

Anesthesiology Practice Acquisitions

2016: Another Record-Breaking Year for Anesthesiology Acquisitions

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

For the year 2016, Haverford Healthcare Advisors has identified 37 completed transactions involving the acquisition of an anesthesiology or pain management practice. See the table below for a listing of the practice acquisitions completed in 2016.

The 37 transactions were completed by eleven separate acquirers, including several multi-billion dollar publicly traded companies, along with various private equity-backed anesthesiology practice consolidators. Haverford estimates that these well-capitalized buyers have spent over \$800 million in total on practice acquisitions in 2016.

Haverford's team is comprised of leading national experts skilled in providing transaction advisory and practice valuation services to anesthesiology practices. In the past 18 months, we have helped five of our anesthesiology practice clients successfully complete sale transactions with a combined valuation in

excess of \$230 million making Haverford the most active anesthesiology practice advisory firm in the U.S.

If you wish to have a better understanding of the value of your practice and what a transaction with a national consolidator might mean for you and your partners, please contact us.

Haverford can determine if your practice is a candidate for acquisition by a national consolidator, help you to best position your practice for sale, and efficiently and expertly guide you through the transaction process.

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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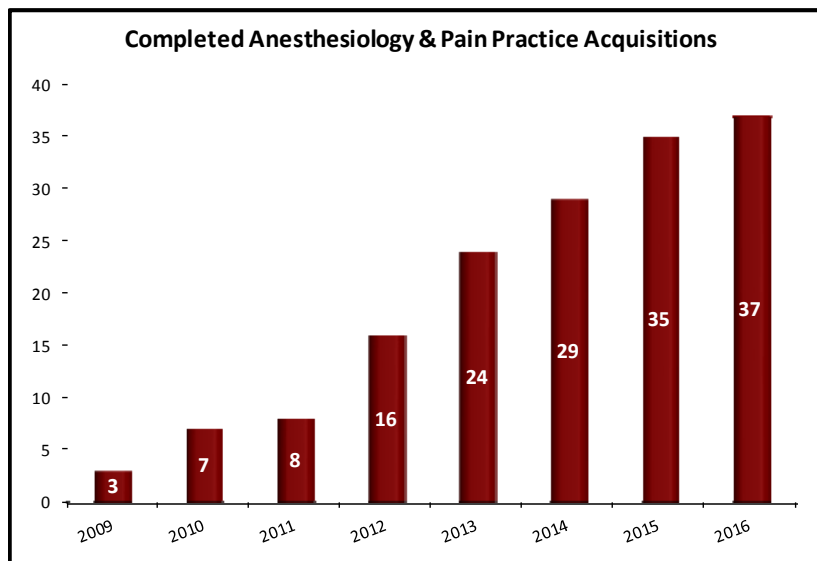
SELECTED ANESTHESIOLOGY & PAIN PRACTICE ACQUISITIONS, 2016

