UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-12111

MEDNAX, INC.
(Exact name of registrant as specified in its charter)

Florida	**26-3667538**
(State or other jurisdiction of Incorporation or organization)	**(I.R.S. Employer Identification No.)**
1301 Concord Terrace Sunrise, Florida	**33323**
(Address of principal executive offices)	**(Zip Code)**

(954) 384-0175
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $.01 per share	**MD**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On November 2, 2020, the registrant had outstanding 85,598,299 shares of Common Stock, par value $.01 per share.

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MEDNAX, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)
(Unaudited)

	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 294,512	$ 107,870
Short-term investments	81,574	74,510
Accounts receivable, net	267,125	434,266
Prepaid expenses	13,317	17,108
Income taxes receivable	22,797	—
Other current assets	20,287	11,837
Assets held for sale	951,548	85,916
Total current assets	1,651,160	731,507
Property and equipment, net	78,570	72,677
Goodwill	1,480,668	1,479,850
Intangible assets, net	27,665	28,587
Operating lease right-of-use assets	58,993	56,413
Deferred income tax assets	62,950	86,644
Other assets	64,820	48,643
Assets held for sale	—	1,641,580
Total assets	$ 3,424,826	$ 4,145,901
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 388,517	$ 410,637
Current portion of finance lease liabilities	2,440	—
Current portion of operating lease liabilities	18,695	18,254
Income taxes payable	—	6,039
Liabilities held for sale	78,712	106,888
Total current liabilities	488,364	541,818
Long-term debt and finance lease liabilities, net	1,742,263	1,730,238
Long-term operating lease liabilities	40,220	44,643
Long-term professional liabilities	242,366	204,914
Deferred income tax liabilities	63,630	56,468
Other liabilities	42,977	22,819
Liabilities held for sale	—	46,005
Total liabilities	2,619,820	2,646,905
Commitments and contingencies		
Shareholders' equity:		
Preferred stock; $.01 par value; 1,000 shares authorized; none issued	—	—
Common stock; $.01 par value; 200,000 shares authorized; 85,504 and 84,248 shares issued and outstanding, respectively	855	842
Additional paid-in capital	1,023,974	987,942
Accumulated other comprehensive income	1,990	78
Retained (deficit) earnings	(222,058)	510,134
Total MEDNAX, Inc. shareholders' equity	804,761	1,498,996
Noncontrolling interest	245	—
Total equity	805,006	1,498,996
Total liabilities and equity	$ 3,424,826	$ 4,145,901

The accompanying notes are an integral part of these Consolidated Financial Statements.

MEDNAX, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net revenue	$460,635	$ 454,913	$1,317,321	$ 1,321,159
Operating expenses:				
Practice salaries and benefits	309,904	301,306	909,168	880,686
Practice supplies and other operating expenses	22,440	22,581	66,455	72,688
General and administrative expenses	66,346	63,284	194,276	185,318
Depreciation and amortization	7,195	6,408	20,749	18,830
Transformational and restructuring related expenses	34,291	12,766	60,846	32,025
Total operating expenses	440,176	406,345	1,251,494	1,189,547
Income from operations	20,459	48,568	65,827	131,612
Investment and other income	10,534	802	13,064	2,777
Interest expense	(27,250)	(29,909)	(83,180)	(91,271)
Equity in earnings of unconsolidated affiliates	282	786	1,081	1,753
Total non-operating expenses	(16,434)	(28,321)	(69,035)	(86,741)
Income (loss) from continuing operations before income taxes	4,025	20,247	(3,208)	44,871
Income tax provision	(6,677)	(7,360)	(10,859)	(12,590)
(Loss) income from continuing operations	(2,652)	12,887	(14,067)	32,281
Loss from discontinued operations, net of tax	(38,392)	(1,268,803)	(718,125)	(1,539,314)
Net loss	$ (41,044)	$(1,255,916)	$ (732,192)	$(1,507,033)
Per common and common equivalent share data:				
(Loss) income from continuing operations:				
Basic	$ (0.03)	$ 0.16	$ (0.17)	$ 0.39
Diluted	$ (0.03)	$ 0.16	$ (0.17)	$ 0.38
Loss from discontinued operations:				
Basic	$ (0.46)	$ (15.39)	$ (8.62)	$ (18.36)
Diluted	$ (0.46)	$ (15.31)	$ (8.62)	$ (18.26)
Net loss:				
Basic	$ (0.49)	$ (15.23)	$ (8.79)	$ (17.97)
Diluted	$ (0.49)	$ (15.15)	$ (8.79)	$ (17.88)
Weighted average common shares:				
Basic	83,862	82,441	83,260	83,846
Diluted	83,862	82,883	83,260	84,302

The accompanying notes are an integral part of these Consolidated Financial Statements.

MEDNAX, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands)

	Common Stock		Additional Paid-in Capital	Retained (Deficit) Earnings	Total Equity
	Number of Shares	Amount			
2020					
Balance at January 1, 2020	84,248	$ 842	$ 987,942	$ 510,212	$ 1,498,996
Net loss	—	—	—	(18,712)	(18,712)
Unrealized holding loss on investments, net of tax [1]	—	—	—	(213)	(213)
Common stock issued under employee stock option, employee stock purchase plan and stock purchase plan	78	1	1,831	—	1,832
Issuance of restricted stock and conversion of deferred stock to common stock	968	10	(10)	—	—
Forfeitures of restricted stock	(19)	—	—	—	—
Stock-based compensation expense	—	—	8,035	—	8,035
Repurchased common stock	(125)	(1)	(2,541)	—	(2,542)
Balance at March 31, 2020	85,150	$ 852	$ 995,257	$ 491,287	$ 1,487,396
Net loss	—	—	—	(672,436)	(672,436)
Unrealized holding gain on investments, net of tax [1]	—	—	—	2,078	2,078
Common stock issued under employee stock option, employee stock purchase plan and stock purchase plan	277	3	2,541	—	2,544
Issuance of restricted stock	200	2	(2)	—	—
Forfeitures of restricted stock	(57)	(1)	1	—	—
Stock-based compensation expense	—	—	7,489	—	7,489
Repurchased common stock	(34)	(1)	(500)	—	(501)
Balance at June 30, 2020	85,536	$ 855	$ 1,004,786	$(179,071)	$ 826,570
Net loss	—	—	—	(41,044)	(41,044)
Contribution from noncontrolling Interests[1]				245	245
Unrealized holding gain on investments, net of tax [1]	—	—	—	47	47
Common stock issued under employee stock option, employee stock purchase plan and stock purchase plan	89	1	1,323	—	1,324
Issuance of restricted stock and conversion of deferred stock to common stock	282	3	(3)	—	—
Forfeitures of restricted stock	(92)	(1)	1	—	—
Stock-based compensation expense	—	—	23,316	—	23,316
Repurchased common stock	(311)	(3)	(5,449)	—	(5,452)
Balance at September 30, 2020	85,504	$ 855	$ 1,023,974	$(219,823)	$ 805,006

(1) Presented within retained (deficit) earnings as the balance is immaterial.

The accompanying notes are an integral part of these Consolidated Financial Statements.

MEDNAX, INC.
CONSOLIDATED STATEMENTS OF EQUITY (continued)
(in thousands)

	Common Stock		Additional Paid-in Capital	Retained (Deficit) Earnings	Total Equity
	Number of Shares	Amount			
2019					
Balance at January 1, 2019	87,820	$ 878	$ 992,647	$ 2,094,359	$ 3,087,884
Net loss	—	—	—	(242,872)	(242,872)
Unrealized holding loss on investments, net of tax [1]	—	—	—	(194)	(194)
Common stock issued under employee stock option, employee stock purchase plan and stock purchase plan	140	1	3,541	—	3,542
Issuance of restricted stock	978	10	(10)	—	—
Forfeitures of restricted stock	(6)	—	—	—	—
Stock swaps	(20)	—	(666)	—	(666)
Stock-based compensation expense	—	—	11,100	—	11,100
Repurchased common stock	(2,525)	(25)	(28,740)	(50,217)	(78,982)
Balance at March 31, 2019	86,387	$ 864	$ 977,872	$ 1,801,076	$ 2,779,812
Net loss	—	—	—	(8,245)	(8,245)
Unrealized holding gain on investments, net of tax [1]	—	—	—	232	232
Common stock issued under employee stock option, employee stock purchase plan and stock purchase plan	155	2	3,673	—	3,675
Issuance of restricted stock	123	1	(1)	—	—
Forfeitures of restricted stock	(61)	(1)	1	—	—
Stock-based compensation expense	—	—	15,080	—	15,080
Repurchased common stock	(2,508)	(25)	(29,196)	(36,306)	(65,527)
Balance at June 30, 2019	84,096	$ 841	$ 967,429	$ 1,756,757	$ 2,725,027
Net loss	—	—	—	(1,255,916)	(1,255,916)
Unrealized holding gain on investments, net of tax [1]	—	—	—	(32)	(32)
Common stock issued under employee stock option, employee stock purchase plan and stock purchase plan	124	1	2,605	—	2,606
Issuance of restricted stock	12	—	—	—	—
Forfeitures of restricted stock	(27)	—	—	—	—
Stock-based compensation expense	—	—	8,090	—	8,090
Repurchased common stock	(20)	—	(415)	—	(415)
Balance at September 30, 2019	84,185	$ 842	$ 977,709	$ 500,809	$ 1,479,360

[2] Presented within retained (deficit) earnings as the balance is immaterial.

The accompanying notes are an integral part of these Consolidated Financial Statements.

MEDNAX, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine Months Ended September 30, 2020	2019
Cash flows from operating activities:		
Net loss	$ (732,192)	$ (1,507,033)
Loss from discontinued operations	718,125	1,539,314
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	20,749	18,830
Amortization of premiums, discounts and issuance costs	4,076	4,293
Stock-based compensation expense	36,120	27,512
Deferred income taxes	30,214	(13,484)
Other	(30)	3,370
Changes in assets and liabilities:		
Accounts receivable	30,006	7,491
Prepaid expenses and other current assets	(1,716)	(22,545)
Other long-term assets	7,703	21,825
Accounts payable and accrued expenses	(36,433)	(2,238)
Income taxes payable / receivable	(28,837)	(25,838)
Long-term professional liabilities	15,703	4,508
Other liabilities	8,157	(19,768)
Net cash provided by operating activities – continuing operations	71,645	36,237
Net cash provided by operating activities—discontinued operations	144,841	186,177
Net cash provided by operating activities	216,486	222,414
Cash flows from investing activities:		
Acquisition payments, net of cash acquired	(2,225)	(31,200)
Purchases of investments	(36,090)	(13,907)
Proceeds from maturities or sales of investments	30,865	26,240
Purchases of property and equipment	(21,809)	(14,862)
Proceeds from sale of business, net of cash sold	1,080	—
Net cash used in investing activities – continuing operations	(28,179)	(33,729)
Net cash provided by (used in) investing activities—discontinued operations	3,079	(20,793)
Net cash used in investing activities	(25,100)	(54,522)
Cash flows from financing activities:		
Borrowings on credit agreement	527,500	1,225,800
Payments on credit agreement	(527,500)	(1,755,500)
Proceeds from issuance of senior notes	—	500,000
Payments for credit facility amendment and financing costs	(510)	(9,194)
Payments on finance lease obligations	(433)	—
Proceeds from issuance of common stock	5,697	9,157
Contribution from noncontrolling interests	245	—
Repurchases of common stock	(8,495)	(144,925)
Net cash used in financing activities – continuing operations	(3,496)	(174,662)
Net cash used in financing activities—discontinued operations	(1,248)	(8,909)
Net cash used in financing activities	(4,744)	(183,571)
Net increase (decrease) in cash and cash equivalents	186,642	(15,679)
Cash and cash equivalents at beginning of period	107,870	40,774
Cash and cash equivalents at end of period	$ 294,512	$ 25,095

The accompanying notes are an integral part of these Consolidated Financial Statements.

MEDNAX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2020
(Unaudited)

1. Basis of Presentation and New Accounting Pronouncements:

The accompanying unaudited Consolidated Financial Statements of the Company and the notes thereto presented in this Form 10-Q have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission applicable to interim financial statements, and do not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP") for complete financial statements. In the opinion of management, these financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results of the interim periods presented. The financial statements include all the accounts of MEDNAX, Inc. and its consolidated subsidiaries (collectively, "MDX") together with the accounts of MDX's affiliated business corporations or professional associations, professional corporations, limited liability companies and partnerships (the "affiliated professional contractors"). Certain subsidiaries of MDX have contractual management arrangements with its affiliated professional contractors, which are separate legal entities that provide physician services in certain states and Puerto Rico. The terms "MEDNAX" and the "Company" refer collectively to MEDNAX, Inc., its subsidiaries and the affiliated professional contractors.

The Company is a party to a joint venture in which it owns a 37.5% economic interest. The Company accounts for this joint venture under the equity method of accounting because the Company exercises significant influence over, but does not control, this entity.

In August 2020, the Company entered into a joint venture in which it owns a 51% economic interest and for which it is deemed the primary beneficiary. The equity interests of the outside investor in the equity of this consolidated entity is accounted for and presented as noncontrolling interests on the Company's Consolidated Balance Sheets. Although the joint venture was formed during the third quarter of 2020, it has not yet begun operations. Any future results of operations attributable to the noncontrolling interests will be accounted for and presented as such on the Company's Consolidated Statements of Income.

The consolidated results of operations for the interim periods presented are not necessarily indicative of the results to be experienced for the entire fiscal year. In addition, the accompanying unaudited Consolidated Financial Statements and the notes thereto should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in the Company's most recent Annual Report on Form 10-K (the "Form 10-K").

In October 2019, the Company divested its management services organization, which operated as MedData, to allow the Company to focus on its core physician services business. The operating results of MedData are reported as discontinued operations in the Company's Consolidated Statements of Income for the three and nine months ended September 30, 2019.

In May 2020, the Company divested its anesthesiology services medical group. The operating results of this medical group are reported as discontinued operations in the Company's Consolidated Statements of Income for the three and nine months ended September 30, 2020 and 2019.

On September 9, 2020, the Company entered into a definitive agreement to divest its radiology services medical group. The operating results of this medical group are reported as discontinued operations in the Company's Consolidated Statements of Income for the three and nine months ended September 30, 2020 and 2019.

Reclassifications have been made to certain prior period financial statements and footnote disclosures to reflect the impact of discontinued operations. See Note 6 – Assets Held for Sale and Discontinued Operations for additional information.

New Accounting Pronouncements

In December 2019, accounting guidance related to income taxes was issued with the goal of enhancing and simplifying various aspects of the income tax accounting guidance, including requirements related to hybrid tax regimes, deferred taxes on step-up in tax basis of goodwill obtained in a transaction that is not a business combination, separate financial statements of entities not subject to tax, the intraperiod tax allocation exception to the incremental approach, deferred tax liabilities on outside basis differences, and interim-period accounting for enacted changes in tax law and certain year-to-date loss limitations. The guidance becomes effective for the Company on January 1, 2021, including interim periods therein, with early adoption permitted, including adoption in interim or annual periods for which financial statements have not yet been issued. The Company does not believe the adoption of this new guidance will have a material impact on its Consolidated Financial Statements and related disclosures.

