

Mega medical group primes for more growth

By Marcia Heroux Pounds



Born as Pediatrix in 1979, Sunrise-based Mednax is now a mature 35. And the medical group has been prolific.

Now a mega-specialty physicians network, Mednax continues to expand nationally, making eight acquisitions just this year.

It has 45 physician practices in Florida and provides services to 34 hospitals in Broward, Palm Beach and Miami-Dade counties. In Sunrise, the company employs more than 600 people. Nationwide, Mednax has about 10,000 employees, including 2,500 physicians, 800 nurse practitioners and 1,250 anesthetists.

But Mednax is not only in the business of acquiring practices and getting larger, said Dr. James Swift, chief development officer for Mednax, who joined the company in 2009 through an acquisition.

Swift said Mednax also has been expanding the services it provides hospitals, especially in pediatric care. "Hospitals will turn to us and we are the solution for that specialty in the U.S.," he said.

He also said that data collected from its doctors across the nation is helping Mednax better treat patients. That data show a "significant decrease" in hospital length of stay, which helps reduce costs for patients, as well as minimizing the risk of complications from infections.

Dr. Alan Cordover, medical director at Holy Cross Hospital and Healthplex's anesthesiology practice in Fort Lauderdale, said being part of a large company has many benefits.

"Improving efficiency, quality and patient outcomes will ultimately reduce costs for us and the hospital," said Cordover, whose team joined Mednax in 2012.

Broward Health Coral Springs spends \$125,000 year with Mednax, and the hospital's chief executive, Drew Grossman said the company's expertise is well worth it, even in a time of tighter margins due to rising health care costs.

Mednax is "constantly doing medical education to make sure they're up to speed," he said.

Lately, Mednax has been broadening its scope to other medical specialties such as anesthesiology.

Swift said potential acquisitions include pediatric ear, nose and throat specialties and chronic pain management.

"We want to be rational about it, to make sure we have the resources to move forward," he said.

Mednax traces its beginnings to Dr. Roger Medel — Mednax's current CEO — and partner Dr. Greg Melnick opening a neonatal intensive care unit at Memorial Hospital in Hollywood in 1979. That began Pediatrix Medical Group, which went public in 1995.

In 2009, Mednax was established as the parent company, and it has been rolling up pediatric, neonatal and anesthesia practices ever since.

Mednax was named to Forbes magazine's 2014 list of top 100 "most innovative growth companies." Forbes ranked Mednax 67th, noting its 14.2 percent sales growth and its "innovation premium," a measure of how much investors have bid up the stock price based on expectations of future products, services and markets.

In 2013, revenue grew 18.6 percent to \$2.15 billion while profits climbed more than 16 percent to \$280.5 million. Mednax's stock, traded on the New York Stock Exchange, has a 52-week range of \$49.82 to \$64.51.

Swift said the company works hard to stay ahead of the changing health care landscape.

Subsidiary Pediatrix is one of the nation's largest providers of newborn hearing screen services through its physicians and partner hospitals.

Even before the Affordable Care Act, which mandated that physicians collect and track patient information electronically, Mednax pioneered an electronics medical records system. Information is helping doctors improve patient outcomes, he said.

In 1996, the company began its BabySteps electronic health record to provide a tool for practices to input data on the growing patient population in neonatal intensive-care units. Mednax now has data on more than 1 million infants.

Improvements, as a result of that data, include improved weight gain during the first 28 days of life for low birth weight newborns; a decrease in the leading cause of childhood blindness called "retinopathy of prematurity"; reduced rates of chronic lung disease and inflammatory bowel disease.

"A lot of good things are coming out of the health care law, and we've been doing those things for many years," Swift said.

mpounds@sunsentinel.com or 561-243-6650

<http://www.sun-sentinel.com/business/fl-mednax-strategy-health-costs-20141024-story.html>