#	Date	Acquirer	Target	Target State	Target Providers		
					Anes.	Other	Total
1	Jan-16	CRH Medical Corporation	Johns Creek Anesthesia, LLC	GA	-	-	-
2	Jan-16	U.S. Anesthesia Partners, Inc.	South Denver Anesthesiologists, P.C.	CO	90	10	100
3	Jan-16	American Anesthesiology (Mednax, Inc.)	West End Anesthesia Group, Inc.	VA	25	69	94
4	Feb-16	North Star Anesthesia, P.A.	Continental Anesthesia, Ltd.	IL	-	-	100
5	Feb-16	Prospira PainCare Inc.	Central Florida Pain Management	FL	-	-	-
6	Mar-16	American Anesthesiology (Mednax, Inc.)	Lighthouse Anesthesia, LLC	GA	28	74	102
7	Mar-16	North American Partners in Anesthesia (NAPA)	Anesthesia Care Group, PC	NH	9	21	30
8	Apr-16	Sheridan Healthcare (Amsurg Corp.)	North Florida Anesthesia Consultants, Inc.	FL	70	-	70
9	May-16	North American Partners in Anesthesia (NAPA)	Nashua Anesthesia Partners, PLLC	NH	27	-	27
10	May-16	Sheridan Healthcare (Amsurg Corp.)	Jandee Anes Partners, PLLC / Kardan Anesth & Pain Management, LLP	NJ	5	-	5
11	Jun-16	CRH Medical Corporation	Austin Gastroenterology Anesthesia Associates, LLC	TX	-	-	-
12	Jun-16	American Anesthesiology (Mednax, Inc.)	Northwest Anesthesia, P.A.	MN	37	91	128
13	Jun-16	American Anesthesiology (Mednax, Inc.)	Westchester Anesthesiologists, P.C.	NY	27	4	31
14	Jun-16	CRH Medical Corporation	Community Anesthesia, PLLC	MA	-	-	-
15	Jun-16	Surgery Partners	Riverside Pain Physicians	FL	10	80	90
16	Jun-16	CRH Medical Corporation	Arapahoe Gastroenterology Anesthesia Associates, LLC	CO	-	-	-
17	Jul-16	Sheridan Healthcare (Amsurg Corp.)	Resolute Anesthesia and Pain Solutions, LLC	FL	-	-	100
18	Jul-16	Sheridan Healthcare (Amsurg Corp.)	South Lake Anesthesia Services, P.A.	FL	-	-	-
19	Jul-16	TeamHealth Holdings, Inc.	Lake County Anesthesia Associates, P.A.	FL	-	-	-
20	Jul-16	U.S. Anesthesia Partners, Inc.	East Texas Anesthesiology Associates, P.A.	TX	-	-	-
21	Jul-16	North American Partners in Anesthesia (NAPA)	Northern New Jersey Anesthesia Associates, LLC	NJ	16	-	16
22	Aug-16	American Anesthesiology (Mednax, Inc.)	Associated Anesthesiologists of Reno, P.C.	NV	56	-	56
23	Aug-16	TeamHealth Holdings, Inc.	Anesthesia Associates of Cincinnati and Pain Management Associates	OH	-	-	-
24	Sep-16	Sheridan Healthcare (Amsurg Corp.)	Ambulatory Anesthesia Associates, Inc.	CA	10	-	10
25	Sep-16	Sheridan Healthcare (Amsurg Corp.)	Genesis Anesthesia Services, Inc.	CA	17	-	17
26	Sep-16	American Anesthesiology (Mednax, Inc.)	Medical Anesthesia Consultants, LLC	SC	20	-	20
27	Sep-16	American Anesthesiology (Mednax, Inc.)	Anesthesia Associates of Naples, P.A.	FL	8	17	25
28	Sep-16	Sheridan Healthcare (Amsurg Corp.)	Fidere Anesthesia Consultants, Inc.	CA	38	-	38
29	Sep-16	North Star Anesthesia, P.A.	Square Waveform Anesthesiology, P.A.	IA	-	-	-
30	Oct-16	American Anesthesiology (Mednax, Inc.)	Central New York Anesthesia Group, P.C.	NY	29	15	44
31	Nov-16	North Star Anesthesia, P.A.	River Cities Anesthesia, Inc.	WV	8	24	32
32	Dec-16	Envision Healthcare	Amsurg Corp.	TN	-	-	-
33	Dec-16	U.S. Anesthesia Partners, Inc.	Anesthesiology Consultants, Inc.	NV	-	-	-
34	Dec-16	Sheridan Healthcare (Amsurg Corp./Envision)	Desert Mountain Consultants in Anesthesia, Inc.	AZ	14	-	14
35	Dec-16	National Spine & Pain Centers	Premier Pain and Specialty Anesthesia Associates	NJ	8	-	8
36	Dec-16	Surgery Partners	Pain Specialists of Orange County	CA	-	-	-
37	Dec-16	Sheridan Healthcare (Amsurg Corp./Envision)	Oro Valley Anesthesia	AZ	16	3	19

Anesthesiology Practice Acquisition Activity Increases at Dramatic Rate

Based on Haverford Healthcare Advisors' research, anesthesia consolidation has steadily increased over the past eight years as 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	29	21%
2015	35	21%
2016	37	6%
Total	159	