2. Coronavirus Pandemic ("COVID-19"):

COVID-19 and related "stay at home" and social distancing measures implemented across the country have significantly impacted demand for medical services provided by the Company's affiliated clinicians. Beginning in mid-March 2020, the Company experienced a significant decline in the number of elective surgeries at the facilities where the Company's affiliated clinicians provided anesthesiology services. Much of this decline was due to the closure of operating suites or facilities following federal advisories to cancel non-urgent procedures and the prohibition of such procedures by several states. Within the Company's radiology services medical group, orders for radiological studies declined by a meaningful amount from historically normal levels,

with much of this reduction focused in non-urgent studies. See Note 6 – Assets Held for Sale and Discontinued Operations for information regarding the divestment of the Company's anesthesiology services medical group and the planned divestment of the Company's radiology services medical group. The Company's affiliated office-based practices, which specialize in maternal-fetal medicine, pediatric cardiology, and numerous pediatric subspecialties, experienced a significant elevation of appointment cancellations compared to historical normal levels. At this time, the Company has not experienced, nor does it currently anticipate, any significant impact to neonatal intensive care unit (NICU) patient volumes as a result of COVID-19. Overall, the Company's operating results were significantly impacted by COVID-19 beginning in mid-March 2020.

The Company implemented a number of actions to preserve financial flexibility and partially mitigate the significant anticipated impact of COVID-19. These steps included a suspension of most activities related to the Company's transformational and restructuring programs, limiting these expenditures to those that provide essential support for the Company's response to COVID-19. In addition, (i) the Company temporarily reduced executive and key management base salaries, including 50% reductions in salaries for its named executive officers through June 30, 2020; (ii) the Board of Directors agreed to forego their annual cash retainer and cash meeting payments, also through June 30, 2020; (iii) the Company enacted a combination of salary reductions and furloughs for non-clinical employees; and (iv) the Company enacted significant operational and practice-specific expense reduction plans across its clinical operations. The Company also divested its anesthesiology services medical group in May 2020, where operating results were significantly impacted by COVID-19.

In response to the anticipated impact of COVID-19 on the Company's results of operations, on March 25, 2020, the Company amended and restated its Credit Agreement to, among other things, (i) establish a deemed Consolidated EBITDA of $139.2 million for the second and third quarters of 2020, reflecting average Adjusted EBITDA from continuing operations for the prior eight quarters (calculated for purposes of the Credit Agreement), which will be used in the calculation of rolling four consecutive quarter Consolidated EBITDA under the Credit Agreement, (ii) temporarily increase the maximum consolidated net leverage ratio required to be maintained by the Company from 4.50:1:00 to 5.00:1:00 for the second and third quarters of 2020 and 4.75:1:00 for the fourth quarter of 2020, before returning to 4.50:1:00 for the first quarter of 2021 and beyond, (iii) require that the Company maintains minimum availability under the Credit Agreement of $300.0 million through the third quarter of 2021, (iv) provide for a weekly repayment of borrowings under the Credit Agreement through the second quarter of 2021 using unrestricted cash on hand in excess of $300.0 million, plus a reserve for certain payables, and (v) temporarily restrict the Company's ability to make restricted payments under the Credit Agreement for the remainder of 2020, subject to certain exceptions. At September 30, 2020, the Company believes it was in compliance, in all material respects, with the financial covenants and other restrictions applicable to the Company under its Credit Agreement, its 5.25% senior unsecured notes due 2023 and its 6.25% senior unsecured notes due 2027. The Company believes it will be in compliance with these covenants for the next twelve months. At September 30, 2020, the Company had no outstanding principal balance on its Credit Agreement. The Company had outstanding letters of credit of $0.2 million which reduced the amount available on its Credit Agreement to $899.8 million at September 30, 2020, after giving effect to the temporary reduction of the capacity of its Credit Agreement described above through September 30, 2021.

CARES Act

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") into law. The CARES Act is a relief package intended to assist many aspects of the American economy, including providing up to $100 billion in aid to the healthcare industry to reimburse healthcare providers for lost revenue and expenses attributable to COVID-19. The remaining $70 billion in aid is intended to focus on providers in areas particularly impacted by COVID-19, rural providers, providers of services with lower shares of Medicare reimbursement or who predominantly serve the Medicaid population, and providers requesting reimbursement for the treatment of uninsured Americans. It is unknown what, if any, portion of the remaining healthcare industry funding on the CARES Act the Company and its affiliated physician practices will qualify for and receive. The Department of Health and Human Services ("HHS") is administering this program and began disbursing funds in April 2020, of which the Company's affiliated physician practices within continuing operations received an aggregate of approximately $20.0 million during the nine months ended September 30, 2020. The Company has applications pending for certain affiliated physician practices for incremental relief beyond what has been received.

In addition, the CARES Act also provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. The Company intends to utilize this deferral option throughout 2020.

The COVID-19 pandemic has materially impacted the Company's financial results, but due to the rapidly evolving environment and continued uncertainties surrounding the timeline of and impacts from COVID-19, the Company is unable to predict the ultimate impact on its business, financial condition, results of operations and cash flows. The Company, however, believes it will be able to generate sufficient liquidity to satisfy its obligations for the next twelve months.

3. Cash Equivalents and Investments:

As of September 30, 2020 and December 31, 2019, the Company's cash equivalents consisted entirely of money market funds totaling $2.4 million and $16.8 million, respectively. Investments consisted of corporate securities, municipal debt securities, federal home loan securities and certificates of deposit. All investments are classified as current.

Investments held at September 30, 2020 and December 31, 2019 are summarized as follows (in thousands):

	September 30, 2020	December 31, 2019
Corporate securities	$ 56,680	$ 32,962
Municipal debt securities	13,523	29,066
Federal home loan securities	6,529	8,013
Certificates of deposit	4,842	4,469
	$ 81,574	$ 74,510

4. Fair Value Measurements:

The accounting guidance establishes a fair value hierarchy that prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of three levels:

Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following table presents information about the Company's financial instruments that are accounted for at fair value on a recurring basis at September 30, 2020 and December 31, 2019 (in thousands):

	Fair Value Category	Fair Value	
		September 30, 2020	December 31, 2019
Assets:			
Money market funds	Level 1	$ 2,411	$ 16,775
Short-term investments	Level 2	81,574	74,510
Mutual Funds	Level 1	14,446	14,264

The following table presents information about the Company's financial instruments that are not carried at fair value at September 30, 2020 and December 31, 2019 (in thousands):

	September 30, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities:				
2023 Notes	750,000	759,375	750,000	766,875
2027 Notes	1,000,000	1,035,000	1,000,000	1,025,600

The carrying amounts of cash equivalents, accounts receivable and accounts payable and accrued expenses approximate fair value due to the short maturities of the respective instruments. The carrying value of the Company's line of credit approximates fair value. If the Company's line of credit was measured at fair value, it would be categorized as Level 2 in the fair value hierarchy.

5. Accounts Receivable and Net Revenue:

Accounts receivable, net consists of the following (in thousands):

	September 30, 2020	December 31, 2019
Gross accounts receivable	$ 1,119,171	$ 1,750,264
Allowance for contractual adjustments and uncollectibles	(852,046)	(1,315,998)
	$ 267,125	$ 434,266

Patient service revenue is recognized at the time services are provided by the Company's affiliated physicians. The Company's performance obligations related to the delivery of services to patients are satisfied at the time of service. Accordingly, there are no performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period with respect to patient service revenue. Almost all of the Company's patient service revenue is reimbursed by government-sponsored healthcare programs ("GHC Programs") and third-party insurance payors. Payments for services rendered to the Company's patients are generally less than billed charges. The Company monitors its revenue and receivables from these sources and records an estimated contractual allowance to properly account for the anticipated differences between billed and reimbursed amounts.

Accordingly, patient service revenue is presented net of an estimated provision for contractual adjustments and uncollectibles. The Company estimates allowances for contractual adjustments and uncollectibles on accounts receivable based upon historical experience and other factors, including days sales outstanding ("DSO") for accounts receivable, evaluation of expected adjustments and delinquency rates, past adjustments and collection experience in relation to amounts billed, an aging of accounts receivable, current contract and reimbursement terms, changes in payor mix and other relevant information. Contractual adjustments result from the difference between the physician rates for services performed and the reimbursements by GHC Programs and third-party insurance payors for such services.

Collection of patient service revenue the Company expects to receive is normally a function of providing complete and correct billing information to the GHC Programs and third-party insurance payors within the various filing deadlines and typically occurs within 30 to 60 days of billing.

Some of the Company's hospital agreements require hospitals to pay the Company administrative fees. Some agreements provide for fees if the hospital does not generate sufficient patient volume in order to guarantee that the Company receives a specified minimum revenue level. The Company also receives fees from hospitals for administrative services performed by its affiliated physicians providing medical director or other services at the hospital.

The following table summarizes the Company's net revenue by category (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net patient service revenue	$382,936	$400,330	$1,133,313	$1,159,363
Hospital contract administrative fees	61,186	51,149	154,840	149,407
Other revenue	16,513	3,434	29,168	12,389
	$460,635	$454,913	$1,317,321	$1,321,159

The approximate percentage of net patient service revenue by type of payor was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Contracted managed care	69%	68%	69%	68%
Government	26	26	26	26
Other third-parties	4	5	4	5
Private-pay patients	1	1	1	1
	100%	100%	100%	100%

6. Business Combinations, Assets Held for Sale and Discontinued Operations:

Business Combinations

During the nine months ended September 30, 2020, the Company completed the acquisition of one pediatric subspecialty practice for total consideration of $2.1 million, of which $1.9 million was paid in cash and $0.2 million was recorded as a contingent consideration liability. This acquisition expanded the Company's national network of physician practices. In connection with this acquisition, the Company recorded non-deductible goodwill of $0.8 million and other intangible assets consisting primarily of physician and hospital agreements of $1.3 million.

Divestiture of the Radiology Services Medical Group

On September 9, 2020, the Company entered into a securities purchase agreement with Radiology Partners, Inc., pursuant to which Radiology Partners, Inc. will acquire the Company's radiology services medical group for $885 million cash, subject to certain customary adjustments. This divestiture will allow the Company to focus solely on its Pediatrix and Obstetrix medical groups. The Company determined that the criterion to classify the radiology services medical group as assets held for sale within the Company's Consolidated Balance Sheets effective September 30, 2020 were met. Accordingly, the assets and liabilities of the radiology services medical group were classified as current assets and current liabilities held for sale at September 30, 2020 as the Company expects to divest of the radiology services medical group within the next twelve months. The classification to assets held for sale impacted the net book value of the assets and liabilities expected to be transferred upon sale. The estimated fair value of the radiology services medical group was determined using the purchase price in the purchase agreement along with estimated broker, accounting, legal and other selling expenses. The Company deemed the carrying amount of other assets within the medical group, specifically accounts receivable and property and equipment, to represent fair value and therefore recorded a non-cash charge of $43.0 million against goodwill, which represented the difference between the estimated fair value of the radiology services medical group and the carrying amount of the net assets held for sale. Recognition of the charge against goodwill resulted in a tax benefit which

generated an additional $4.0 million deferred tax asset that increased the fair value of the medical group. An incremental non-cash charge is then required to reduce the radiology services medical group's net assets to its previously determined fair value. Accordingly, the Company recorded the incremental non-cash charge of $4.0 million for a total non-cash charge of $47.0 million, reducing the goodwill balance of the radiology services medical group. Upon completion of the divestiture, the Company could record an additional gain or loss on disposal at the time final net proceeds are determined.

In addition, in accordance with accounting guidance for discontinued operations, the expected divestiture of the radiology services medical group was deemed to represent a fundamental strategic shift that will have a major effect on the Company's operations, and accordingly, the operating results of the radiology services medical group were reported as discontinued operations in the Company's Consolidated Statements of Income for the three and nine months ended September 30, 2020 with prior periods recast to conform with the current period presentation.

The following table represents the major classes of assets and liabilities of the radiology services medical group that are included as assets and liabilities held for sale in the accompanying Consolidated Balance Sheets as of September 30, 2020 and December 31, 2019 (in thousands):

	September 30, 2020	December 31, 2019
Assets		
Accounts receivable, net	$ 54,284	$ 64,603
Prepaid expenses and other current assets	9,819	9,744
Property and equipment, net	20,078	19,204
Operating leases right-of-use assets	14,165	15,008
Goodwill	640,818	685,170
Intangible assets, net	170,059	180,978
Deferred income tax assets	6,020	18,183
Other assets	36,305	40,724
	$ 951,548	$ 1,033,614
Liabilities		
Accounts payable and accrued expenses	$ 39,505	$ 42,474
Operating and finance leases	13,619	14,355
Long-term professional liabilities	23,744	21,978
Other liabilities	1,844	81
	$ 78,712	$ 78,888

The following table summarizes the results of discontinued operations related to the radiology services medical group for the three and nine months ended September 30, 2020 and 2019 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net revenue	$125,765	$ 125,650	$340,133	$366,678
Operating expenses:				
Cost of service salaries and benefits	84,718	80,336	234,169	238,402
Cost of service supplies and other operating expenses	1,449	1,532	4,273	(1,468)
General and administrative expenses	19,876	20,734	57,178	64,490
Depreciation and amortization	5,090	7,595	20,328	22,757
Transformational and restructuring related expenses	2,491	441	6,517	1,487
Goodwill impairment	46,963	117,924	46,963	117,924
Total operating expenses	160,587	228,562	369,428	443,592
Loss from operations	(34,822)	(102,912)	(29,295)	(76,914)
Non-operating income, net	1,369	2,059	3,035	4,768
Loss before income taxes	(33,453)	(100,853)	(26,260)	(72,146)
Income tax (provision) benefit	(62)	3,907	(1,988)	(3,687)
Net loss	$ (33,515)	$ (96,946)	$ (28,248)	$ (75,833)

Divestiture of the Anesthesiology Services Medical Group

On May 6, 2020, the Company entered into a securities purchase agreement with an affiliate of North American Partners in Anesthesia ("NAPA") to divest the Company's anesthesiology services medical group, and the transaction closed on May 6, 2020. Pursuant to the terms and conditions of the agreement, at the closing of the transaction, the Company received a cash payment of $50.0 million, subject to certain customary adjustments, as well as a contingent economic interest in NAPA with a value ranging from $0 to $250 million based upon the multiple of invested capital returned to NAPA's owners upon exit of the investment. The Company will begin to receive a payment on its economic interest at an exit multiple of 2.0, with such payment reaching $250 million at an exit multiple of 5.0. In addition, the Company retained the accounts receivable of the anesthesiology services medical group, which net of various other working capital items, approximated $110.0 million at March 31, 2020.

The operating results of the anesthesiology services medical group service line were reported as a component of discontinued operations, net of income taxes, in the Company's Consolidated Statements of Income for the three and nine months ended September 30, 2020 and 2019.

A single anesthesiology practice was not included in the divestiture of the anesthesiology services medical group, and continues to operate as an affiliate of the Company. Its results of operations are reflected in the three months ended September 30, 2020 while the incremental loss on sale of the anesthesiology services medical group recorded during the three months ended September 30, 2020 reflects a true up of various divested account balances during the third quarter of 2020.

The total preliminary loss on sale of the anesthesiology services medical group recorded during the nine months ended September 30, 2020 was $648.7 million. Upon completion of a valuation for the contingent economic interest and working capital true-up, final net proceeds will be determined, and the Company will adjust the loss on sale at that time. In addition, as a result of the sale, the Company currently estimates that it will generate an approximately $1.68 billion capital loss carryforward that will expire in 2025. Based on management's determination that it is more likely than not that the tax benefits related to this loss carryforward will not be realized, the Company has provided an approximately $419.0 million valuation allowance against this deferred tax asset as of September 30, 2020.

