

# Q3-2015 Anesthesia Services Update



## M&A Overview

Consolidation activity in the anesthesia sector continued at a rapid pace in the third quarter, with strategic acquirers leading deal-making activity. Given their ability to create immediate synergies post transaction in terms of billing/collections, IT, and payor contracting, large industry consolidators have served as an attractive option for prospective sellers that seek substantial upfront liquidity and risk mitigation. From the perspective of private equity firms however, the anesthesia sector remains attractive given the continued pace of hospital outsourcing, the increasing complexity of surgical procedures requiring anesthesia, and growth of outpatient surgery as well as number of attractive exit opportunities in a short-term horizon. As a result, we do expect private equity activity to pick up in the near future, especially as large shareholder groups with younger physicians may seek to retain more equity and serve as a platform of their own for future growth and acquisitions

## SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
September 2015	MEDNAX	New Jersey Anesthesia Associates	MEDNAX has acquired New Jersey Anesthesia Associates, a provider of anesthesia services at Saint Barnabas Medical Center and Newark Beth Israel Medical Center. In addition to four ambulatory surgery centers, five outpatient facilities, and chronic pain services at five pain centers, MEDNAX will add 90 full-time clinicians through this transaction. Terms of the transaction were not disclosed.
August 2015	AmSurg	Bay Area Anesthesia	AmSurg, through its Sheridan subsidiary, has acquired Bay Area Anesthesia, in Tampa Bay, FL, adding 24 providers to the company. This acquisition furthers increases AmSurg's size and scale in the Florida market. Financial terms of the deal were not disclosed.
August 2015	MEDNAX	Millennium Anesthesia Care	MEDNAX has acquired Millennium Anesthesia Care, a group of 79 full-time clinicians at five facilities throughout Florida. The all-cash transaction will allow Millennium Anesthesia Care the ability to leverage the resources, support and long-term stability a national medical group provides in order to expand within the Florida anesthesia market.
August 2015	TeamHealth	Brookhaven Anesthesia Associates	TeamHealth has acquired New York-based Brookhaven Anesthesia Associates. Brookhaven Anesthesia Associates provides more than 30,000 annual anesthesia cases at Brookhaven Memorial Hospital Medical Center and four additional surgery centers.
August 2015	NorthStar Anesthesia	Anesthesia Staffing Consultants	NorthStar Anesthesia, has announced that it has acquired Detroit-based Anesthesia Staffing Consultants. With this acquisition, NorthStar will expand its reach by more than 30 locations throughout Michigan. Terms of the transaction were not disclosed.
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, and chronic pain and pain limiting illness. Provident Healthcare Partners served as the exclusive financial advisor to Raiza through its transaction process.
June 2015	New Harbor Capital	Pain Management Solutions	New Harbor Capital has acquired Pain Management Solutions, a ten location provider of pain management services in the Maryland and Washington, D.C. market. With the transaction, Pain Management Solutions will seek to use New Harbor Capital's financial and strategic resources to continue expanding, both in its current markets as well as in greenfield territories. Financial terms of the transaction were not disclosed.