

Anesthesiology Practice Acquisitions

2015: Another Record-Breaking Year for Anesthesiology Acquisitions

What is the Value of Your Practice in Today's Market?

With 35 completed anesthesiology practice acquisitions reported (see list below), the year 2015 easily broke the previous record of 29 completed anesthesia practice transactions set in 2014. In the face of this heightened state of acquisition activity, Haverford has also observed a significant increase in the relative valuations being paid for anesthesiology practices. What is driving this increase in valuations?

Enhanced competition among prospective buyers is likely a big contributing factor to the higher valuations being paid for anesthesia practices. Our listing of transactions below shows that 15 different buyers completed transactions in 2015 versus 12 buyers in 2014. When Haverford is advising an anesthesiology practice client in connection with the sale of their practice, we carefully orchestrate the sale process to fuel competition among multiple prospective buyers, ensuring the highest possible valuation for our client's anesthesia practice.

As more transactions are completed by the anesthesiology consolidators, these companies become larger and gain leverage in their rate negotiations with commercial payors. This leverage translates into higher reimbursement rates for these larger companies. In today's competitive acquisition market,

Haverford is finding that acquirers are increasingly willing to incorporate a portion of this prospective reimbursement enhancement into their projections and valuation models when making purchase offers for our clients' practices.

Haverford Healthcare Advisors' team is comprised of leading national experts in anesthesia practice valuation. We are also among the most active firms providing transaction advisory services to anesthesiology practices. If you wish to have a better understanding of the value of your practice, please contact us to learn how we can be of assistance. Haverford can also help to determine if your practice is a candidate for acquisition by a national consolidator and how best to position your practice for sale.

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

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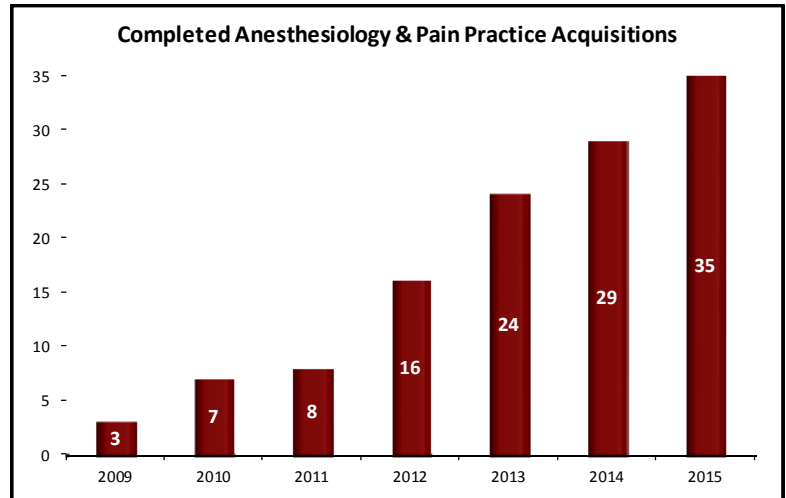
ANESTHESIOLOGY & PAIN PRACTICE ACQUISITIONS, 2015