The following table summarizes the results of discontinued operations related to the anesthesiology services medical group for the three and nine months ended September 30, 2020 and 2019 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net revenue	$ 2,700	$ 309,602	$ 377,661	$ 924,845
Operating expenses:				
Cost of service salaries and benefits	2,746	250,157	351,408	746,237
Cost of service supplies and other operating expenses	38	2,837	5,254	9,537
General and administrative expenses	215	18,338	31,179	57,909
Depreciation and amortization	—	5,605	6,308	17,863
Transformational and restructuring related expenses	—	6,785	28,634	17,506
Goodwill impairment	—	1,331,291	—	1,331,291
Loss on sale, net	4,499	—	644,653	—
Total operating expenses	7,498	1,615,013	1,067,436	2,180,343
Loss from operations	(4,798)	(1,305,411)	(689,775)	(1,255,498)
Non-operating (expense) income, net	—	(17)	51	(14)
Loss before income taxes	(4,798)	(1,305,428)	(689,724)	(1,255,512)
Income tax benefit	100	129,241	5,661	115,987
Net loss	$(4,698)	$(1,176,187)	$ (684,063)	$(1,139,525)

Divestiture of MedData

The Company divested of its management services organization, MedData, in October 2019. During the nine months ended September 30, 2020, the Company recorded a net incremental loss on the sale of MedData of $5.8 million, primarily for the finalization of certain transaction related expenses, a working capital true-up and incremental reserves related to indemnification matters, partially offset by the completion of its preliminary valuation for the contingent economic consideration. This incremental loss is reflected as a component of discontinued operations, net of income taxes, in the Company's Consolidated Statements of Income for the nine months ended September 30, 2020. The operating results of MedData were reported as a component of discontinued operations, net of income taxes, in the Company's Consolidated Statements of Income for the three and nine months ended September 30, 2019.

7. Accounts Payable and Accrued Expenses:

Accounts payable and accrued expenses consist of the following (in thousands):

	September 30, 2020	December 31, 2019
Accounts payable	$ 60,956	$ 35,410
Accrued salaries and bonuses	158,579	193,631
Accrued payroll taxes and benefits	48,474	54,768
Accrued professional liabilities	55,469	44,699
Accrued interest	26,940	32,910
Other accrued expenses	38,099	49,219
	$ 388,517	$ 410,637

The net decrease in accrued salaries and bonuses of $35.1 million, from December 31, 2019 to September 30, 2020, is primarily due to the payment of performance-based incentive compensation, principally to the Company's affiliated physicians, partially offset by performance-based incentive compensation accrued during the nine months ended September 30, 2020. A majority of the Company's payments for performance-based incentive compensation is paid annually during the first quarter.

8. Common and Common Equivalent Shares:

Basic net income per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted net income per common share is calculated by dividing net income by the weighted average number of common and potential common shares outstanding during the period. Potential common shares consist of outstanding restricted stock, deferred stock and stock options and is calculated using the treasury stock method.

The calculation of shares used in the basic and diluted net income per common share calculation for the three and nine months ended September 30, 2020 and 2019 is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Weighted average number of common shares outstanding	83,862	82,441	83,260	83,846
Weighted average number of dilutive common share equivalents	—	442	—	456
Weighted average number of common and common equivalent shares outstanding (a)	83,862	82,883	83,260	84,302
Antidilutive securities not included in the diluted net income per common share calculation	829	962	1,004	796

(a) Due to a loss from continuing operations for the three months and nine months ended September 30, 2020, no incremental shares are included because the effect would be antidilutive.

9. Stock Incentive Plans and Stock Purchase Plans:

The Company's Amended and Restated 2008 Incentive Compensation Plan (the "A&R 2008 Incentive Plan") provides for grants of stock options, stock appreciation rights, restricted stock, deferred stock, and other stock-related awards and performance awards that may be settled in cash, stock or other property.

Under the A&R 2008 Incentive Plan, options to purchase shares of common stock may be granted at a price not less than the fair market value of the shares on the date of grant. The options must be exercised within 10 years from the date of grant and generally become exercisable on a pro rata basis over a three-year period from the date of grant. The Company issues new shares of its common stock upon exercise of its stock options. Restricted stock awards generally vest over periods of three years upon the fulfillment of specified service-based conditions and in certain instances performance-based conditions. Deferred stock awards generally vest upon the satisfaction of specified performance-based conditions and service-based conditions. The Company recognizes compensation expense related to its restricted stock, deferred stock awards and stock options ratably over the corresponding vesting periods. During the nine months ended September 30, 2020, the Company granted 1.4 million shares of restricted stock and 1.0 million shares of stock underlying non-qualified stock options to its employees and non-employee directors under the A&R 2008 Incentive Plan. At September 30, 2020, the Company had 5.0 million shares available for future grants and awards under the A&R 2008 Incentive Plan.

Under the Company's 1996 Non-Qualified Employee Stock Purchase Plan, as amended (the "ESPP"), employees are permitted to purchase the Company's common stock at 85% of market value on January 1st, April 1st, July 1st and October 1st of each year. Under the Company's 2015 Non-Qualified Stock Purchase Plan (the "SPP"), certain eligible non-employee service providers are permitted to purchase the Company's common stock at 90% of market value on January 1st, April 1st, July 1st and October 1st of each year.

Each of the ESPP and the SPP provide for the issuance of an aggregate of 2.6 million shares of the Company's common stock less the number of shares of common stock purchased under the other plan. The Company recognizes stock-based compensation expense for the discount received by participating employees and non-employee service providers. During the nine months ended September 30, 2020, approximately 0.4 million shares in the aggregate were issued under the ESPP and SPP. At September 30, 2020, the Company had approximately 0.6 million shares in the aggregate reserved for issuance under the ESPP and SPP.

During the three and nine months ended September 30, 2020 and 2019, the Company recognized stock-based compensation expense of $4.5 million and $18.2 million, and $7.6 million and $27.6 million, respectively.

10. Common Stock Repurchase Programs:

In July 2013, the Company's Board of Directors authorized the repurchase of shares of the Company's common stock up to an amount sufficient to offset the dilutive impact from the issuance of shares under the Company's equity compensation programs. The share repurchase program allows the Company to make open market purchases from time-to-time based on general economic and market conditions and trading restrictions. The repurchase program also allows for the repurchase of shares of the Company's common stock to offset the dilutive impact from the issuance of shares, if any, related to the Company's acquisition program. No shares were purchased under this program during the nine months ended September 30, 2020.

In August 2018, the Company announced that its Board of Directors had authorized the repurchase of up to $500.0 million of the Company's common stock in addition to its existing share repurchase program, of which $107.2 million remained available for repurchase as of December 31, 2019. Under this share repurchase program, during the nine months ended September 30, 2020, the Company withheld approximately 0.5 million shares of its common stock to satisfy minimum statutory withholding obligations of $8.5 million in connection with the vesting of restricted stock and deferred stock.

The Company intends to utilize various methods to effect any future share repurchases, including, among others, open market purchases and accelerated share repurchase programs. The amount and timing of repurchases will depend upon several factors, including general economic and market conditions and trading restrictions.

11. Commitments and Contingencies:

The Company expects that audits, inquiries and investigations from government authorities and agencies will occur in the ordinary course of business. Such audits, inquiries and investigations and their ultimate resolutions, individually or in the aggregate, could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and the trading price of its securities. The Company has not included an accrual for these matters as of September 30, 2020 in its Consolidated Financial Statements, as the variables affecting any potential eventual liability depend on the currently unknown facts and circumstances that arise out of, and are specific to, any particular future audit, inquiry and investigation and cannot be reasonably estimated at this time.

In the ordinary course of business, the Company becomes involved in pending and threatened legal actions and proceedings, most of which involve claims of medical malpractice related to medical services provided by the Company's affiliated physicians. The Company's contracts with hospitals generally require the Company to indemnify them and their affiliates for losses resulting from the negligence of the Company's affiliated physicians. The Company may also become subject to other lawsuits which could involve large claims and significant costs. The Company believes, based upon a review of pending actions and proceedings, that the outcome of such legal actions and proceedings will not have a material adverse effect on its business, financial condition, results of operations, cash flows and the trading price of its securities. The outcome of such actions and proceedings, however, cannot be predicted with certainty and an unfavorable resolution of one or more of them could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and the trading price of its securities.

Although the Company currently maintains liability insurance coverage intended to cover professional liability and certain other claims, the Company cannot assure that its insurance coverage will be adequate to cover liabilities arising out of claims asserted against it in the future where the outcomes of such claims are unfavorable. With respect to professional liability risk, the Company generally self-insures a portion of this risk through its wholly owned captive insurance subsidiary. Liabilities in excess of the Company's insurance coverage, including coverage for professional liability and certain other claims, could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and the trading price of its securities.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion highlights the principal factors that have affected our financial condition and results of operations, as well as our liquidity and capital resources, for the periods described. This discussion should be read in conjunction with the unaudited Consolidated Financial Statements and the notes thereto included in this Quarterly Report. In addition, reference is made to our audited consolidated financial statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the Securities and Exchange Commission on February 20, 2020 (the "2019 Form 10-K"). As used in this Quarterly Report, the terms "MEDNAX", the "Company", "we", "us" and "our" refer to the parent company, MEDNAX, Inc., a Florida corporation, and the consolidated subsidiaries through which its businesses are actually conducted (collectively, "MDX"), together with MDX's affiliated business corporations or professional associations, professional corporations, limited liability companies and partnerships ("affiliated professional contractors"). Certain subsidiaries of MDX have contracts with our affiliated professional contractors, which are separate legal entities that provide physician services in certain states and Puerto Rico. The following discussion contains forward-looking statements. Please see the Company's 2019 Form 10-K, including Item 1A, Risk Factors, and Item 1A. Risk Factors below, for a discussion of the uncertainties, risks and assumptions associated with these forward-looking statements. In addition, please see "Caution Concerning Forward-Looking Statements" below.

Overview

MEDNAX is a leading provider of physician services including newborn, maternal-fetal, pediatric cardiology and other pediatric subspecialty care. Our affiliated physicians provide neonatal clinical care, primarily within hospital-based neonatal intensive care units, to babies born prematurely or with medical complications and maternal-fetal and obstetrical medical care to expectant mothers experiencing complicated pregnancies primarily in areas where our affiliated neonatal physicians practice. Our network also includes other pediatric subspecialists, including those who provide pediatric intensive care, pediatric cardiology care, hospital-based pediatric care, pediatric surgical care, pediatric ear, nose and throat, pediatric ophthalmology and pediatric urology services. In addition to our national physician network, we provide services nationwide to healthcare facilities and physicians, including ours, through a consulting services company. MEDNAX divested its anesthesiology services medical group on May 6, 2020 and on September 9, 2020 entered into an agreement to divest of its radiology services medical group, which provides radiology services including diagnostic imaging and interventional radiology, as well as teleradiology services through a network of affiliated radiologists.

Coronavirus Pandemic (COVID-19)

COVID-19 and related "stay at home" and social distancing measures implemented across the country have significantly impacted demand for medical services provided by our affiliated clinicians. Beginning in mid-March 2020, we experienced a significant decline in the number of elective surgeries at the facilities where our affiliated clinicians provided anesthesia services. Much of this decline was due to the closure of operating suites or facilities following federal advisories to cancel non-urgent procedures and the prohibition of such procedures by several states. Within our radiology service line, orders for radiological studies declined by a meaningful amount from historically normal levels, with much of this reduction focused in non-urgent studies. Our affiliated office-based practices, which specialize in maternal-fetal medicine, pediatric cardiology, and numerous pediatric subspecialties, experienced a significant elevation of appointment cancellations compared to historical normal levels. At this time, we have not experienced, nor do we currently anticipate, any significant impact to neonatal intensive care unit (NICU) patient volumes as a result of COVID-19. Overall, our operating results since mid-March 2020 have been significantly impacted by the COVID-19 pandemic, but volumes did begin to normalize in May 2020 and substantially recovered during the month of June 2020. We divested our anesthesiology services medical group in May 2020, where operating results were significantly impacted by COVID-19. We have also entered into an agreement to divest our radiology services medical group, where operating results were meaningfully impacted by COVID-19.

We implemented a number of actions to preserve financial flexibility and partially mitigate the significant impact of COVID-19. These steps included a suspension of most activities related to our transformational and restructuring programs, limiting these expenditures to those that provide essential support for our response to COVID-19. In addition, (i) we temporarily reduced executive and key management base salaries, including 50% reductions in salaries for our named executive officers through June 30, 2020; (ii) our Board of Directors agreed to forego their annual cash retainer and cash meeting payments, also through June 30, 2020; (iii) we enacted a combination of salary reductions and furloughs for non-clinical employees; and (iv) we enacted significant operational and practice-specific expense reduction plans across our clinical operations.

We also implemented a variety of solutions across specialties to support clinicians and patients during this pandemic, including

- Clinician Shortage Support

  Pediatric clinicians are lending their expertise to help fulfill the need for added adult care.

- Strengthening of Supply Chain

  MEDNAX is helping to address the shortage of personal protective equipment (PPE) by partnering with vendors across industries to source high filtration respirators, surgical masks and other forms of PPE for protective use.

- Expanded Virtual Care Offerings

Utilizing VSee, an internationally recognized telehealth platform, MEDNAX has deployed a national multi-specialty virtual clinic to expand its telehealth offerings and make virtual care available to its clinical workforce, enabling continued patient consults and clinician collaboration while minimizing COVID-19 exposure.

- Early Virus Detection Using Cutting-Edge Imaging Diagnostic Tools

  MEDNAX Radiology Solutions is leading early detection efforts through chest imaging. vRad, a MEDNAX company, diagnosed one of the first COVID-19 patients in the United States via chest computed tomography ("CT"), which showed findings consistent with a severe acute respiratory viral infection. In the absence of laboratory testing kits, chest CT can serve as a diagnostic tool. In addition, MEDNAX Radiology Solutions is refining natural language processing ("NLP") to identify the incidence of viral pneumonia and typical findings of the COVID-19 virus in the lungs via chest CT across the proprietary MEDNAX Imaging Platform and inference engine, which is connected to more than 2,000 partner facilities across the country. The NLP is run retrospectively to monitor the amount and rate of increase of suspected chest CT findings for COVID-19 and viral pneumonia, supporting faster treatment. If successful, this cutting-edge diagnostic tool could serve as an effective tracker of the disease's progression throughout the country and provide new insights for imaging findings for COVID-19 patients.

- Virtual Forum to Provide Clinician Support

  To support frontline clinicians while abiding by social distancing recommendations, MEDNAX has created a virtual doctors' lounge for clinicians across specialties to connect and socialize in the absence of typical in-person lounges, helping to boost morale and preserve a sense of normalcy.

We currently expect that COVID-19 will continue to materially impact our financial results, but due to the rapidly evolving environment and continued uncertainties surrounding the timeline of and impacts from COVID-19, we are unable to predict the ultimate impact on our business, financial condition, results of operations, cash flows and the trading price of our securities at this time.

CARES Act

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") into law. The CARES Act is a relief package intended to assist many aspects of the American economy, including providing up to $100 billion in aid to the healthcare industry to reimburse healthcare providers for lost revenue and expenses attributable to COVID-19. The remaining $70 billion in aid is intended to focus on providers in areas particularly impacted by COVID-19, rural providers, providers of services with lower shares of Medicare reimbursement or who predominantly serve the Medicaid population, and providers requesting reimbursement for the treatment of uninsured Americans. It is unknown what, if any, portion of the remaining healthcare industry funding on the CARES Act our affiliated physician practices will qualify for and receive. The Department of Health and Human Services ("HHS") is administering this program, and our affiliated physician practices within continuing operations have received an aggregate of approximately $20.0 million in relief payments during the nine months ended September 30, 2020. We have applications pending for certain affiliated physician practices for incremental relief beyond what has been received.

