

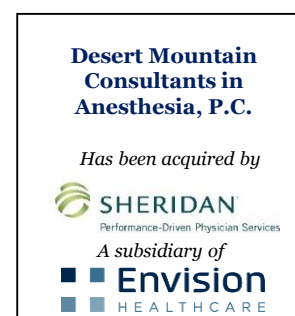
Q4-2016 Physician Services Update



Market Update

A quarter marked by a dynamic political shift has left many questioning the future of the Affordable Care Act. However, as more healthcare professionals sense that some semblance of the Act is here to stay, groups continue to move towards at-risk reimbursement. The shift in payment methodology is putting further emphasis on the importance of maintaining and controlling the continuum of care for patients. Groups such as DaVita and Optum continue to expand their physician services arms, demonstrated by DaVita's acquisition of WellHealth Quality Care in Nevada. As this shift continues, Provident expects to see a broader array of groups looking to acquire multispecialty and primary care providers, including single specialty providers, payors, and outpatient surgical groups. Provident played an active role in the consolidation activity within physician services in the fourth quarter through the sell-side representation of Premier Pain Centers, Pain Specialists of Orange County, and Desert Mountain Consultants in Anesthesia in their respective transactions. Provident anticipates the heightened investment and consolidation will continue into 2017 among medical practices as consolidators seek to control the continuum of care in fragmented markets.

Provident Transaction Announcements



SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
Anesthesia			
Dec 2016	Sheridan Healthcare	Desert Mountain Consultants in Anesthesia	Sheridan Healthcare (a subsidiary of Envision Healthcare) acquired Desert Mountain Consultants (DMC), an anesthesia provider based in Phoenix that services 13 hospital and ASC locations in the area. Sheridan Healthcare will look to add back-office resources to support DMC's growth into the future. Provident served as the exclusive financial advisor to Desert Mountain Consultants in Anesthesia in the transaction.
Interventional Pain Management			
Dec 2016	National Spine & Pain Centers	Premier Pain Centers and Specialty Anesthesia Associates	National Spine & Pain Centers acquired Premier Pain Centers (Premier) and Specialty Anesthesia Associates (SAA). Based in NJ, Premier provides interventional pain management services to seven locations, and SAA provides anesthesia services to seven ambulatory surgery centers. Provident served as the exclusive financial advisor to Premier Pain Centers and Specialty Anesthesia Associates in the transaction.
Dec 2016	Surgery Partners	Pain Specialists of Orange County	Surgery Partners acquired a majority position in Pain Specialists of Orange County (PSOC), an interventional pain management provider with six clinical locations and two ambulatory surgery centers in southern CA. Provident served as the exclusive financial advisor to PSOC in the transaction.
Dermatology			
Oct 2016	GTCR	Riverchase Dermatology	Riverchase Dermatology, a Florida-based dermatology platform with 25 locations, has completed a private equity recapitalization with GTCR. The transaction provides an exit for Prairie Capital, which had initially invested in Riverchase in 2012. Following the transaction, Riverchase plans to utilize GTCR's capital resources & experience growing healthcare service portfolio companies to expand nationally and continue to invest into its infrastructure.

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Multispecialty			
Dec 2016	DaVita Healthcare Partners (NYSE: DVA)	WellHealth Quality Care	DaVita Healthcare Partners announced the acquisition of WellHealth Quality Care, a medical group and accountable care network in Southern Nevada. WellHealth medical group employs 100 providers in 11 locations in addition to operating a network of over 3,000 providers, which is Nevada's only commercial accountable care network. This transaction will serve as Healthcare Partners' entrance into the Nevada market and increase their exposure to value-based care.
Oct 2016	Prospect Medical Holdings	Eastern Connecticut Health Network	Prospect Medical Group Holdings, an operator of hospitals, outpatient clinics, and physician networks, has completed the acquisition of Eastern Connecticut Health Network (ECHN) for \$105 million. Eastern Connecticut Health Network includes Manchester Memorial Hospital, Rockville General Hospital and related entities. Prospect is aggressively expanding its presence in the Connecticut market via acquisitions.
Oct 2016	CHI St. Luke's Health / Catholic Health Initiatives	Apollo Hospital System & Greater Houston Physicians Medical Association	CHI St. Luke's Health, a subsidiary of the nonprofit health system Catholic Health Initiatives, has acquired Apollo Hospital System and Greater Houston Physicians Medical Association. The medical association is one of the largest in Texas with 25 locations and over 100 physicians. Also included in the deal is Apollo Hospital System which operates 16 outpatient centers and a 5-bed facility.
Ophthalmology			
Dec 2016	Cortec Group	ICON Eyecare	Cortec Group recapitalized ICON Eyecare, an operator of 11 ophthalmology clinics and five ambulatory surgery centers located in Colorado and Texas. ICON provides a full spectrum of eye care services, including cataract surgery, laser vision correction, corneal surgery, and a variety of treatments for glaucoma and retina conditions.
Nov 2016	EyeCare Services Partners	Milauskas Eye Institute	EyeCare Services Partners (ESP), a portfolio company of Varsity Healthcare Partners, expanded its presence in Southern California through the acquisition of Milauskas Eye Institute. The practice adds 14 providers, four clinics, and a surgery center to the ESP platform. ESP previously moved into California through the acquisition of Inland Eye Specialists in July 2015 and has grown into one of the medical vision care companies in the U.S.
Nov 2016	Investors Management Corporation	Independent Doctors of Optometric Care	Investors Management Corporation acquired Independent Doctors of Optometric Care (IDOC) from Riverside Company. IDOC is the largest alliance of optometric doctors in the country with members at more than 2,000 practice locations.
Oct 2016	EyeCare Services Partners	Colorado Eye Center	EyeCare Services Partners (ESP) acquired Colorado Eye Center, adding six clinics and 11 providers to its growing presence in the state. ESP also operates under the brands Omni Eye Specialists and Spivak Vision Center in CO.
Radiology			
Nov 2016	Excellere Partners	Riverside Radiology & Interventional Associates	Riverside Radiology & Interventional Associates ("Riverside"), an Ohio-based radiology group with over 90 subspecialized radiologists interpreting over 1.6 million images annually for more than sixty medical facilities, has completed a growth recapitalization with private equity firm Excellere Partners. This new partnership will leverage Riverside's strong market position and proprietary technology, in conjunction with Excellere Partners' capital resources and strategic expertise, in order to add FTE radiologists, secure new RFPs, and build multi-regional scale. Previous healthcare services investments for Excellere Partners include PhyMed, Advanced Pain Management, MedExpress and AxelaCare.
Oct 2016	Aris Radiology	US Teleradiology	Aris Radiology, a leading provider of radiology and teleradiology services, has acquired US Teleradiology. The Company is currently private equity-backed by healthcare fund Great Point Partners, which has helped the organization through several phases of growth in recent years, including the acquisition of Optimal Radiology in 2015. Through this transaction, Aris Radiology is now comprised of over 250 radiologists who interpret 2.5 million studies annually across 400 hospitals, imaging centers, and other medical facilities.