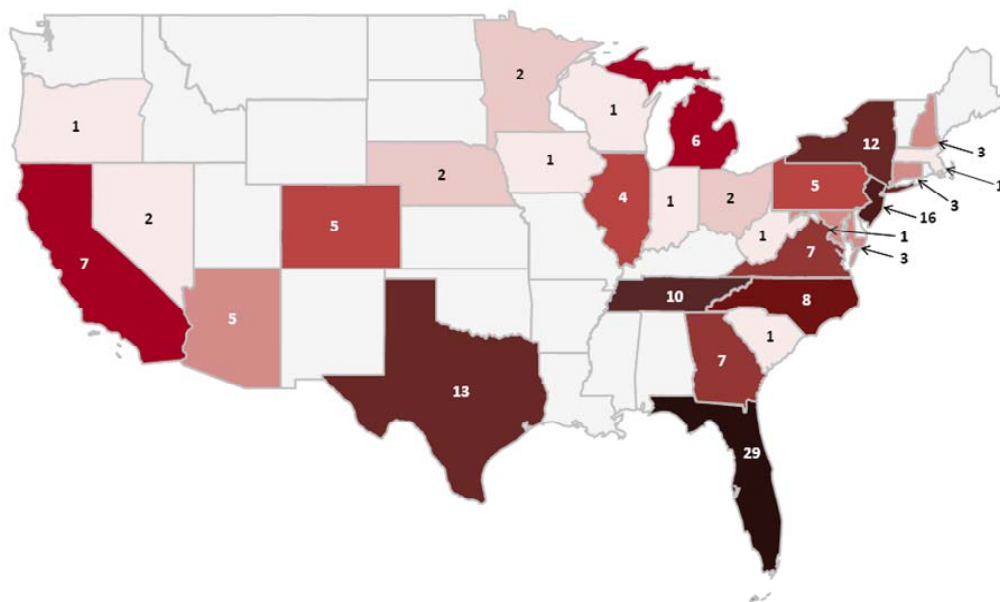


Completed anesthesia and pain management practice acquisitions have increased at a seven year compound annual growth rate of 43.2% from 2009 through 2016.

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

Acquisitions by State 2009 through 2016		
FL	29	18%
NJ	16	10%
TX	13	8%
NY	12	8%
TN	10	6%
NC	8	5%
CA	7	4%
GA	7	4%
VA	7	4%
MI	6	4%
AZ	5	3%
CO	5	3%
PA	5	3%
IL	4	3%
CT	3	2%
MD	3	2%
NH	3	2%
MN	2	1%
NE	2	1%
NV	2	1%
OH	2	1%
Other	8	5%
Total	159	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

Medical Anesthesia Consultants, LLC

has been acquired by



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

Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Medical Anesthesia Consultants, LLC of Florence, South Carolina

Haverford Healthcare Advisors is pleased to announce our role as advisor to Medical Anesthesia Consultants, LLC in connection with the company's sale to American Anesthesiology in September 2016. Medical Anesthesia Consultants, LLC's 20 anesthesiologists provide anesthesia care across a wide spectrum of specialty areas including pediatrics, high-risk obstetrics, thoracic, cardiovascular, urology, neuro-anesthesia, orthopedics and acute pain management for post-operative pain. They are the exclusive provider of services to multiple facilities within the McLeod Health system including McLeod Regional Medical Center, McLeod Seacoast, McLeod Loris, McLeod Dillon and McLeod Health Cheraw.

CASE STUDY #2

NORTHWEST anesthesia

has been acquired by



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

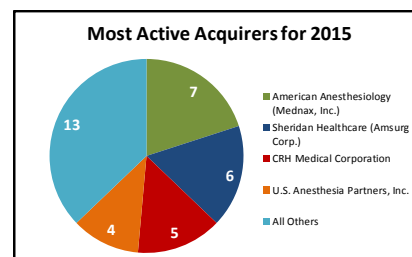
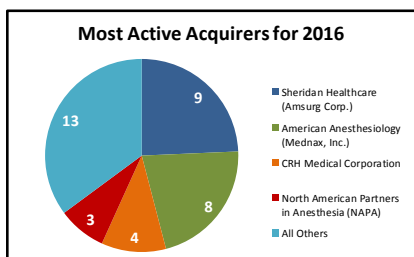
Haverford Healthcare initiated this transaction and acted as exclusive financial advisor to Northwest Anesthesia, PA of Minneapolis, Minnesota