In addition, the CARES Act also provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. We intend to utilize this deferral option throughout 2020.

Divestiture of the Anesthesiology Services Medical Group

On May 6, 2020, we entered into a securities purchase agreement with an affiliate of North American Partners in Anesthesia ("NAPA") to divest our anesthesiology services medical group, and the transaction closed on May 6, 2020. Pursuant to the terms and conditions of the agreement, at the closing of the transaction, we received a cash payment of $50.0 million, subject to certain customary adjustments, as well as a contingent economic interest in NAPA with a value ranging from $0 to $250 million based upon the multiple of invested capital returned to NAPA's owners upon exit of the investment. The operating results of the anesthesiology services medical group were reported as discontinued operations in our consolidated statements of income for the three and nine months ended September 30, 2020 and 2019, and the net assets sold were presented as assets and liabilities held for sale in our consolidated balance sheet at December 31, 2019.

Divestiture of the Radiology Services Medical Group

On September 9, 2020, we entered into a securities purchase agreement to divest our radiology services medical group for $885.0 million cash, subject to certain customary adjustments, as the next step in refocusing our business as a dedicated pediatrics and obstetrics organization. The operating results of the radiology services medical group were reported as discontinued operations in our consolidated statements of income for the three and nine months ended September 30, 2020 and 2019, and the net assets to be sold were presented as assets and liabilities held for sale in our consolidated balance sheets at September 30, 2020 and December 31, 2019.

Reclassifications

Reclassifications have been made to certain prior period financial statements and footnote disclosures to conform to the current period presentation, specifically to reflect the impact of the anesthesiology services medical group and radiology services medical group being classified as assets held for sale and discontinued operations.

General Economic Conditions and Other Factors

Our operations and performance depend significantly on economic conditions. During the three months ended September 30, 2020, the percentage of our patient service revenue being reimbursed under government-sponsored healthcare programs ("GHC Programs") increased as compared to the three months ended September 30, 2019. Economic conditions in the United States ("U.S.") have deteriorated, primarily as a result of COVID-19, and patient volumes have declined. We could experience additional shifts toward GHC Programs if changes occur in population demographics within geographic locations in which we provide services, including an increase in unemployment and underemployment as well as losses of commercial health insurance. Payments received from GHC Programs are substantially less for equivalent services than payments received from commercial insurance payors. In addition, due to the rising costs of managed care premiums and patient responsibility amounts, we may experience lower net revenue resulting from increased bad debt due to patients' inability to pay for certain services.

Transformation and Restructuring Initiatives

We have developed a number of strategic initiatives across our organization, in both our shared services functions and our operational infrastructure, with a goal of generating improvements in our general and administrative expenses and our operational infrastructure. We have broadly classified these workstreams in four broad categories including practice operations, revenue cycle management, information technology and human resources. We have included the expenses, which in certain cases represent estimates, related to such activity on a separate line item in our consolidated statements. In our shared services departments, we were focused on improving processes, using our resources more efficiently and utilizing our scale more effectively to improve cost and service performance across our operations. Within our operational infrastructure, we developed specific operational plans within each of our service lines and affiliated physician practices, with specific milestones and regular reporting, with the goal of generating long-term operational improvements and fostering even greater collaboration across our national medical group. We intended to make a series of information-technology and other investments to improve processes and performance across our enterprise, using both internal and external resources. A significant amount of transformational and restructuring activities were related to our anesthesiology services medical group, which was divested in May 2020. We believed these strategic initiatives, together with our continued plans to invest in focused, targeted and strategic organic and acquisitive growth, positioned us well to deliver a differentiated value proposition to our stakeholders while continuing to provide the highest quality care for our patients.

We originally expected these activities to continue through at least 2020. However, as discussed above, beginning in April 2020, we reduced the scope of our transformation and restructuring related initiatives unless they are initiatives that provide essential support for our response to COVID-19. Various expenses related to our executive management and board restructuring in July 2020 were recorded as transformation and restructuring related expenses during the third quarter of 2020.

Healthcare Reform

The Patient Protection and Affordable Care Act (the "ACA") contains a number of provisions that have affected us and, absent amendment or repeal, may continue to affect us over the next several years. These provisions include the establishment of health insurance exchanges to facilitate the purchase of qualified health plans, expanded Medicaid eligibility, subsidized insurance premiums and additional requirements and incentives for businesses to provide healthcare benefits. Other provisions have expanded the scope and reach of the Federal Civil False Claims Act and other healthcare fraud and abuse laws. Moreover, we could be affected by potential changes to various aspects of the ACA, including changes to subsidies, healthcare insurance marketplaces and Medicaid expansion.

The ACA remains subject to continuing legislative and administrative flux and uncertainty. In 2017, Congress unsuccessfully sought to replace substantial parts of the ACA with different mechanisms for facilitating insurance coverage in the commercial and Medicaid markets. Congress may again attempt to enact substantial or target changes to the ACA in the future. Additionally, Centers for Medicare & Medicaid Services ("CMS") has administratively revised a number of provisions and may seek to advance additional significant changes through regulation, guidance and enforcement in the future.

At the end of 2017, Congress repealed the part of the ACA that required most individuals to purchase and maintain health insurance or face a tax penalty, known as the individual mandate. In light of these changes, in December 2018, a federal district court in Texas declared that key portions of the ACA were inconsistent with the U.S. Constitution and that the entire ACA is invalid as a result. Several states appealed this decision, and in December 2019, a federal court of appeals upheld the district court's conclusion that part of the ACA is unconstitutional but remanded for further evaluation whether in light of this defect the entire ACA must be invalidated. In November 2020, the Supreme Court of the United States is expected to hear this matter and could invalidate portions of, or all of, the ACA. Changes resulting from these proceedings could have a material impact on our business. In the meantime, it also is possible that as a result of these actions, enrollment in healthcare exchanges could decline.

In November 2020, there will be federal and state elections that could affect which persons and parties occupy the Office of the President of the United States, control one or both chambers of Congress and many states' governors and legislatures. The candidates running for President of the United States may propose changes to the U.S. healthcare system, including expanding government-funded healthcare insurance options, "Medicare for All" or eliminating the ACA in favor of an alternative plan. Any legislative or administrative change to the current healthcare financing system could have a material adverse effect on our financial condition, results of operations, cash flows and the trading price of our securities.

If the ACA is repealed or further substantially modified by judicial, legislative or administrative action, or if implementation of certain aspects of the ACA are diluted, delayed or replaced with a "Medicare for All," public option or single payor system, such repeal, modification or delay may impact our business, financial condition, results of operations, cash flows and the trading price of our securities. We are unable to predict the impact of any repeal, modification or delay in the implementation of the ACA, including the repeal of the individual mandate or implementation of a single payor system, on us at this time.

In addition to the potential impacts to the ACA, there could be changes to other GHC Programs, such as a change to the structure of Medicaid. In the past, Congress and the Administration have sought to convert Medicaid into a block grant or to institute "per capita spending caps", among other things. These changes, if implemented, could eliminate the guarantee that everyone who is eligible and applies for benefits would receive them and could potentially give states new authority to restrict eligibility, cut benefits and make it more difficult for people to enroll. Additionally, several states are considering and pursuing changes to their Medicaid programs, such as requiring recipients to engage in employment or education activities as a condition of eligibility for most adults, disenrolling recipients for failure to pay a premium, or adjusting premium amounts based on income.

As a result, we cannot predict with any assurance the ultimate effect of these laws and resulting changes to payments under GHC Programs, nor can we provide any assurance that they will not have a material adverse effect on our business, financial condition, results of operations, cash flows and the trading price of our securities. Further, any fiscal tightening impacting GHC Programs or changes to the structure of any GHC Programs could have a material adverse effect on our financial condition, results of operations, cash flows and the trading price of our securities.

The Medicare Access and CHIP Reauthorization Act

The Medicare Access and CHIP Reauthorization Act ("MACRA") requires Medicare providers to choose to participate in one of two payment formulas, Merit-Based Incentive Payment System ("MIPS") or Alternative Payment Models ("APMs"). Beginning in 2020, MIPS allows eligible physicians to receive incentive payments based on the achievement of certain quality and cost metrics, among other measures, and be reduced for those who are underperforming against those same metrics and measures. As an alternative, physicians can choose to participate in an advanced APM, and physicians who are meaningful participants in APMs will receive bonus payments from Medicare pursuant to the law. MACRA also remains subject to review and potential modification by Congress, as well as shifting regulatory requirements established by CMS. We currently anticipate that our affiliated physicians who are eligible to participate in the MIPS program will continue to be eligible to receive MIPS bonus payments, although the amounts of such bonus payments are not expected to be material. We will continue to operationalize the provisions of MACRA and assess any further changes to the law or additional regulations enacted pursuant to the law.

We cannot predict the ultimate effect that these changes will have on us, nor can we provide any assurance that its provisions will not have a material adverse effect on our business, financial condition, results of operations, cash flows and the trading price of our securities.

Medicaid Expansion

The ACA also allows states to expand their Medicaid programs through federal payments that fund most of the cost of increasing the Medicaid eligibility income limit from a state's historic eligibility levels to 133% of the federal poverty level. To date, 38 states and the District of Columbia have expanded Medicaid eligibility to cover this additional low-income patient population, and other states are considering expansion. All of the states in which we operate, however, already cover children in the first year of life and pregnant women if their household income is at or below 133% of the federal poverty level.

"Surprise" Billing Legislation

"Surprise" medical bills arise when an insured patient receives care from an out-of-network provider resulting in costs that were not expected by the patient. The bill is a "surprise" either because the patient did not expect to receive care from an out-of-network provider, or because their cost-sharing responsibility is higher than the patient expected. For the past several years, state legislatures have been enacting laws that are intended to address the problems associated with surprise billing or balance billing.

More recently, Congress and President Trump have proposed bipartisan solutions to address this circumstance, either by working in tandem with, or in the absence of, applicable state laws. Several committees of jurisdiction in the U.S. House of Representatives and in the U.S. Senate have proposed solutions to address surprise medical bills, but it is unclear whether any of the proposed solutions will become law. In addition, state legislatures and regulatory bodies continue to address and modify existing laws on the same issue. Any state or federal legislation on the topic of surprise billing may have an unfavorable impact on out-of-network reimbursement that we receive. In addition, actual or prospective legislative changes in this area may impact, and may have impacted, our ability to contract with private payors at favorable reimbursement rates or remain in contract with such payors.

Although our out-of-network revenue is currently not material, we cannot predict the ultimate effect that these changes will have on us, nor can we provide any assurance that future legislation or regulations will not have a material adverse effect on our business, financial condition, results of operations, cash flows and the trading price of our securities.

Medicare Sequestration

The Budget Control Act of 2011, as amended by the American Taxpayer Relief Act of 2012, required across-the-board cuts ("sequestrations") to Medicare reimbursement rates. These annual reductions of 2%, on average, apply to mandatory and discretionary spending through 2025. Unless Congress acts in the future to modify these sequestrations, Medicare reimbursements will be reduced by 2%, on average, annually. In connection with the CARES Act, the Medicare sequestrations were suspended beginning on May 1, 2020 and are expected to remain suspended through December 31, 2020. Aside from the suspension, the reduction in Medicare reimbursement rates is not expected to have a material adverse effect on our business, financial condition, results of operations, cash flows or the trading price of our securities.

Non-GAAP Measures

In our analysis of our results of operations, we use certain non-GAAP financial measures. We have incurred and anticipate we will continue to incur certain expenses related to transformational and restructuring related expenses that are expected to be project-based and periodic in nature. Accordingly, beginning with the first quarter of 2019, we began reporting Adjusted earnings before interest, taxes and depreciation and amortization ("EBITDA") from continuing operations, defined as income (loss) from continuing operations before interest, taxes, depreciation and amortization, and transformational and restructuring related expenses. Adjusted earnings per share ("Adjusted EPS") from continuing operations has also been further adjusted for these items and beginning with the first quarter of 2019 consists of diluted income (loss) from continuing operations per common and common equivalent share adjusted for amortization expense, stock-based compensation expense and transformational and restructuring related expenses. Adjusted EPS from continuing operations has been further adjusted to reflect the impacts from discrete tax events.

We believe these measures, in addition to income (loss) from continuing operations, net income (loss) and diluted net income (loss) from continuing operations per common and common equivalent share, provide investors with useful supplemental information to compare and understand our underlying business trends and performance across reporting periods on a consistent basis. These measures should be considered a supplement to, and not a substitute for, financial performance measures determined in accordance with GAAP. In addition, since these non-GAAP measures are not determined in accordance with GAAP, they are susceptible to varying calculations and may not be comparable to other similarly titled measures of other companies.

For a reconciliation of each of Adjusted EBITDA from continuing operations and Adjusted EPS from continuing operations to the most directly comparable GAAP measures for the three and nine months ended September 30, 2020 and 2019, refer to the tables below (in thousands, except per share data).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
(Loss) income from continuing operations	$ (2,652)	$12,887	$ (14,067)	$ 32,281
Interest expense	27,250	29,909	83,180	91,271
Income tax provision	6,677	7,360	10,859	12,590
Depreciation and amortization	7,195	6,408	20,749	18,830
Transformational and restructuring related expenses	34,291	12,766	60,846	32,025
Adjusted EBITDA from continuing operations	$72,761	$69,330	$161,567	$186,997

	Three Months Ended September 30,			
	2020		2019	
Weighted average diluted shares outstanding	83,862		82,883	
(Loss) income from continuing operations and diluted (loss) income from continuing operations per share	$ (2,652)	$(0.03)	$12,887	$0.16
Adjustments [1]:				
Amortization (net of tax of $601 and $444)	1,802	0.02	1,333	0.02
Stock-based compensation (net of tax of $1,132 and $1,902)	3,398	0.04	5,706	0.07
Transformational and restructuring related expenses (net of tax of $8,573 and $3,191)	25,718	0.31	9,575	0.12
Net impact from discrete tax events	2,905	0.03	1,784	0.01
Adjusted income and diluted EPS from continuing operations	$31,171	$ 0.37	$31,285	$0.38

(1) Our blended statutory tax rate of 25% was used to calculate the tax effects of the adjustments for the three months ended September 30, 2020 and 2019.

	Nine Months Ended September 30,			
	2020		2019	
Weighted average diluted shares outstanding	83,260		84,302	
(Loss) income from continuing operations and diluted (loss) income from continuing operations per share	$(14,067)	$(0.17)	$32,281	$0.38
Adjustments [1]:				
Amortization (net of tax of $1,632 and $1,289)	4,896	0.06	3,867	0.05
Stock-based compensation (net of tax of $4,550 and $6,893)	13,652	0.16	20,672	0.25
Transformational and restructuring related expenses (net of tax of $15,211 and $8,006)	45,635	0.55	24,019	0.28
Net impact from discrete tax events	7,849	0.10	(5)	—
Adjusted income and diluted EPS from continuing operations	$ 57,965	$ 0.70	$80,834	$0.96

(2) Our blended statutory tax rate of 25% was used to calculate the tax effects of the adjustments for the nine months ended September 30, 2020 and 2019.