#	Date	Acquirer	Target	Target State	Target Providers		
					Anes.	Other	Total
1	Jan-15	Sheridan Healthcare (Amsurg Corp.)	Ambulatory Anesthesia Care, PC	NJ	-	-	-
2	Jan-15	U.S. Anesthesia Partners, Inc.	Anesthesia Consultants of Dallas, LLP	TX	20	36	56
3	Jan-15	American Anesthesiology (Mednax, Inc.)	MEMAC Associates, PC and Synergy Anesthesia, PLLC	MI	10	18	28
4	Feb-15	U.S. Anesthesia Partners, Inc.	Greater Colorado Anesthesia, PC	CO	90	33	122
5	Feb-15	Alliance HealthCare Services	The Pain Center of Arizona, PC	AZ	9	13	22
6	Mar-15	CRH Medical Corporation	Undisclosed Company	FL	-	-	-
7	Mar-15	U.S. Anesthesia Partners, Inc.	Excel Anesthesia, P.A.	TX	-	-	70
8	Mar-15	American Anesthesiology (Mednax, Inc.)	Mosaic Anesthesia & Perioperative Services, P.C.	NC	15	-	15
9	Mar-15	Pain Doctor, Inc.	Spine and Pain Center of San Antonio	TX	3	-	3
10	Apr-15	Sheridan Healthcare (Amsurg Corp.)	Halifax Anesthesiology Associates, P.A.	FL	8	23	31
11	Apr-15	TeamHealth Holdings, Inc.	Professional Anesthesia Services, Inc.	OH	-	-	-
12	May-15	CRH Medical Corporation	Undisclosed Company	NC	-	-	-
13	May-15	Quantum International Income Corp.	DA Management Corp.	NY	-	-	-
14	Jun-15	U.S. Anesthesia Partners, Inc.	Medical Anesthesia and Pain Management Consultants, P.A.	FL	23	52	75
15	Jun-15	New Harbor Capital	Pain Management Solutions, LLC d/b/a KURE Pain Management	MD	9	9	18
16	Jul-15	American Anesthesiology (Mednax, Inc.)	Manassas Anesthesia Associates, P.C.	VA	11	13	24
17	Jul-15	American Anesthesiology (Mednax, Inc.)	Lakeshore Anesthesia Services, P.C.	FL	31	10	41
18	Jul-15	Advanced Pain Management	Raiza Spine and Pain Management	IN	-	-	-
19	Jul-15	Sheridan Healthcare (Amsurg Corp.)	Coastal Anesthesiology Consultants, P.A.	FL	-	-	25
20	Aug-15	TeamHealth Holdings, Inc.	Brookhaven Anesthesia Associates, LLP	NY	22	-	22
21	Aug-15	Sheridan Healthcare (Amsurg Corp.)	Bay Area Anesthesia, LLC	FL	-	-	24
22	Aug-15	North Star Anesthesia, P.A.	Anesthesia Staffing Consultants, Inc.	MI	-	-	-
23	Aug-15	CRH Medical Corporation	Associates of Digestive Health, LLC	FL	5	-	5
24	Aug-15	American Anesthesiology (Mednax, Inc.)	Millennium Anesthesia Care, P.A.	FL	26	53	79
25	Sep-15	CRH Medical Corporation	Knoxville Gastroenterology Anesthesia Associates, LLC	TN	-	-	-
26	Sep-15	American Anesthesiology (Mednax, Inc.)	New Jersey Anesthesia Associates, P.C.	NJ	70	20	90
27	Nov-15	Sheridan Healthcare (Amsurg Corp.)	Valley Anesthesiology & Pain Consultants, Ltd.	AZ	240	-	240
28	Nov-15	Alliance HealthCare Services	PRC Associates, LLC	FL	4	8	12
29	Nov-15	PhyMED Holdings, Inc./Anesthesia Med. Group	Anesthesia Services Associates, PLLC	TN	-	-	-
30	Dec-15	North American Partners in Anesthesia (NAPA)	ProCare Systems, Inc.	MI	-	-	-
31	Dec-15	CRH Medical Corporation	Macon Gastroenterology Anesthesia Associates, LLC	GA	-	-	-
32	Dec-15	Sheridan Healthcare (Amsurg Corp.)	Northside Anesthesiology Consultants, LLC	GA	60	125	185
33	Dec-15	Undisclosed Company	Undisclosed Company	-	30	45	75
34	Dec-15	Surgery Partners	AllCare Clinical Associates, PA	NC	37	116	153
35	Dec-15	American Anesthesiology (Mednax, Inc.)	Professional Anesthesia Associates, PC	TN	9	1	10

Anesthesiology Practice Acquisition Activity Increases at Dramatic Rate

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

Completed Acquisitions	
Year	Count
2009	3
2010	7
2011	8
2012	16
2013	24
2014	29
2015	35
Total	122

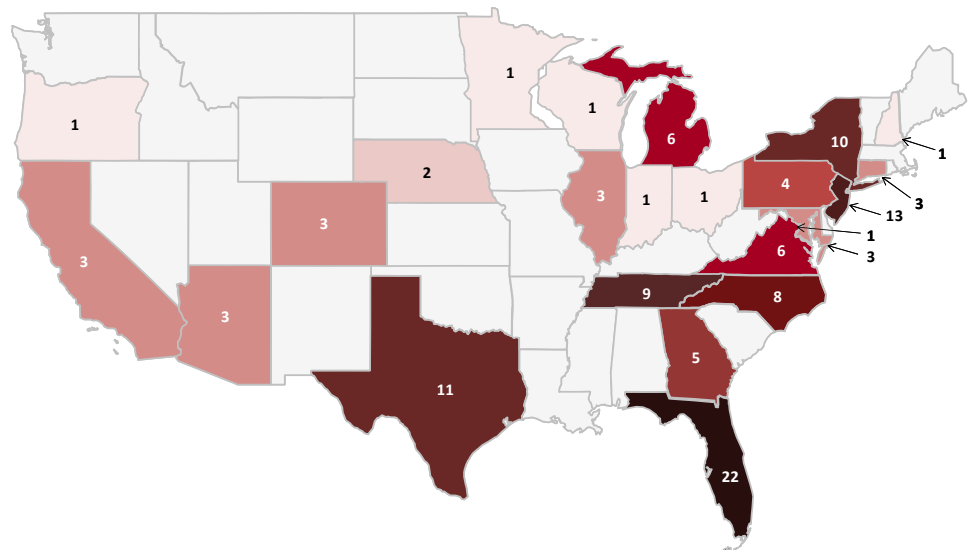


Completed anesthesia and pain management practice acquisitions have increased at a six year compound annual growth rate of 51% from 2009 through 2015. Haverford projects that 2016 is likely to bring 40 or more announcements of completed practice acquisitions.

