

Q1-2019 Physician Services Update



Market Update

The first quarter of 2019 was a slower start to the year relative to the volume of activity we had seen throughout the latter half of 2018. However, there were several notable and large transactions that point to continued activity across physician services. Gastro Health continued its expansion outside of South Florida through the acquisition of Orlando-based Gastroenterology Specialists, further expanding their presence in Central Florida. Activity within radiology remained particularly elevated, with Wellspring Capital Management's recapitalization of Center For Diagnostic Imaging (CDIG). Previously a portfolio company of Black Diamond Capital Management, CDIG has grown to be one of the largest providers of diagnostic imaging in the United States. Within Women's Health, Advantia Health acquired Heartland Women's Healthcare which has a large geographic footprint throughout Missouri and Southern Illinois with 50 physicians across 25 locations. While slower than previous quarters, these large transactions set the stage for heightened merger & acquisition activity throughout the remainder of 2019.

Notable Market Transaction



The largest transaction of the quarter was Wellspring Capital Management's acquisition of Center For Diagnostic Imaging. Previously, Black Diamond Capital Management successfully exited the company after purchasing it in 2011. Center For Diagnostic Imaging is one of the largest providers of diagnostic imaging services in the country with 108 locations. Leveraging the resources of Wellspring, the company will continue to expand its national presence through acquisitions in new markets.

Select Transactions:

Gastroenterology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
February	Gastro Health (Audax Group)	Gastroenterology Specialists	3	1	FL
Radiology					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
March	Wellspring Capital Management	Center For Diagnostic Imaging	100+	108	National
February	RadNet (NAS: RDNT)	Kern Radiology Group	19	4	CA
January	Radiology Partners (New Enterprise Associates)	Desert Radiology	80	30+	NV
January	Community Care Physicians	Radiology Group	Undisclosed	Undisclosed	NY
Women's Health					
Month	Acquirer	Target	Target – Number of:		
			Physicians	Locations	States
February	Advantia Health	Heartland Women's Healthcare	50	25	MO and IL

Upcoming Conferences:



Members of the Provident Healthcare Partners team will be attending the McDermott Will & Emery 2019 Physician Practice Management & ASC Symposium taking place May 7-8 in Nashville, TN.



Members of the Provident Healthcare Partners gastroenterology team will be attending GI Outlook: The Practice Management Conference taking place August 2-4 in Hollywood, CA.