDNAX's market dominance in terms of completed anesthesia transactions, there are numerous other well-capitalized buyers who are fueling a high level of demand for quality anesthesiology practices.



Unmatched Anesthesiology Industry Expertise

MEMAC Associates, PC
 and
Synergy Anesthesia, PLLC

have been acquired by



AMERICAN ANESTHESIOLOGY.
 a subsidiary of MEDNAX, Inc. (NYSE: MD)

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to MEMAC Associates, PC and Synergy Anesthesia, PLLC, both of West Bloomfield, Michigan



ATLANTIC ANESTHESIA

has been acquired by



NAPA North American Partners in Anesthesia

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Atlantic Anesthesia, PA of southeastern New Hampshire



CERTIFIED

has been acquired by




TEAMHealth.

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Certified Anesthesia Services, PLLC of Washington, D.C.

Newton Anesthesia Associates, LLC

has been acquired by



NAPA North American Partners in Anesthesia

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Newton Anesthesia Associates, LLC of Newton, New Jersey



FREDERICKSBURG ANESTHESIA ASSOCIATES, INC. CASE & VISUALIZATION

has been acquired by



AMERICAN ANESTHESIOLOGY.
 a subsidiary of MEDNAX, Inc. (NYSE: MD)

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Fredericksburg Anesthesia Associates, Inc. of Fredericksburg, Virginia

Lebanon Anesthesia Associates, Ltd.
 and
Lebanon Pain Management Associates, Inc.

have been acquired by



PhyMED
 A Physician-Owned Company

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Lebanon Anesthesia Associates, Ltd. of Lebanon, Pennsylvania



THE PAIN MANAGEMENT CENTER

has been acquired by



Prospira PAINCARE

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to The Pain Management Center of Hamilton, New Jersey



Austin Anesthesiology Group, L.L.P.

has been acquired by



AMERICAN ANESTHESIOLOGY.
 a subsidiary of MEDNAX, Inc. (NYSE: MD)

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Austin Anesthesiology Group, L.L.P. of Austin, Texas

H A V E R F O R D H E A L T H C A R E A D V I S O R S
*Transaction Advisory and Business Valuation Services
 for Healthcare Service Companies*

Haverford Healthcare Advisors specializes in providing transaction advisory and business valuation services to physician practices and healthcare service companies. We have completed hundreds of advisory projects throughout the United States in the healthcare services industry over the past 30 years. To learn more about our firm and our experience, please call or email us, or visit our website: www.haverfordhealthcare.com. We look forward to hearing from you soon.

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