

Q3-2016 Anesthesia Services Update



M&A Update

In the third quarter, strategic players heavily utilized acquisitions to forge new hospital relationships and enter into new geographic markets. Given the fragmentation within anesthesia, growth by acquisition has been the preferred expansion vehicle for the largest anesthesia groups nationally, especially given their ability to cross sell other services such as radiology and emergency department management to hospital clients. While private equity firms were absent this quarter, the plethora of exit opportunities, along with physician interest in maintaining equity ownership/independence, suggests that new platforms will emerge in the near future.

Select Transactions

Month	Acquirer	Target Company	Details
September 2016	MEDNAX	Anesthesia Associates of Naples	MEDNAX acquired Anesthesia Associates of Naples, P.A for an undisclosed amount. Anesthesia Associates of Naples consists of 8 anesthesiologists and 17 anesthesiologists at two Community Health Systems hospitals in Florida and will leverage MEDNAX's infrastructure for growth.
September 2016	MEDNAX	Medical Anesthesia Consultants	MEDNAX has acquired Medical Anesthesia Consultants based in Florence, SC. The practice employs 20 anesthesiologists and is the exclusive provider of services to multiple facilities within the McLeod Health System. The transaction will expand MEDNAX's footprint into South Carolina.
September 2016	Sheridan Healthcare	Two Southern California Anesthesia Practices	Sheridan has acquired both Ambulatory Anesthesia Associates, Inc. and Genesis Anesthesia Services, Inc. allowing Sheridan to enter the Southern California market. These two practices will add 27 physicians covering 6 independent facilities to Sheridan's network of anesthesia services. The financial terms of the deal were not disclosed.
August 2016	TeamHealth	Anesthesia Associates of Cincinnati	TeamHealth has completed the acquisition of Anesthesia Associates of Cincinnati for an undisclosed amount. AAC has two hospitals and four ASCs contracts and is expected to add more than 43,000 annual anesthesia cases to TeamHealth's anesthesia operations. TeamHealth already provides emergency department management services for AAC's hospital clients, thereby enhancing coordination of care opportunities in the hospital.
August 2016	MEDNAX	Associated Anesthesiologists of Reno	MEDNAX, Inc. announced the acquisition of Associated Anesthesiologists of Reno, P.C., the largest anesthesia practice in Northern Nevada. The group employs 56 anesthesiologists and has contracts at four hospitals, and various ASCs throughout the Northern Nevada region. There were no additional financial terms disclosed.
July 2016	North American Partners in Anesthesia	Northern New Jersey Anesthesia Associates	North American Partners in Anesthesia acquired Northern New Jersey Anesthesia Associates, a 16-physician anesthesiology practice located in Belleville, NJ, thereby expanding its operations in the state. Financial terms of the deal were not disclosed.
July 2016	Sheridan Healthcare	South Lake Anesthesia Services	Sheridan announced the acquisition of South Lake Anesthesia Services, which services three Florida facilities, to expand Sheridan' network in the state of Florida. The financials terms of the transaction were not disclosed.
July 2016	Sheridan Healthcare	Resolute Anesthesia and Pain Solutions	Sheridan has acquired Resolute Anesthesia and Pain Solutions for an undisclosed amount. Resolute has over 100 providers that offer anesthesia and pain management services in Florida, New Jersey, Missouri, and Illinois through 20 ASCs, 3 hospitals, and 9 pain management clinics. The transaction will provide an exit for Goldman Sachs, which initially invested into Resolute in 2013 and had grown the organization via de novo contract growth and acquisition.