



Q1-2014 ANESTHESIA SERVICES INDUSTRY UPDATE

M&A Overview

The first quarter of 2014 has seen a high volume of deals closed with high quality, high profile anesthesia groups. The predominant transaction theme for anesthesia this quarter could be described as “bigger is better” – nearly all of the transactions involved acquired groups with at least 50 providers or more.

In the first quarter of 2013, there were only four clinical anesthesia/pain deals completed compared to the ten completed this quarter. Of these ten transactions, three of the acquired groups (FOAA, Pinnacle, and JLR) were involved with the Anesthesia Business Group (ABG), an industry association representing some of the largest and outcomes-focused anesthesia groups in the country. Last quarter, another ABG member, Medical Anesthesia Consultants, was also acquired by Sheridan. As the industry continues to consolidate, only four ABG member groups remain truly independent, indicating deal flow will continue to remain steady.

Provident Announces the Acquisition of Cascade Anesthesia Services

Cascade Anesthesia Services has been acquired by Anesthesia Associates Northwest. Cascade is a group of highly experienced certified registered nurse anesthetists (CRNAs) that serves ambulatory surgery centers, hospitals, and offices throughout the state of Oregon. Provident Healthcare Partners served as the exclusive financial advisor to Cascade.

“While the decision to sell our business was a difficult one, Provident vigilantly represented and protected our best interests throughout the transaction. They took the time to gain an in-depth understanding of our business and we relied on their transaction expertise and industry knowledge to guide us through an otherwise complex process. Provident was the right choice for Cascade and I would recommend their services to anyone,” noted Jerry Turk, Chief Executive Officer of Cascade.

Cascade Anesthesia Services, P.C.

Has been acquired by



February 2014

RECENT TRANSACTIONS

Month	Acquirer	Target Company	Details
March 2014	North American Partners in Anesthesia (NAPA)	Fair Oaks Anesthesia Associates (FOAA)	NAPA has announced its merger with FOAA, a group of 210+ clinicians based in VA. FOAA provides over 150,000 anesthetics annually in a variety of settings. This transaction represents the largest acquisition NAPA has made since its recapitalization by Moelis Capital Partners.
February 2014	Wellness Center USA (WCUSA)	National Pain Centers	WCUSA has acquired National Pain Centers, an interventional pain management group with three clinics and two ASCs in IL, for 5 million shares of WCUSA common stock worth \$3.35 million at the time of the transaction. WCUSA now plans to roll out several National Pain Centers clinics throughout the country.
February 2014	MEDNAX	Great Lakes Anesthesia Associates	MEDNAX has acquired Great Lakes Anesthesia Associates, a MI-based group that consists of 14 physicians and 42 CRNAs. The deal will further increase MEDNAX's presence in the Midwest and will be immediately accretive to earnings.
February 2014	Sheridan Healthcare	Greater Florida Anesthesiologists	Sheridan has acquired Greater Florida Anesthesiologists. With the acquisition, Sheridan will augment its foothold in Florida by adding a group of more than 200 clinicians that provides anesthesia services at 8 hospitals and 18 ASCs.
January 2014	MEDNAX	Physicians Anesthesia Associates	MEDNAX has acquired Physicians Anesthesia Associates, which provides anesthesia coverage to six facilities in the Baltimore area. With 31 physicians and 27 CRNAs, the group will be the first Maryland-based practice to join MEDNAX.
January 2014	U.S. Anesthesia Partners (USAP)	Pinnacle Anesthesia	USAP has acquired Pinnacle Anesthesia, a group of over 500 clinicians, from Envision Healthcare, the parent of EmCare. Envision will transfer the management services assets of Pinnacle to USAP and the two groups plan to collaborate on joint opportunities moving forward. The deal will make USAP the largest anesthesia provider in Texas.
January 2014	U.S. Anesthesia Partners	JLR Medical Group	USAP has acquired JLR Medical Group, a FL-based practice comprised of 75 Anesthesiologists and 120 CRNAs that provides services at 8 hospitals throughout the state. USAP will use JLR as a platform for further expansion in the Southeast.
January 2014	MEDNAX	Summit Anesthesia Associates	MEDNAX has acquired Summit Anesthesia Associates, a NJ-based group consisting of 37 physicians and 8 CRNAs that provides anesthesia coverage in hospital and ASC settings. The transaction marks MEDNAX's second acquisition in the state, which has historically garnered strong interest from strategic acquirers.
January 2014	Advanced Pain Management (APM)	MAPS Medical Pain Clinics	Advanced Pain Management, a portfolio company of Chicago Growth Partners, has acquired MAPS Medical Pain Clinics. MAPS operates with 11 physicians and eight locations in MN. The deal is the largest for APM since undergoing a recapitalization with Chicago Growth in 2010.