Results of Operations

Three Months Ended September 30, 2020 as Compared to Three Months Ended September 30, 2019

Our net revenue attributable to continuing operations was $460.6 million for the three months ended September 30, 2020, as compared to $454.9 million for the same period in 2019. The increase in revenue of $5.7 million, or 1.3%, was primarily attributable to an increase in revenue from acquisitions, partially offset by a decline in same-unit revenue. Same units are those units at which we provided services for the entire current period and the entire comparable period. Same-unit net revenue declined by $1.7 million, or 0.4%. The decline in same-unit net revenue was comprised of a decrease of $19.2 million, or 4.3%, related to patient service volumes, partially offset by a net increase of $17.5 million, or 3.9%, from net reimbursement-related factors. The decrease in revenue from patient service volumes was related to a decline across all our services, primarily as a result of the continued impacts from COVID-19. The net increase in revenue related to net reimbursement-related factors was primarily due to approximately $14.2 million in CARES Act relief and modest improvements in managed care contracting, partially offset by a decrease in revenue caused by an increase in the percentage of our patients enrolled in GHC programs.

Practice salaries and benefits attributable to continuing operations increased $8.6 million, or 2.9%, to $309.9 million for the three months ended September 30, 2020, as compared to $301.3 million for the same period in 2019. Of the $8.6 million increase, $5.6 million was related to benefits and incentive compensation, primarily bonus expense, and $3.0 million was related to salaries. We anticipate that we will experience a higher rate of growth in clinician compensation expense at our existing units over historic averages, which could adversely affect our business, financial condition, results of operations, cash flows and the trading price of our securities.

Practice supplies and other operating expenses attributable to continuing operations decreased $0.2 million, or 0.6%, to $22.4 million for the three months ended September 30, 2020, as compared to $22.6 million for the same period in 2019. The decrease was primarily attributable to decreases in other practice operating expenses as compared to the prior year, primarily related to decreased activity across many expense categories such as travel, office expenses and professional services resulting from the continued impacts of COVID-19.

General and administrative expenses attributable to continuing operations primarily include all billing and collection functions and all other salaries, benefits, supplies and operating expenses not specifically identifiable to the day-to-day operations of our physician practices and services. General and administrative expenses were $66.3 million for the three months ended September 30, 2020, as compared to $63.3 million for the same period in 2019. The increase of $3.0 million is primarily related to legal and professional services fees, partially offset by decreases in compensation from net staffing reductions as well as decreases in general travel expenses. General and administrative expenses as a percentage of net revenue was 14.4% for the three months ended September 30, 2020, as compared to 13.9% for the same period in 2019. Certain general and administrative expenses related to corporate overhead represent various support services provided across the company, including approximately $10 million in costs related to support for the recently divested anesthesiology services medical group through a transition services agreement. Because a portion of such expenses were previously allocated to but not specifically identifiable to, the anesthesiology services medical group, they are required to be presented as continuing operations. Therefore, general and administrative expenses do not reflect potential general and administrative cost savings that may be achieved in future periods.

Transformational and restructuring related expenses attributable to continuing operations were $34.3 million for the three months ended September 30, 2020, as compared to $12.8 million for the same period in 2019. Approximately $26.7 million of the expenses incurred during the three months ended September 30, 2020 were for compensation-related expenses resulting from the restructuring changes in executive management and the board of directors, with the remainder primarily for external consulting costs for various process improvement and restructuring initiatives, position eliminations and contract termination and other fees. Beginning in April 2020, we reduced the scope of our transformation and restructuring related initiatives unless they were initiatives critical to our business operations or those that provide essential support for our response to COVID-19. Various activities related to executive management and board of directors restructuring were recorded as transformational and restructuring related expenses during the three months ended September 30, 2020.

Depreciation and amortization expense attributable to continuing operations was $7.2 million for the three months ended September 30, 2020, as compared to $6.4 million for the same period in 2019.

Income from operations attributable to continuing operations decreased $28.1 million, or 57.9%, to $20.5 million for the three months ended September 30, 2020, as compared to $48.6 million for the same period in 2019. Our operating margin was 4.4% for the three months ended September 30, 2020, as compared to 10.7% for the same period in 2019. The decrease in our operating margin was primarily due to the decrease in revenue related to COVID-19 and an increase in transformation and restructuring related expenses. Excluding transformation and restructuring related expenses, our income from operations attributable to continuing operations for the three months ended September 30, 2020 and 2019 was $54.8 million and $61.3 million, respectively, and our operating margin was 11.9% and 13.5%, respectively. We believe excluding the impacts from the transformational and restructuring related activity provides a more comparable view of our operating income and operating margin from continuing operations; however, this comparison is affected by the impacts from COVID-19 during 2020.

Total non-operating expenses attributable to continuing operations were $16.4 million for the three months ended September 30, 2020, as compared to $28.3 million for the same period in 2019. The decrease in non-operating expenses was primarily related to an increase in other income related to the transition services being provided to the buyer of our former anesthesiology services medical group and a decrease in interest expense, primarily due to lower average borrowings under our credit agreement (the “Credit Agreement”).

Our effective income tax rate attributable to continuing operations is not meaningful as calculated for the three months ended September 30, 2020 due to the decreased level of pre-tax income generated. Income taxes for the three months ended September 30, 2020 were calculated by applying the actual year-to-date effective rate to our pre-tax income. Our effective income tax attributable to continuing operations was 36.4% for the three months ended September 30, 2019. After excluding discrete tax impacts, during the three months ended September 30, 2019, our effective income tax rate was 27.5%. We believe excluding discrete tax impacts on our effective income tax rate provides a more comparable view of our effective income tax rate.

Loss from continuing operations was $2.7 million for the three months ended September 30, 2020, as compared to income from continuing operations of $12.9 million for the same period in 2019. Adjusted EBITDA from continuing operations was $72.8 million for the three months ended September 30, 2020, as compared to $69.3 million for the same period in 2019.

Diluted loss from continuing operations per common and common equivalent share was $0.03 on weighted average shares outstanding of 83.9 million for the three months ended September 30, 2020, as compared to diluted income from continuing operations per common and common equivalent share of $0.16 on weighted average shares outstanding of 82.9 million for the same period in 2019. Adjusted EPS from continuing operations was $0.37 for the three months ended September 30, 2020, as compared to $0.38 for the same period in 2019.

Loss from discontinued operations, net of tax, was $38.4 million for the three months ended September 30, 2020, as compared to a loss from discontinued operations of $1.27 billion for the same period in 2019. Diluted loss from discontinued operations per common and common equivalent share was $0.46 for the three months ended September 30, 2020, as compared to $15.31 for the same period in 2019.

Net loss was $41.0 million for the three months ended September 30, 2020, as compared to $1.26 billion for the same period in 2019. Diluted net loss per common and common equivalent share was $0.49 for the three months ended September 30, 2020, as compared to $15.15 for the same period in 2019.

Nine Months Ended September 30, 2020 as Compared to Nine Months Ended September 30, 2019

Our net revenue attributable to continuing operations was $1.32 billion for the nine months ended September 30, 2020 and 2019. The slight decrease in revenue of $3.8 million, or 0.3%, was primarily attributable to the unfavorable impacts from COVID-19 on same-unit revenue, driven by declines in volume, partially offset by an increase in revenue from acquisitions. Same units are those units at which we provided services for the entire current period and the entire comparable period. Same-unit net revenue declined by $25.3 million, or 1.9%. The decline in same-unit net revenue was comprised of a decrease of $60.3 million, or 4.6%, related to patient service volumes, partially offset by a net increase of $35.0 million, or 2.7%, from net reimbursement-related factors. The decrease in revenue from patient service volumes was primarily related to a decline across all our services, primarily as a result of COVID-19. The net increase in revenue related to net reimbursement-related factors was primarily due to approximately $20.0 million in CARES Act relief, modest improvements in managed care contracting and an increase in administrative fees received from our hospital partners.

Practice salaries and benefits attributable to continuing operations increased $28.5 million, or 3.2%, to $909.2 million for the nine months ended September 30, 2020, as compared to $880.7 million for the same period in 2019. The increase of $28.5 million was comprised of $22.7 million in benefits and incentive compensation, primarily bonus expense and malpractice expense, and $5.8 million from salaries. We anticipate that we will experience a higher rate of growth in clinician compensation expense at our existing units over historic averages, which could adversely affect our business, financial condition, results of operations, cash flows and the trading price of our securities.

Practice supplies and other operating expenses attributable to continuing operations decreased $6.2 million, or 8.6%, to $66.5 million for the nine months ended September 30, 2020, as compared to $72.7 million for the same period in 2019. The decrease was primarily attributable to decreases in other practice operating expenses as compared to the prior year, primarily related to decreased activity across many expense categories such as travel, office expenses and professional services resulting from impacts of COVID-19, primarily during the second quarter of 2020.

General and administrative expenses attributable to continuing operations primarily include all billing and collection functions and all other salaries, benefits, supplies and operating expenses not specifically identifiable to the day-to-day operations of our physician practices and services. General and administrative expenses were $194.3 million for the nine months ended September 30, 2020, as compared to $185.3 million for the same period in 2019. The increase of $9.0 million is primarily related to legal and professional services fees, partially offset by decreases in compensation from net staffing reductions as well as decreases in general travel expenses. General and administrative expenses as a percentage of net revenue was 14.7% for the three months ended September 30, 2020, as compared to 14.0% for the same period in 2019. Certain general and administrative expenses related to corporate overhead represent various support services provided across the company, including approximately $13 million in costs related to support for the recently divested anesthesiology services medical group through a transition services agreement. Because a portion of such expenses were previously allocated to but not specifically identifiable to the anesthesiology services medical group, they are required to be presented as continuing operations. Therefore, general and administrative expenses do not reflect potential general and administrative cost savings that may be achieved in future periods.

Transformational and restructuring related expenses attributable to continuing operations were $60.8 million for the nine months ended September 30, 2020, as compared to $32.0 million for the same period in 2019. Approximately $30.1 million of the expenses incurred during the nine months ended September 30, 2020 were for external consulting costs for various process improvement and restructuring initiatives and approximately $26.7 million were for compensation-related expenses resulting from the restructuring changes in executive management and the board of directors, with the remainder for position eliminations and contract termination and other fees. Beginning in

April 2020, we reduced the scope of our transformation and restructuring related initiatives unless they were initiatives critical to our business operations or those that provide essential support for our response to COVID-19. Various activities related to executive management and board of directors restructuring were recorded as transformational and restructuring related expenses during the three months ended September 30, 2020.

Depreciation and amortization expense attributable to continuing operations was $20.7 million for the nine months ended September 30, 2020, as compared to $18.8 million for the same period in 2019.

Income from operations attributable to continuing operations decreased $65.8 million, or 50.0%, to $65.8 million for the nine months ended September 30, 2020, as compared to $131.6 million for the same period in 2019. Our operating margin was 5.0% for the nine months ended September 30, 2020, as compared to 10.0% for the same period in 2019. The decrease in our operating margin was primarily due to an increase in transformation and restructuring related expenses and practice salaries and benefits. Excluding transformation and restructuring expenses, our income from operations attributable to continuing operations for the nine months ended September 30, 2020 and 2019 was $126.7 million and $163.6 million, respectively, and our operating margin was 9.6% and 12.4%, respectively. We believe excluding the impacts from the transformational and restructuring related activity provides a more comparable view of our operating income and operating margin from continuing operations; however, this comparison is affected by the impacts from COVID-19 during 2020.

Total non-operating expenses attributable to continuing operations were $69.0 million for the nine months ended September 30, 2020, as compared to $86.7 million for the same period in 2019. The decrease in non-operating expenses was primarily related to an increase in other income related to the transition services being provided to the buyer of our former anesthesiology services medical group and a decrease in interest expense, primarily due to lower average borrowings under our Credit Agreement, partially offset by a decrease in equity earnings resulting from the impacts to the underlying joint venture from COVID-19 and the settlement of a litigation matter.

Our effective income tax rate attributable to continuing operations is not meaningful as calculated for the nine months ended September 30, 2020 due to the pre-tax loss generated, primarily due to the impacts from COVID-19. Income taxes for the nine months ended September 30, 2020 were calculated by applying the actual year-to-date effective rate to our pre-tax loss. Our effective income tax attributable to continuing operations was 28.1% for the nine months ended September 30, 2019. The net discrete tax impacts during the nine months ended September 30, 2019 were not material.

Loss from continuing operations was $14.1 million for the nine months ended September 30, 2020, as compared to income from continuing operations of $32.3 million for the same period in 2019. Adjusted EBITDA from continuing operations was $161.6 million for the nine months ended September 30, 2020, as compared to $187.0 million for the same period in 2019.

Diluted loss from continuing operations per common and common equivalent share was $0.17 on weighted average shares outstanding of 83.3 million for the nine months ended September 30, 2020, as compared to diluted income per common and common equivalent share of $0.38 on weighted average shares outstanding of 84.3 million for the same period in 2019. Adjusted EPS from continuing operations was $0.70 for the nine months ended September 30, 2020, as compared to $0.96 for the same period in 2019. The decrease of 1.0 million in our weighted average shares outstanding is primarily due to the exclusion of common stock equivalents from the weighted average shares calculation for the nine months ended September 30, 2020 as the effect would have been antidilutive.

Loss from discontinued operations, net of tax, was $718.1 million for the nine months ended September 30, 2020, as compared to loss from discontinued operations of $1.54 billion for the same period in 2019. Diluted loss from discontinued operations per common and common equivalent share was $8.62 for the nine months ended September 30, 2020, as compared to a diluted loss from discontinued operations per common and common equivalent share of $18.26 for the same period in 2019.

Net loss was $732.2 million for the nine months ended September 30, 2020, as compared to a net loss of $1.51 billion for the same period in 2019. Diluted net loss per common and common equivalent share was $8.79 for the nine months ended September 30, 2020, as compared to $17.88 for the same period in 2019.

Liquidity and Capital Resources

As of September 30, 2020, we had $294.5 million of cash and cash equivalents attributable to our continuing operations as compared to $107.9 million at December 31, 2019. Additionally, we had working capital attributable to our continuing operations of $290.0 million at September 30, 2020, an increase of $79.3 million from working capital of $210.7 million at December 31, 2019.

Cash Flows from Continuing Operations

Cash provided by (used in) operating, investing and financing activities from continuing operations is summarized as follows (in thousands):

	Nine Months Ended September 30,	
	2020	2019
Operating activities	$ 71,645	$ 36,237
Investing activities	(28,179)	(33,729)
Financing activities	(3,496)	(174,662)

Operating Activities from Continuing Operations

During the nine months ended September 30, 2020, our net cash provided by operating activities for continuing operations was $71.6 million, compared to $36.2 million for the same period in 2019. The net increase in cash provided of $35.4 million was primarily due to an increase in cash flow from deferred income taxes and accounts receivable, partially offset by a decrease in cash from lower earnings and changes in accounts payable and accrued expenses.

During the nine months ended September 30, 2020, cash flow from accounts receivable for continuing operations was $30.0 million, as compared to $7.5 million for the same period in 2019. The increase in cash flow from accounts receivable for the nine months ended September 30, 2020 was primarily due to decreases in ending accounts receivable balances at existing units and improvements in the timing of cash collections.

Days sales outstanding ("DSO") is one of the key factors that we use to evaluate the condition of our accounts receivable and the related allowances for contractual adjustments and uncollectibles. DSO reflects the timeliness of cash collections on billed revenue and the level of reserves on outstanding accounts receivable. Our DSO for continuing operations was 48.2 days at September 30, 2020 as compared to 51.0 days at December 31, 2019.

