

Q4-2018 Anesthesia Services Update



Market Update

Consolidation within the anesthesia services sector remained steady in the fourth quarter of 2018, as large national consolidators continued to deploy capital in an effort to expand geographic presence and combat the everchanging healthcare landscape. Fourth quarter transaction activity kicked off with the merger between USA Pain Clinics and the Quadra Health Institute. Phymed Healthcare Group added 17 new providers to their network after acquiring Grand Canyon Anesthesia. CRH Medical Corporation completed their second acquisition in the state of Tennessee with Tennessee Valley Anesthesia Associates. North American Partners in Anesthesia backed by American Securities, acquired Aisthesis Partners in Anesthesia Care. As market consolidation remains steady within the anesthesia, Provident expects to see consistent transaction activity throughout 2019, as national platforms continue to expand via acquisition.

Notable Market Trends



Anesthesia Resources (AR), one of Arizona's leading providers of anesthesia services, announced its partnership with National Partners in Healthcare. Through this new partnership, AR will be able to leverage the capital and resources of a national anesthesia platform servicing thousands of anesthesiologists in over 40 U.S.

Markets. This transactions will allow Anesthesia resources to expand their market share in the Arizona market while benefiting from a business model that enables anesthesiologists to invest more time in clinical outcomes and relationships with patients.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	States
December 2018	North American Partners in Anesthesia	Aisthesis Partners in Anesthesia Care	31	N/A	4
December 2018	CRH Medical Corporation	Tennessee Valley Anesthesia Associates	1	N/A	1
November 2018	Phymed Healthcare Group	Grand Canyon Anesthesia	1	17	1
November 2018	USA Pain Clinics	Quadra Health Institute	1	5	1
October 2018	Envision Healthcare Corporation	Nova Anesthesia Professionals	1	N/A	1

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