Haverford Healthcare Advisors is pleased to announce our role as advisor to Northwest Anesthesia, PA in connection with the company's sale to American Anesthesiology, a subsidiary of MEDNAX, Inc., in June 2016. Northwest Anesthesia, PA's 37 full-time equivalent anesthesiologists and 91 full-time equivalent anesthesiologists provide services to seven Allina Health facilities, including Abbott Northwestern Hospital, the Minneapolis Heart Institute and The Mother Baby Center. In addition, Northwest Anesthesia is the exclusive provider of professional anesthesia services to several off-campus surgical centers throughout Minneapolis and other Allina Health tertiary hospitals.

MEDNAX, Inc. (NYSE: MD) is a national health solutions partner comprised of the nation's leading providers of physician services. Physicians and advanced practitioners practicing as part of MEDNAX are reshaping the delivery of care within their specialties and subspecialties, using evidence-based tools, continuous quality initiatives, clinical research and telemedicine to enhance patient outcomes and provide high-quality, cost-effective care. The Company was founded in 1979, and today, through its affiliated professional corporations, MEDNAX provides services through a network of more than 3,400 physicians in all 50 states and Puerto Rico. In addition to its national physician network, MEDNAX provides services to healthcare facilities and physicians in over 40 states through two complementary businesses, consisting of a revenue cycle management company and a consulting services company. Additional information is available at www.mednax.com.

Sheridan/AmSurg/Envision - Most Active Acquirer in 2016

Effective December 1, 2016, Envision Healthcare Holdings, Inc. and AMSURG Corp. announced the completion of their merger. The new combined company, which encompasses Sheridan Healthcare, is named Envision Healthcare Corporation ("Envision") (NYSE: EVHC) and represents one of the nation's largest provider organizations. Envision completed nine acquisitions of private anesthesiology practices in 2016 topping American Anesthesiology (MEDNAX, Inc. – NYSE: MD) which completed seven anesthesiology practice acquisitions during the same period. Despite MEDNAX's and Envision's current market dominance in terms of completed anesthesia transactions, several other well-capitalized buyers are contributing to the continued high level of demand for quality anesthesiology practices.



Completed Anesthesiology Practice Transactions

Medical Anesthesia Consultants, LLC
 Florence, SC

has been acquired by



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

Haverford initiated this transaction and acted as exclusive financial advisor to Medical Anesthesia Consultants, LLC

NORTHWEST anesthesia
 Minneapolis, MN

has been acquired by



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

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




Manchester, NH

has been acquired by



North American Partners in Anesthesia


Haverford initiated this transaction and acted as exclusive financial advisor to Anesthesia Care Group, PC



and

Anesthesia Associates of Laurel, LLC
 York, PA

have been acquired by



Haverford initiated this transaction and acted as exclusive financial advisor to Anesthesia Associates of York, Inc. and Anesthesia Associates of Laurel, LLC



Tampa, FL

has been acquired by




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

Haverford initiated this transaction and acted as exclusive financial advisor to Millennium Anesthesia Care


MEMAC Associates, PC
 and
Synergy Anesthesia, PLLC
 West Bloomfield, MI

has been acquired by




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

Haverford initiated this transaction and acted as exclusive financial advisor to MEMAC Associates, PC and Synergy Anesthesia, PLLC



Dover, NH

has been acquired by



North American Partners in Anesthesia

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



Washington, D.C.


has been acquired by



Haverford initiated this transaction and acted as exclusive financial advisor to Certified Anesthesia Services, PLLC


Newton Anesthesia Associates, LLC
 Newton, NJ

has been acquired by




North American Partners in Anesthesia

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



Fredericksburg, VA

has been acquired by



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

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

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

have been acquired by



Haverford initiated this transaction and acted as exclusive financial advisor to Lebanon Anesthesia Associates, Ltd. & Lebanon Pain Management Assoc., Inc.



Hamilton, NJ

has been acquired by



Haverford initiated this transaction and acted as exclusive financial advisor to The Pain Management Center



Austin, TX

has been acquired by



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

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

Transaction Advisory and Business Valuation Services for Anesthesiology Practices

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