Investing Activities from Continuing Operations

During the nine months ended September 30, 2020, our net cash used in investing activities for continuing operations of $28.2 million consisted primarily of capital expenditures of $21.8 million and net purchases of investments of $5.2 million.

Financing Activities from Continuing Operations

During the nine months ended September 30, 2020, our net cash used in financing activities for continuing operations of $3.5 million consisted of the repurchase of $8.5 million of our common stock, partially offset by proceeds from the issuance of common stock of $5.7 million.

Liquidity

On March 25, 2020, we amended and restated our Credit Agreement to, among other things, (i) establish a deemed Consolidated EBITDA of $139.2 million for the second and third quarters of 2020, reflecting average Adjusted EBITDA from continuing operations for the prior eight quarters (calculated for purposes of the Credit Agreement), which will be used in the calculation of rolling four consecutive quarter Consolidated EBITDA under the Credit Agreement, (ii) temporarily increase the maximum consolidated net leverage ratio required to be maintained by us from 4.50:1:00 to 5.00:1:00 for the second and third quarters of 2020 and 4.75:1:00 for the fourth quarter of 2020, before returning to 4.50:1:00 for the first quarter of 2021 and beyond, (iii) require that we maintain minimum availability under the Credit Agreement of $300.0 million through the third quarter of 2021, (iv) provide for a weekly repayment of borrowings under the Credit Agreement through the second quarter of 2021 using unrestricted cash on hand in excess of $300.0 million, plus a reserve for certain payables, and (v) temporarily restrict our ability to make restricted payments under the Credit Agreement for the remainder of 2020, subject to certain exceptions.

The Credit Agreement provides for a $1.2 billion unsecured revolving credit facility, subject to the limitations discussed above, and includes a $37.5 million sub-facility for the issuance of letters of credit. The Credit Agreement matures on March 28, 2024 and is guaranteed by substantially all of our subsidiaries and affiliated professional associations and corporations. At our option, borrowings under the Credit Agreement will bear interest at (i) the alternate base rate (defined as the higher of (a) the prime rate, (b) the Federal Funds Rate plus 1/2 of 1.00% and (c) LIBOR for an interest period of one month plus 1.00%) plus an applicable margin rate ranging from 0.125% to 0.750% based on our consolidated leverage ratio or (ii) the LIBOR rate plus an applicable margin rate ranging from 1.125% to 1.750% based on our consolidated leverage ratio. The Credit Agreement also calls for other customary fees and charges, including an unused commitment fee ranging from 0.150% to 0.200% of the unused lending commitments, based on our consolidated leverage ratio. The Credit Agreement contains customary covenants and restrictions, including covenants that require us to maintain a minimum interest charge ratio, not to exceed a specified consolidated leverage ratio and to comply with laws, and restrictions on the ability to pay dividends and make certain other distributions, as specified therein. Failure to comply with these covenants would constitute an event of default under the Credit Agreement, notwithstanding the ability of the company to meet its debt service obligations. The Credit Agreement also includes various customary remedies for the lenders following an event of default, including the acceleration of repayment of outstanding amounts under the Credit Agreement.

At September 30, 2020, we had no outstanding principal balance on our Credit Agreement. We had outstanding letters of credit of $0.2 million which reduced the amount available on our Credit Agreement to $899.8 million at September 30, 2020, after giving effect to the temporary reduction of the capacity of our Credit Agreement described above through September 30, 2021.

At September 30, 2020, we had an outstanding principal balance of $750.0 million on our 5.25% senior unsecured notes due 2023 (the "2023 Notes") and an outstanding principal balance of $1.0 billion on our 6.25% senior unsecured notes due 2027 (the "2027 Notes"). Our obligations under the 2023 Notes and the 2027 Notes are guaranteed on an unsecured senior basis by the same subsidiaries and affiliated professional contractors that guarantee our Credit Agreement. Interest on the 2023 Notes accrues at the rate of 5.25% per annum, or $39.4 million, and is payable semi-annually in arrears on June 1 and December 1. Interest on the 2027 Notes accrues at the rate of 6.25% per annum, or $62.5 million, and is payable semi-annually in arrears on January 15 and July 15.

The indenture under which the 2023 Notes and the 2027 Notes are issued, among other things, limits our ability to (1) incur liens and (2) enter into sale and lease-back transactions, and also limits our ability to merge or dispose of all or substantially all of our assets, in all cases, subject to a number of customary exceptions. Although we are not required to make mandatory redemption or sinking fund payments with respect to the 2023 Notes or the 2027 Notes, upon the occurrence of a change in control of MEDNAX, we may be required to repurchase the 2023 Notes and the 2027 Notes at a purchase price equal to 101% of the aggregate principal amount of the 2023 Notes and the 2027 Notes repurchased plus accrued and unpaid interest.

At September 30, 2020, we believe we were in compliance, in all material respects, with the financial covenants and other restrictions applicable to us under the Credit Agreement and the 2023 Notes and the 2027 Notes. We believe we will be in compliance with these covenants throughout 2020.

We maintain professional liability insurance policies with third-party insurers, subject to self-insured retention, exclusions and other restrictions. We self-insure our liabilities to pay self-insured retention amounts under our professional liability insurance coverage through a wholly owned captive insurance subsidiary. We record liabilities for self-insured amounts and claims incurred but not reported based on an actuarial valuation using historical loss information, claim emergence patterns and various actuarial assumptions. Our total liability related to professional liability risks for continuing operations at September 30, 2020 was $297.8 million, of which $55.5 million is classified as a current liability within accounts payable and accrued expenses in the Consolidated Balance Sheets. In addition, there is a corresponding insurance receivable of $23.6 million recorded as a component of other assets for certain professional liability claims that are covered by insurance policies.

We anticipate that funds generated from operations, together with our current cash on hand and funds available under our Credit Agreement, will be sufficient to finance our working capital requirements, fund anticipated acquisitions and capital expenditures, fund expenses related to our transformational and restructuring activities, fund our share repurchase programs and meet our contractual obligations for at least the next 12 months from the date of issuance of this Quarterly Report on Form 10-Q.

Caution Concerning Forward-Looking Statements

Certain information included or incorporated by reference in this Quarterly Report may be deemed to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, and all statements, other than statements of historical facts, that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. These statements are often characterized by terminology such as “believe,” “hope,” “may,” “anticipate,” “should,” “intend,” “plan,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy” and similar expressions, and are based on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Any forward-looking statements in this Quarterly Report are made as of the date hereof, and we undertake no duty to update or revise any such statements, whether as a result of new information, future events or otherwise. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. Important factors that could cause actual results, developments and business decisions to differ materially from forward-looking statements are described in the 2019 Form 10-K, and this Quarterly Report, including the sections entitled “Risk Factors.”

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are subject to market risk primarily from exposure to changes in interest rates based on our financing, investing and cash management activities. We intend to manage interest rate risk through the use of a combination of fixed rate and variable rate debt. We borrow under our Credit Agreement at various interest rate options based on the Alternate Base Rate or LIBOR rate depending on certain financial ratios. At September 30, 2020, we had no outstanding principal balance on our Credit Agreement.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of September 30, 2020.

Changes in Internal Controls Over Financial Reporting

No changes in our internal control over financial reporting occurred during the three months ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We expect that audits, inquiries and investigations from government authorities and agencies will occur in the ordinary course of business. Such audits, inquiries and investigations and their ultimate resolutions, individually or in the aggregate, could have a material adverse effect on our business, financial condition, results of operations, cash flows and the trading price of our securities.

In the ordinary course of our business, we become involved in pending and threatened legal actions and proceedings, most of which involve claims of medical malpractice related to medical services provided by our affiliated physicians. Our contracts with hospitals generally require us to indemnify them and their affiliates for losses resulting from the negligence of our affiliated physicians and other clinicians. We may also become subject to other lawsuits that could involve large claims and significant defense costs. We believe, based upon a review of pending actions and proceedings, that the outcome of such legal actions and proceedings will not have a material adverse effect on our business, financial condition, results of operations, cash flows or the trading price of our securities. The outcome of such actions and proceedings, however, cannot be predicted with certainty and an unfavorable resolution of one or more of them could have a material adverse effect on our business, financial condition, results of operations, cash flows and the trading price of our securities.

Although we currently maintain liability insurance coverage intended to cover professional liability and certain other claims, we cannot assure that our insurance coverage will be adequate to cover liabilities arising out of claims asserted against us in the future where the outcomes of such claims are unfavorable to us. With respect to professional liability risk, we self-insure a significant portion of this risk through our wholly owned captive insurance subsidiary. Liabilities in excess of our insurance coverage, including coverage for professional liability and certain other claims, could have a material adverse effect on our business, financial condition, results of operations, cash flows and the trading price of our securities.

On July 10, 2018, a securities class action lawsuit was filed against our company and certain of our officers and a director in the U.S. District Court for the Southern District of Florida (Case No. 0:18-cv-61572-WPD) that purports to state a claim for alleged violations of Sections 10(b) and 20(a) of the Exchange Act, and Rule 10b-5 thereunder, based on statements made by the defendants primarily concerning our former anesthesiology business. The complaint was seeking unspecified damages, interest, attorneys' fees and other costs. We filed a motion to dismiss in April 2019, which was granted in October 2019; however, the plaintiff filed a second amended complaint on October 25, 2019. On November 25, 2019, we filed a motion to dismiss the second amended complaint, and on February 7, 2020 a final order granting our motion to dismiss the second amended complaint with prejudice was issued.

On March 20, 2019, a separate derivative action was filed by plaintiff Beverly Jackson on behalf of MEDNAX, Inc. against MEDNAX, Inc. and certain of its officers and directors in the Seventeenth Judicial Circuit in and for Broward County, Florida (Case Number CACE-19-006253). The plaintiff purported to bring suit derivatively on behalf of our company against certain of our officers and directors for breach of fiduciary duties and unjust enrichment. The derivative complaint repeated many of the allegations in the securities class action described above. We filed a motion to dismiss in December 2019, and on March 16, 2020, an order granting our motion to dismiss without prejudice was issued. On April 6, 2020, the plaintiff filed an amended complaint, and on April 30, 2020, we filed a motion to dismiss the amended complaint. On September 24, 2020, our motion to dismiss was granted, but the plaintiff was granted 20 days to amend their complaint, and on October 14, 2020, the plaintiff filed a second amended complaint. We filed our motion to dismiss the second amended complaint on October 26, 2020.

Item 1A. Risk Factors

Item 1A. Risk Factors in our most recent Annual Report on Form 10-K includes a discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors disclosed in our most recent Annual Report on Form 10-K. Except as presented below, there have been no material changes to the risk factors disclosed in our most recent Annual Report on Form 10-K.

Our financial condition and results of operations for fiscal year 2020 and beyond may be materially adversely affected by the ongoing coronavirus pandemic (COVID-19).

The outbreak of COVID-19 has evolved into a global pandemic. The coronavirus has spread to most regions of the world, including virtually all of the United States. The full extent to which COVID-19 will impact our business and operating results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19 and the actions to contain it or treat its impact, such as the potential for further shutdown or stay at home orders, and shifts toward GHC Programs if changes occur in population demographics within geographic locations in which we provide services, including an increase in unemployment and underemployment as well as losses of commercial health insurance.

Our anesthesiology services medical group, which we divested on May 6, 2020, experienced a significant decline in the number of elective surgeries at a number of the facilities where its affiliated clinicians provide anesthesia services as a result of COVID-19. A significant portion of this decline was due to the closure of operating suites or facilities following federal advisories to cancel non-urgent procedures and the prohibition of such procedures by several states. Within our radiology services medical group, which in September 2020 we entered into an agreement to divest, orders for radiological studies declined by a meaningful amount from historically normal levels as a result of COVID-19, with much of this reduction focused in non-urgent studies. Additionally, our office-based practices, which specialize in maternal-fetal medicine, pediatric cardiology, and numerous pediatric subspecialties, saw a significant elevation of appointment cancellations compared to historical normal levels as a result of COVID-19. To date, we have not experienced, nor do we currently anticipate, any significant impact to our NICU patient volumes as a result of COVID-19, however, there is no assurance that COVID-19 will not adversely affect our NICU patient volumes or otherwise adversely affect our NICU and related neonatology business. Overall, our operating results since mid-March 2020 have been significantly impacted by the COVID-19 pandemic, but volumes did begin to normalize in May 2020 and substantially recovered during the months of June 2020 through September 2020.

Across these medical groups, we believe that these patient volume declines primarily reflect a deferral of healthcare services utilization to a later period, rather than a permanent reduction in demand for our services. Given the general necessity of the services our affiliated clinicians provide, we anticipate that this deferral of services may create a backlog of demand in the future, in addition to the resumption of historically normal activity, however, there is no assurance that either will occur. We may also require an increased level of working capital if we experience extended billing and collection cycles as a result of displaced employees, payors, revenue cycle management contractors, or otherwise. The foregoing and other continued disruptions to our business as a result of COVID-19 could result in a material adverse effect on our business, results of operations, financial condition, prospects and the trading prices of our securities in the near-term and beyond 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended September 30, 2020, we repurchased 310,589 shares of our common stock that were withheld to satisfy minimum statutory withholding obligations in connection with the vesting of restricted stock and deferred stock.

Period	Total Number of Shares Repurchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as part of the Repurchase Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Repurchase Programs (a)
July 1 – July 31, 2020	290,716 (b)	$ 17.65	—	(a)
August 1 – August 31, 2020	—	—	—	(a)
September 1 – September 30, 2020	19,873 (b)	16.14	—	(a)
Total	310,589	$ 17.55	—	(a)

(a) We have two active repurchase programs. Our July 2013 program allows us to repurchase shares of our common stock up to an amount sufficient to offset the dilutive impact from the issuance of shares under our equity compensation programs. Our August 2018 repurchase program allows us to repurchase up to an additional $500.0 million of shares of our common stock, of which we repurchased $401.3 million as of September 30, 2020.

(b) Represents shares withheld to satisfy minimum statutory withholding obligations of an aggregate of $5.5 million in connection with the vesting of restricted stock.

The amount and timing of any future repurchases will depend upon several factors, including general economic and market conditions and trading restrictions.

Item 6. Exhibits

Exhibit No.	Description
2.1	Securities Purchase Agreement, dated as of September 9, 2020, by and between MEDNAX Services, Inc. and Radiology Partners, Inc. (incorporated by reference to Exhibit 2.1 to MEDNAX's Current Report on Form 8-K filed on September 15, 2020).
10.1	Agreement, dated as of July 12, 2020, by and among MEDNAX, Inc., Starboard Value LP and certain of its affiliates (incorporated by reference to Exhibit 10.1 to MEDNAX's Current Report on Form 8-K filed on July 13, 2020).
10.2	Separation Agreement, dated July 12, 2020, by and between MEDNAX Services, Inc. and Roger J. Medel, M.D. (incorporated by reference to Exhibit 10.2 to MEDNAX's Current Report on Form 8-K filed on July 13, 2020).
10.3	Employment Agreement, dated July 12, 2020, by and between MEDNAX Services, Inc. and Mark S. Ordan (incorporated by Reference to Exhibit 10.1 to MEDNAX's Quarterly Report on Form 10-Q filed on July 30, 2020).
10.4+	Employment Agreement, effective September 8, 2020, by and between MEDNAX Services, Inc. and C. Marc Richards.
10.5+	Amended and Restated Employment Agreement, effective September 27, 2020, by and between MEDNAX Services, Inc. and Dominic J. Andreano.
31.1+	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1+	Interactive Data File
101.INS+	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH+	XBRL Schema Document.
101.CAL+	XBRL Calculation Linkbase Document.
101.DEF+	XBRL Definition Linkbase Document.
101.LAB+	XBRL Label Linkbase Document.
101.PRE+	XBRL Presentation Linkbase Document.
104+	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\+ Filed herewith.
* Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MEDNAX, INC.