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

Acquisitions by State 2009 through 2015		
FL	22	18%
NJ	13	11%
TX	11	9%
NY	10	8%
TN	9	7%
NC	8	7%
MI	6	5%
VA	6	5%
GA	5	4%
PA	4	3%
AZ	3	2%
CA	3	2%
CO	3	2%
CT	3	2%
IL	3	2%
MD	3	2%
NE	2	2%
Other	8	7%
Total	122	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 the substantial room for future growth that is available to the national anesthesia companies throughout much of the United States.



Haverford Completes Two More Transaction Advisory Projects

CASE STUDY #1



has been acquired by



North American Partners in Anesthesia

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Anesthesia Care Group, PC of Manchester, New Hampshire

Haverford Healthcare Advisors is pleased to announce our role as advisor to Anesthesia Care Group, PC in connection with the company's sale to North American Partners in Anesthesia (NAPA). Anesthesia Care Group's 10 anesthesiologists and 25 CRNAs are the exclusive providers of professional anesthesia services at Catholic Medical Center, a 330-bed facility located in Manchester, New Hampshire. ACG also provides services at three ambulatory surgical centers.

NAPA was founded in 1986 and is the leading single specialty anesthesia management company in the United States. NAPA is comprised of the most respected clinical staff, providing thousands of patients with superior and attentive care. The company 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.

CASE STUDY #2



has been acquired by



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

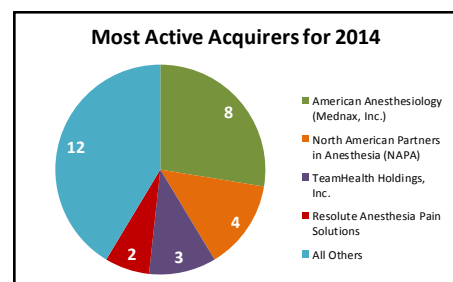
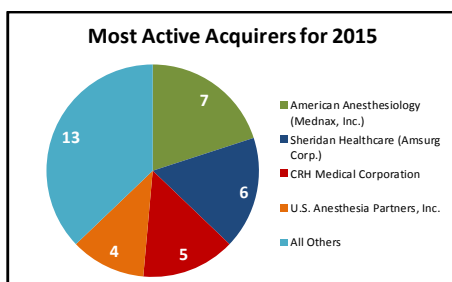
Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Millennium Anesthesia Care of Tampa, Florida

Haverford Healthcare Advisors is pleased to announce our role as advisor to Millennium Anesthesia Care in connection with the company's sale to MEDNAX's American Anesthesiology division in August, 2015. Consisting of 26 anesthesiologists, 51 anesthetists, and 2 ARNPs, Millennium Anesthesia Care provides services at five BayCare Health System/St. Joseph's Hospital facilities including its ambulatory surgery center and the new St. Joseph's Hospital-South location which opened in February 2015.

MEDNAX, Inc. (NYSE: MD) is a national medical group comprised of the nation's leading providers of neonatal, anesthesia, maternal-fetal and pediatric physician subspecialty services. MEDNAX's American Anesthesiology division was established in 2007 and includes more than 2,575 anesthesiologists and advanced practitioners who provide anesthesia care to patients in connection with surgical and other procedures as well as pain management. MEDNAX, through its affiliated professional corporations, employs more than 2,725 physicians in 35 states and Puerto Rico.

MEDNAX and Amsurg/Sheridan - Most Active Acquirers in 2015

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 seven anesthesiology practice transactions during 2015 and eight transactions in 2014. Amsurg/Sheridan was the second most active acquirer during 2015 with six 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



has been acquired by



North American Partners in Anesthesia

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Anesthesia Care Group, PC of Manchester, New Hampshire



and

Anesthesia Associates of Laurel, LLC

have been acquired by



Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Anesthesia Associates of York, of York, Pennsylvania, and Anesthesia Associates of Laurel, LLC, of Laurel, Maryland



has been acquired by




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

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Millennium Anesthesia Care of Tampa, Florida

MEMAC Associates, PC and Synergy Anesthesia, PLLC

have been acquired by



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



has been acquired by



North American Partners in Anesthesia

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




has been acquired by



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



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



has been acquired by



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



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



has been acquired by



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



has been acquired by



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

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

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 for Healthcare Service Companies*

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