

Q3-2015 Physician Services Update



Market Overview

The physician services sector experienced another robust quarter for M&A activity. The healthcare industry as a whole is transitioning as health insurers are increasingly moving towards value based reimbursement, which is spurring acquisition activity for physician groups seeking to mitigate risk, while also increasing the coordination of care and reducing costs of services. As coding changes from the implementation of ICD-10 take effect on Oct. 1st, smaller providers will look to partner with larger organizations to leverage their back-office capabilities and protect themselves from potential changes in reimbursement. Provident expects consolidation activity among all verticals of physician services to continue as healthcare investors see an opportunity in creating strong platforms with subsequent add-on acquisition activity expected.

SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
Anesthesia Services			
September 2015	MEDNAX	New Jersey Anesthesia Associates	Mednax has acquired New Jersey Anesthesia Associates (NJAA), the provider of anesthesia department management and staffing for Saint Barnabas Medical Center and Newark Beth Israel Medical Center, two of the largest health care providers in New Jersey. NJAA also provides services at four ambulatory surgery centers, five outpatient facilities and five pain centers.
July 2015	Advanced Pain Management	Raiza Spine and Pain Management	Advanced Pain Management has acquired the assets of Raiza Spine and Pain Management (Raiza). Raiza, headquartered in Evansville, Indiana, is a leading provider of interventional pain management services in the southern Indiana market for patients with acute, sub-acute, chronic pain and pain limiting illness. <i>Provident Healthcare Partners served as the exclusive financial advisor to Raiza.</i>
Dermatology			
June 2015	New Mainstream Capital	Anne Arundel Dermatology	Anne Arundel Dermatology, the largest dermatology provider in Maryland with 17 locations and over 30 providers, has recapitalized with New Mainstream Capital. New Mainstream Capital will provide practice management services and add-on acquisition support through AAD Dermatology Management LLC.
Eye Care Services			
August 2015	Atlas Partners	Capital Vision Services/MyEyeDr.	Capital Vision Services, and affiliated eye care group MyEyeDr., have been acquired by two Canadian private equity groups; Atlas Partners and Caisse de dépôt et placement du Québec (CDPQ). MyEyeDr., previously owned by Charles Bank Capital Partners, serves over 1.8 million active patients. Meanwhile, Capital Vision Services provides management services to 165 optometry practices along the East coast.
July 2015	EyeCare Services Partners	Inland Eye Specialists	EyeCare Services Partners (ESP), a company backed by Varsity Healthcare Partners and formed in part from the acquisition of Katzen Eye Group, has acquired Inland Eye Specialists in California. The acquisition gives ESP a coast-to-coast presence as they continue to build a national platform in eye care. <i>Provident Healthcare Partners served as the exclusive financial advisor in Katzen Eye Group's recapitalization with Varsity Healthcare Partners.</i>
Multi-Specialty			
September 2015	Davita HealthCare Partners	The Everett Clinic	Davita HealthCare Partners, a leading provider of kidney care and outsourced physician services, announced it will acquire The Everett Clinic, a multi-specialty provider group of 500 providers in the Seattle area. With the acquisition, Davita HealthCare Partners is expanding its geographic reach in an effort to become the largest medical group operator in the Western United States.
Orthopedics			
September 2015	Centegra Health System	McHenry County Orthopaedics	Centegra Health System announced it will acquire McHenry County Orthopaedics. The transaction will mark the largest add-on acquisition ever by the Centegra Physician Care Network. Centegra will look to integrate the practice's advanced orthopaedic and rehabilitative care services into their existing network of 200 local providers.
Women's Health			
August 2015	TA Associates	CCRM	TA Associates has invested in CCRM, a network of fertility treatment providers offering services in California, Colorado, Minnesota, Texas and Canada. With the access to TA Associates' resources, CCRM plans to expand services throughout North America and build out its network of fertility laboratories.