Date: November 6, 2020

By: /s/ Mark S. Ordan
Mark S. Ordan
Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2020

By: /s/ C. Marc Richards
C. Marc Richards
Chief Financial Officer
(Principal Financial Officer)

Date: November 6, 2020

By: /s/ John C. Pepia
John C. Pepia
Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 10.4

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between **MEDNAX SERVICES, INC.**, a Florida corporation ("Employer"), and C. Marc Richards ("Employee") on September 27, 2020 and effective as of September 8, 2020 (the "Effective Date").

RECITALS

WHEREAS, Employer is presently engaged in "Employer's Business" as defined on Exhibit A hereto; and

WHEREAS, Employer desires to employ Employee and benefit from Employee's contributions to Employer.

NOW, THEREFORE, in consideration of the mutual covenants and premises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employer and Employee hereby agree as follows:

1. Employment.

1.1 *Employment and Term*. Employer hereby agrees to employ Employee and Employee hereby agrees to serve Employer on the terms and conditions set forth herein for an "Initial Term" commencing as of the Effective Date and continuing for a period of three (3) years, unless sooner terminated as hereinafter set forth. Thereafter, the employment of Employee hereunder shall automatically renew for successive one (1) year periods until terminated in accordance herewith. The Initial Term and any automatic renewals shall be referred to as the "Employment Period."

1.2 *Duties of Employee*. As of the Effective Date and thereafter during the remaining Employment Period, Employee shall serve as Executive Vice President of Employer and MEDNAX, Inc., a Florida corporation and the parent corporation of Employer ("MEDNAX"), and from October 1, 2020 and thereafter during the remaining Employment Period, Employee shall also serve as Chief Financial Officer of Employer and MEDNAX and perform such duties as are customary to the position Employee holds or as may be assigned to Employee from time to time by the most senior executive officer of MEDNAX ("Employee's Supervisor") or the Board of Directors of MEDNAX (the "Board") including, but not limited to, also serving as an officer and/or director, or equivalent, of subsidiaries and/or affiliates of MEDNAX; *provided*, that such duties as assigned shall be customary to Employee's role as an executive officer of Employer and MEDNAX. Employee's employment shall be full-time and, as such, Employee agrees to devote substantially all of Employee's attention and professional time to the business and affairs of Employer and MEDNAX. Employee shall perform Employee's duties honestly, diligently, competently, in good faith and in the best interest of Employer and MEDNAX. During the Employment Period, Employee agrees that Employee will not, without the prior written consent of Employer (which consent shall not be unreasonably withheld), serve as a director on a corporate board of directors or in any other similar capacity for any institution other than Employer and MEDNAX, and their respective subsidiaries and affiliates in accordance with this Section 1.2. During the Employment Period, it shall not be a violation of this Agreement to (i) serve on civic

or charitable boards or committees, or (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, so long as such activities have been approved by Employee's Supervisor and do not interfere with the performance of Employee's responsibilities as an employee of Employer in accordance with this Agreement, including the restrictions of Section 8 hereof.

1.3 *Place of Performance*. Employee shall be based at Employee's home office located in the Washington, DC metropolitan area, except for required travel relating to Employer's Business.

2. Base Salary and Performance Bonus.

2.1 *Base Salary*. Employer shall pay Employee during the Employment Period an annual salary of Five Hundred Thousand Dollars ($500,000) (the "Base Salary"), payable in accordance with Employer's normal business practices for senior executives (including tax withholding), but in no event less frequently than monthly. Employee's Base Salary shall be reviewed at least annually by the Compensation Committee of the Board (the "Compensation Committee") and may be increased in its discretion. After any such increase in Base Salary, the term "Base Salary" shall refer to the increased amount.

2.2 *Performance Bonus*. Employee shall be eligible to receive a cash bonus (the "Performance Bonus") for each year (or prorated with respect to any partial years of employment) during the Employment Period, provided that, except as otherwise provided herein, Employee has remained employed by Employer as of the end of the applicable year (or as of the end of the Employment Period for the final calendar year of the Employment Period). Employee's target bonus opportunity for any particular year ("Target Bonus") shall be one hundred percent (100%) of Base Salary. The amount of bonus payable to Employee for any particular year will be determined by the Compensation Committee, in its sole discretion, taking into account the performance of Employer and Employee for that particular year (or portion thereof). All such bonuses shall be paid no later than March 15th of the calendar year immediately following the calendar year in which it is earned. Notwithstanding the foregoing, the Performance Bonus with respect to the 2020 calendar year shall be paid at one hundred percent (100%) of Base Salary and shall be prorated (on a daily basis relative to 366) based on the Effective Date.

3. Benefits.

3.1 *Expense Reimbursement*. Employer shall promptly reimburse Employee for all out-of-pocket expenses reasonably incurred by Employee during the Employment Period on behalf of or in connection with Employer's Business pursuant to the reimbursement standards and guidelines of Employer in effect from time to time, including reimbursement for appropriate professional organizations. Employee shall account for such expenses and submit reasonable supporting documentation in accordance with Employer's policies in effect from time to time.

3.2 *Employee Benefits*. During the Employment Period, Employee shall be entitled to participate in such health, welfare, disability, retirement savings and other fringe benefit plans and programs (subject to the terms and conditions of such plans and programs) as may be provided from time to time to employees of Employer and to the extent that such plans and programs are applicable to other similarly situated employees of Employer.

3.3 *Leave Time*. During the Employment Period, Employee shall be entitled to paid vacation and leave days each calendar year in accordance with the leave policies established by Employer from time to time. Any leave time not used during each fiscal year of Employer may be carried over into the next year to the extent permitted by Employer policy.

3.4 *Equity Plans.* During the Employment Period, the Chief Executive Officer of MEDNAX shall recommend to the Compensation Committee that Employee receive, on an annual basis following the Effective Date, and at the same time as other executive officers of Employer, grants of awards (each an "Equity Award") pursuant to MEDNAX's Amended and Restated 2008 Incentive Compensation Plan, as amended (the "2008 Plan"), or any other similar plan adopted by MEDNAX (together with the 2008 Plan, each an "Equity Plan"), with a grant value determined by the Compensation Committee in the same manner as for other executive officers of Employer. Every Equity Award made to Employee shall be subject to the terms and conditions of this Agreement and the terms of the applicable Equity Plan, and shall be made subject to an award agreement that is consistent with terms applicable to other executive officers of Employer. Notwithstanding any contrary provision in this Agreement or any Equity Plan then maintained by MEDNAX, if Employee remains continuously employed with Employer through the date of a Change in Control (as defined in the Equity Plan pursuant to which the Equity Award is issued), then upon such Change in Control (i) all time-based Equity Awards granted to Employee by MEDNAX shall immediately become fully vested, non-forfeitable and, if applicable, exercisable and (ii) all performance-based Equity Awards for which the applicable performance condition has been met at the time of such Change in Control shall immediately become fully vested, non-forfeitable and, if applicable, exercisable. For purposes of clarification, the vesting of any performance-based Equity Awards for which the performance condition has not been met at the time of such Change in Control shall not be accelerated or otherwise modified pursuant to this Section 3.4 but such Equity Awards may nonetheless be accelerated or otherwise modified as determined by the Company under the terms of the Equity Plan.

4. Termination; Compensation and Benefits Upon Termination.

4.1 *Termination for Cause*. Employer may terminate Employee's employment under this Agreement for Cause (as defined below). The termination date for a termination of Employee's employment under this Agreement pursuant to this Section 4.1 shall be the date specified by Employer in a written notice to Employee of finding of Cause. If Employee's employment is terminated for Cause, Employer shall pay (i) Employee's Base Salary through the termination date at the rate in effect at the termination date, (ii) reimbursement for reasonable business expenses incurred prior to the termination date, subject to Employer policy and the provisions of Section 3.1 hereof, and (iii) any other benefits that are vested benefits under applicable Employer benefit plans or that are required by applicable law (the foregoing clauses (i)-(iii), the "Accrued Obligations").

4.2 *Disability*. Employer may terminate Employee's employment under this Agreement upon the Disability (as defined below) of Employee. The termination date for a termination of this Agreement pursuant to this Section 4.2 shall be the date specified by Employer in a notice to Employee. In the event of Employee's Disability, (i) Employee shall continue to receive Employee's Base Salary for ninety (90) days under the Company's short term disability policy, which may be amended or modified in the Company's discretion upon written notice to Employee (the "Initial Disability Period"), and (ii) following such Initial Disability Period, if Employee's Disability continues, the Company may terminate Employee's employment immediately upon written notice. If Employee's employment is terminated in connection with Employee's Disability, in addition to the Accrued Obligations and subject to and conditioned on Employee's compliance with the terms of Section 5 hereof, Employee shall be eligible to receive (A) a bonus with respect to Employer's fiscal year in which the termination date occurs, equal to Employee's minimum Target Bonus for the year of termination, multiplied by the number of days in the fiscal year prior to and including the date of termination and divided by three hundred sixty five (365) (a "Pro-Rated Bonus") payable within thirty (30) days of the termination date; and (B) all time-based Equity Awards granted to Employee by MEDNAX prior to termination of Employee's employment shall immediately become fully vested, non-forfeitable and, if applicable, exercisable, and all performance-based shares awards shall remain outstanding and shall vest based upon actual performance determined at the end of the applicable performance period (the "Equity Acceleration").

4.3 *Death*. Employee's employment under this Agreement shall terminate automatically upon the death of Employee, without any requirement of notice by Employer to Employee's estate. The date of Employee's death shall be the termination date for a termination of Employee's employment under this Agreement pursuant to this Section 4.3. Upon Employee's death during the Employment Period, Employer shall pay or provide to the person or entity designated by Employee in a notice filed with Employer or, if no person is designated, to Employee's estate (i) the Accrued Obligations; (ii) a Pro-Rated Bonus; and (iii) the Equity Acceleration.

4.4 *Termination by Employer Without Cause*. Employer may terminate Employee's employment under this Agreement without Cause by giving Employee written notice of such termination. The termination date shall be the date specified by Employer in such notice, which may be up to ninety (90) days from the date of such notice. Upon any termination of Employee's employment without Cause pursuant to this Section 4.4, in addition to the Accrued Obligations and subject to and conditioned on Employee's compliance with the terms of Section 5 hereof, Employee shall be eligible to receive: (i) a Pro-Rated Bonus; (ii) severance payments equivalent to Employee's monthly Base Salary for a period of twenty-four (24) months after the termination date (the "Severance Period"), payable in installments in Employer's normal payroll; (iii) continuation of health, medical, hospitalization and other similar health insurance programs on the same basis as regular, full-time employees of Employer and their eligible dependents during the Severance Period (or, at Employer's option, Employer may provide health insurance to Employee and Employee's eligible dependents through an insurance carrier(s) selected by Employer in lieu of providing the foregoing coverage, provided the coverage afforded by such insurance is substantially comparable to the foregoing coverage, and Employee shall pay the cost of such insurance up to the amount that would have been paid by Employee under the foregoing coverage and Employer shall pay the excess cost, if any); and (iv) an amount equal to the greater of (A) 1.5 times Employee's Average Annual Performance Bonus (as defined below) or (B) 1.5 times Employee's Target Bonus amount, payable within thirty (90) days of the termination date.

4.5 *Termination by Employee without Good Reason*. Employee may terminate Employee's employment under this Agreement without Good Reason (as defined below) upon not less than ninety (90) days prior written notice to Employer. Upon receipt of such notice from Employee, Employer may, at its option, accelerate the effective date of Employee's termination of employment at any time in advance of the expiration of such ninety (90) day period (which acceleration shall not constitute Good Reason or a termination by Employer without Cause). The termination date under this Section 4.5 shall be the date specified by Employer, but in no event more than ninety (90) days after Employer's receipt of notice from Employee as contemplated by this Section 4.5. Upon any termination of Employee's employment under this Agreement pursuant to this Section 4.5, Employee shall be entitled to the Accrued Obligations.

4.6 *Termination by Employee for Good Reason.* Employee may terminate Employee's employment hereunder for Good Reason. If Employee desires to terminate Employee's employment under this Agreement pursuant to this Section 4.6, Employee must, within ninety (90) days after the occurrence of events giving rise to the Good Reason, provide Employer with a written notice describing the Good Reason in reasonable detail. If Employer fails to cure the matter cited within thirty (30) days after the date of Employee's notice, then this Agreement shall terminate as of the end of such thirty (30) day cure period, provided, however, that Employer may, at its option, require Employee to terminate employment at any time in advance of the expiration of such thirty (30) day cure period. If Employee's employment under this Agreement is terminated pursuant to this Section 4.6, then Employee shall be eligible to receive the same payments and benefits, subject to the same conditions, for a termination without Cause as set forth in Section 4.4 hereof.

4.7 *Continuation of Benefit Plans*. Following any termination that results in the expiration of Employee's continued benefit plan coverage, Employee and each of Employee's eligible dependents shall be entitled to elect for continuation of coverage provided pursuant to COBRA.

4.8 *Continuing Obligations*. The obligations imposed on Employee with respect to non-competition, non-solicitation, confidentiality, non-disclosure and assignment of rights to inventions or developments in this Agreement or any other agreement executed by the parties shall continue, notwithstanding the termination of the employment relationship between the parties and regardless of the reason for such termination.

5. Conditions to Severance; Certain Definitions.

5.1 *Release*. Employer shall provide Employee with a general release in the form attached as Exhibit B (subject to such modifications as Employer may reasonably request) (the "Release") within seven (7) days after Employee's termination date. Payments or benefits to which Employee may be entitled pursuant to Section 4 hereof (other than the Accrued Obligations) (the "Severance Amounts") shall be conditioned upon (i) Employee executing the Release within twenty one (21) days after receiving it from Employer (or such longer period as may be set forth in the Release) and the Release becoming irrevocable upon the expiration of seven (7) days following Employee's execution of it, (ii) Employee agreeing to submit to a reasonable exit interview if requested by Employer, and (iii) Employee's compliance with all post-termination obligations to Employer and its subsidiaries and affiliates and surrendering to Employer all

proprietary or confidential information and articles belonging to Employer or its subsidiaries or affiliates. Payment of the Severance Amounts shall be suspended during the period (the "Suspension Period") that begins on Employee's termination date and ends on the date ("Suspension Termination Date") that is at least forty-five (45) days after Employee's termination date; provided, however, that this suspension shall not apply, and Employer shall be required to provide, any continued health insurance coverage (or COBRA reimbursement) that would be required under Section 4 hereof during the Suspension Period. If Employee executes the Release and the Release becomes irrevocable by no later than the Suspension Termination Date, then payment of any Severance Amounts that were suspended pursuant to this provision shall be made in the first payroll period that follows the Suspension Termination Date, and any Severance Amounts that are payable after the Suspension Termination Date shall be paid at the times provided in Section 4 hereof.

5.2 *Certain Definitions*. As used in this Agreement:

(a) "Average Annual Performance Bonus" shall mean an amount equal to the average of the percentage of the Performance Bonus target achieved by Employee for the three (3) full calendar years prior to the termination date (or such lesser period as Employee may have been employed by Employer), and calculated based on Employee's Base Salary and Target Bonus in Employee's current position. For illustration purposes, if Employee earned 40%, 100% and 70% of Employee's Target Bonus in each of the three full calendar years prior to termination, and Employee's current Target Bonus was 100% of Base Salary, and Base Salary was $450,000.00, then Employee's Average Annual Performance Bonus would equal $315,000.00. ((40%+ 100% + 70%) / 3 x 100% x $450,000.00 = $315,000.00).

(b) "Cause" shall mean the occurrence of any of: (i) Employee's engagement in (A) willful misconduct resulting in material harm to MEDNAX or Employer, or (B) gross negligence; (ii) Employee's conviction of, or pleading nolo contendere to, a felony or any other crime involving fraud, financial misconduct, or misappropriation of Employer's assets; (iii) Employee's willful and continual failure, after written notice from Employee's Supervisor or the Board to (A) perform substantially Employee's employment duties consistent with Employee's position and authority, or (B) follow, consistent with Employee's position, duties, and authorities, the reasonable lawful mandates of Employee's Supervisor or the Board; (iv) Employee's failure or refusal to comply with a reasonable policy, standard or regulation of Employer in any material respect, including but not limited to Employer's sexual harassment, other unlawful harassment, workplace discrimination or substance abuse policies; or (v) Employee's breach of Section 8.4 hereof resulting in material harm to MEDNAX or Employer. No act or omission shall be deemed willful or grossly negligent for purposes of this definition if taken or omitted to be taken by Employee in a good faith belief that such act or omission to act was in the best interests of Employer or MEDNAX or if done at the express direction of the Board.

(c) Subject to the requirements of applicable law, "Disability" shall mean (i) Employee's inability to perform Employee's duties hereunder, with or without a reasonable accommodation, as a result of physical or mental illness or injury, and (ii) a determination by an independent qualified physician selected by Employer and acceptable to Employee (which acceptance shall not be unreasonably withheld) that Employee is currently unable to perform such duties and in all reasonable likelihood such inability will continue for a period in excess of an additional ninety (90) or more days in any one hundred twenty (120) day period.

(d) "Good Reason" shall mean: (i) a decrease in Employee's Base Salary; (ii) a decrease in Employee's Target Bonus opportunity; (iii) Employee is assigned any position, duties, responsibilities or compensation that is inconsistent with the position, duties, or responsibilities of Employee contemplated herein as of the Effective Date or compensation of Employee as of the Effective Date, excluding for this purpose any isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by Employer promptly after receipt of written notice; (iv) Employee experiences a material diminution in Employee's authorities, duties or responsibilities, excluding for this purpose any isolated and inadvertent action not taken in bad faith and which is remedied by Employer promptly after receipt of written notice; (v) Employee is required to report to any person other than the senior most executive officer of MEDNAX, the Board, or a duly constituted committee thereof, or there is a material diminution in the authority, duties or responsibilities of the senior most executive officer of MEDNAX; (vi) the requirement by Employer that Employee be based in any office or location outside of the metropolitan area where Employee resides as of the Effective Date, except for travel reasonably required in the performance of Employee's duties; (vii) if following a Change in Control (as defined in the 2008 Plan as of the Effective Time), neither the common stock of MEDNAX nor the common equity of its successor, parent, or subsidiary is listed for trading on a national securities exchange; or (viii) any other action or inaction that constitutes a material breach of this Agreement by Employer.

6. Successors; Binding Agreement.

6.1 *Successors*. Employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) acquiring a majority of Employer's voting common stock or any other successor to all or substantially all of the business and/or assets of Employer to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform it if no such succession had taken place and Employee hereby consents to any such assignment. In such event, "Employer" shall mean Employer as previously defined and any successor to its business and/or assets which executes and delivers the agreement provided for in this Section 6 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. This Section 6.1 shall not limit Employee's ability to terminate this Agreement in the circumstances described in Section 4.6 hereof.

6.2 *Benefit*. This Agreement and all rights of Employee under this Agreement shall inure to the benefit of and be enforceable by Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Employee should die after the termination date and amounts would have been payable to Employee under this Agreement if Employee had continued to live, including under Section 5 hereof, then such amounts shall be paid to Employee's devisee, legatee, or other designee or, if there is no such designee, Employee's estate.

7. Conflicts. Except as otherwise provided in this Agreement, this Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes and revokes any and all prior or existing agreements, written or oral, relating to the subject matter hereof, and this Agreement shall be solely determinative of the subject matter hereof.

8. Restrictive Covenants; Confidential Information; Work Product; Injunctive Relief.

8.1 *No Material Competition*. Employer and Employee acknowledge and agree that a strong relationship and connection exists between Employer and its current and prospective patients, referral sources, and customers as well as the hospitals and healthcare facilities at which it provides professional services. Employer and Employee further acknowledge and agree that the restrictive covenants described in this Section are designed to enforce, and are ancillary to or part of, the promises contained in this Agreement and are reasonably necessary to protect the legitimate interests of Employer in the following: (1) the use and disclosure of the Confidential Information as described in Section 8.4 hereof; (2) the professional development activities described in Section 1.2 hereof; and (3) the goodwill of Employer, as promoted by Employee as provided in Section 1.2 hereof. The foregoing listing is by way of example only and shall not be construed to be an exclusive or exhaustive list of such interests. Employee acknowledges that the restrictive covenants set forth below are of significant value to Employer and were a material inducement to Employer in agreeing to the terms of this Agreement. Employee further acknowledges that the goodwill and other proprietary interest of Employer will suffer irreparable and continuing damage in the event Employee enters into competition with Employer in violation of this Section.

Therefore, Employee agrees that, except with respect to services performed under this Agreement on behalf of Employer, **Employee shall not**, at any time during the Restricted Period (as defined below), for Employee or on behalf of any other person, persons, firm, partnership, corporation or employer, intentionally, knowingly, or willingly participate or engage in or own an interest in, directly or indirectly, any individual proprietorship, partnership, corporation, joint venture, trust or other form of business entity, whether as an individual proprietor, partner, joint venturer, officer, director, member, employee, consultant, independent contractor, stockholder, lender, landlord, finder, agent, broker, trustee, or in any manner whatsoever, if such entity or its affiliates is engaged in, directly or indirectly, "Employer's Business," as defined on Exhibit A hereto. Employee acknowledges that, as of the date hereof, Employee's responsibilities will include matters affecting the businesses of Employer listed on Exhibit A. For purposes of this Section 8, the "Restricted Period" shall mean the Employment Period plus (i) eighteen (18) months in the event this Agreement is terminated pursuant to Section 4.1 hereof, and (ii) twenty-four (24) months in the event the Agreement is terminated for any other reason.

8.2 *No Hire*. Employee further agrees that **Employee shall not**, at any time during the Employment Period and for a period of eighteen (18) months immediately following termination of this Agreement for any reason, for Employee or on behalf of any other person, persons, firm, partnership, corporation or employer, intentionally, knowingly, or willingly employ, or intentionally, knowingly, or willingly permit any company or business directly or indirectly controlled by Employee to (a) employ or otherwise engage (i) any person who is a then current employee or exclusive independent contractor of Employer or one of its affiliates, or (ii) any person who was an employee or exclusive independent contractor of Employer or one of its

affiliates in the prior six (6) month period, or (b) take any action that would reasonably be expected to induce an employee or independent contractor of Employer or one of its affiliates to leave his or her employment or engagement with Employer or one of its affiliates (including without limitation for or on behalf of a subsequent employer of Employee).

8.3 *Non-Solicitation.* Employee further agrees that **Employee shall not**, at any time during the Employment Period and for a period of eighteen (18) months immediately following termination of this Agreement for any reason, for Employee or on behalf of any other person, persons, firm, partnership, corporation or employer, intentionally, knowingly, or willingly solicit or accept business from or take any action that would reasonably be expected to materially interfere with, diminish or impair the valuable relationships that Employer or its affiliates have with (i) hospitals or other health care facilities with which Employer or its affiliates have contracts to render professional services or otherwise have established relationships, (ii) patients, (iii) referral sources, (iv) vendors, (v) any other clients of Employer or its affiliates, or (vi) prospective hospitals, patients, referral sources, vendors or clients whose business Employee was aware that Employer or any affiliate of Employer was in the process of soliciting at the time of Employee's termination (including potential acquisition targets).

8.4 *Confidential Information*. At all times during the term of this Agreement, Employer shall provide Employee with access to "Confidential Information." As used in this Agreement, the term "Confidential Information" means any and all confidential, proprietary or trade secret information, whether disclosed, directly or indirectly, verbally, in writing or by any other means in tangible or intangible form, including that which is conceived or developed by Employee, applicable to or in any way related to: (i) patients with whom Employer has a physician/patient relationship; (ii) the present or future business of Employer; or (iii) the research and development of Employer. Without limiting the generality of the foregoing, Confidential Information includes: (a) the development and operation of Employer's medical practices, including information relating to budgeting, staffing needs, marketing, research, hospital relationships, equipment capabilities, and other information concerning such facilities and operations and specifically including the procedures and business plans developed by Employer for use at the hospitals where Employer conducts its business; (b) contractual arrangements between Employer and insurers or managed care associations or other payors; (c) the databases of Employer; (d) the clinical and research protocols of Employer, including coding guidelines; (e) the referral sources of Employer; (f) other confidential information of Employer that is not generally known to the public that gives Employer the opportunity to obtain an advantage over competitors who do not know or use it, including the names, addresses, telephone numbers or special needs of any of its patients, its patient lists, its marketing methods and related data, lists or other written records used in Employer's business, compensation paid to employees and other terms of employment, accounting ledgers and financial statements, contracts and licenses, business systems, business plan and projections, and computer programs. The parties agree that, as between them, this Confidential Information constitutes important, material, and confidential trade secrets that affect the successful conduct of Employer's business and its goodwill. Employer acknowledges that the Confidential Information specifically enumerated above is special and unique information and is not information that would be considered a part of the general knowledge and skill Employee has or might otherwise obtain.

Notwithstanding the foregoing, Confidential Information shall not include any information that (i) was known by Employee from a third party source before disclosure by or on behalf of Employer, (ii) becomes available to Employee from a source other than Employer that is not, to Employee's knowledge, bound by a duty of confidentiality to Employer, (iii) becomes generally available or known in the industry other than as a result of its disclosure by Employee, or (iv) has been independently developed by Employee and may be disclosed by Employee without breach of this Agreement, provided, in each case, that Employee shall bear the burden of demonstrating that the information falls under one of the above-described exceptions. Pursuant to the Defend Trade Secrets Act of 2016, Employee acknowledges that Employee shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Employee files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Employee may disclose the trade secret to Employee's attorney and may use the trade secret information in the court proceeding, if Employee (X) files any document containing the trade secret under seal and (Y) does not disclose the trade secret, except pursuant to court order.

Additionally, notwithstanding anything herein to the contrary, nothing in this Agreement or any other agreement between Employer and Employee shall prevent Employee from filing a charge, sharing information and communicating in good faith, without prior notice to Employer, with any federal government agency having jurisdiction over Employer or its operations, and cooperating in any investigation by any such federal government agency.

Unless disclosure is otherwise required by applicable law or stock exchange rules, Employee agrees that the terms of this Agreement shall be deemed Confidential Information for purposes of this Section. Employee shall keep the terms of this Agreement strictly confidential and will not, without the prior written consent of Employer, disclose the details of this Agreement to any third party in any manner whatsoever in whole or in part, with the exception of Employee's representatives (such as tax advisors and attorneys) who need to know such information.

Employee agrees that Employee will not at any time, whether during or subsequent to the term of Employee's employment with Employer, in any fashion, form or manner, unless specifically consented to in writing by Employer, either directly or indirectly, use or divulge, disclose, or communicate to any person, firm or corporation, in any manner whatsoever, any Confidential Information of any kind, nature, or description, subject to applicable law. The parties agree that any breach by Employee of any term of this Section 8.4 resulting in material harm to MEDNAX or Employer is a material breach of this Agreement and shall constitute "Cause" for the termination of Employee's employment hereunder pursuant to Section 4.1 hereof. In the event that Employee is ordered to disclose any Confidential Information, whether in a legal or a regulatory proceeding or otherwise, Employee shall provide Employer with prompt written notice of such request or order so that Employer may seek to prevent disclosure or, if that cannot be achieved, the entry of a protective order or other appropriate protective device or procedure in order to assure, to the extent practicable, compliance with the provisions of this Agreement. In the case of any disclosure required by law, Employee shall disclose only that portion of the Confidential Information that Employee is ordered to disclose in a legally binding subpoena, demand or similar order issued pursuant to a legal or regulatory proceeding.

All Confidential Information, and all equipment, notebooks, documents, memoranda, reports, files, samples, books, correspondence, lists, other written and graphic records, in any media (including electronic or video) containing Confidential Information or relating to the business of Employer, which Employee shall prepare, use, construct, observe, possess, or control shall be and remain Employer's sole property (collectively "Employer Property"). Upon termination or expiration of this Agreement, or earlier upon Employer's request, Employee shall promptly deliver to Employer all Employer Property, retaining none.

8.5 *Ownership of Work Product.* Employee agrees and acknowledges that (i) all copyrights, patents, trade secrets, trademarks, service marks, or other intellectual property or proprietary rights associated with any ideas, concepts, techniques, inventions, processes, or works of authorship developed or created by Employee during the course of performing work for Employer and any other work product conceived, created, designed, developed or contributed by Employee during the term of this Agreement that relates in any way to Employer's Business (collectively, the "Work Product"), shall belong exclusively to Employer and shall, to the extent possible, be considered a work made for hire within the meaning of Title 17 of the United States Code. To the extent the Work Product may not be considered a work made for hire owned exclusively by Employer, Employee hereby assigns to Employer all right, title, and interest worldwide in and to such Work Product at the time of its creation, without any requirement of further consideration. Upon request of Employer, Employee shall take such further actions and execute such further documents as Employer may deem necessary or desirable to further the purposes of this Agreement, including without limitation separate assignments of all right, title, and interest in and to all rights of copyright and all right, title, and interest in and to any inventions or patents and any reissues or extensions which may be granted therefore, and in and to any improvements, additions to, or modifications thereto, which Employee may acquire by invention or otherwise, the same to be held and enjoyed by Employer for its own use and benefit, and for the use and benefit of Employer's successors and assigns, as fully and as entirely as the same might be held by Employee had this assignment not been made.

8.6 *Clearance Procedure for Proprietary Rights Not Claimed by Employer.* In the event that Employee wishes to create or develop, *other than* on Employer's time or using Employer's resources, anything that may be considered Work Product but to which Employee believes Employee should be entitled to the personal benefit of, Employee agrees to follow the clearance procedure set forth in this Section. Before beginning any such work, Employee agrees to give Employer advance written notice and provide Employer with a sufficiently detailed written description of the work under consideration for Employer to make a determination regarding the work. Unless otherwise agreed in a writing signed by Employer prior to receipt, Employer shall have no obligation of confidentiality with respect to such request or description. Employer will determine in its sole discretion, within thirty (30) days after Employee has fully disclosed such plans to Employer, whether rights in such work will be claimed by Employer. If Employer determines that it does not claim rights in such work, Employer agrees to so notify Employee in writing and Employee may retain ownership of the work to the extent that such work has been expressly disclosed to Employer. If Employer fails to so notify Employee within such thirty (30) day period, then Employer shall be deemed to have agreed that such work is not considered Work Product for purposes of this Agreement. Employee agrees to submit for further review any significant improvement, modification, or adaptation that could reasonably be related to Employer's Business so that it can be determined whether the improvement, modification, or adaptation relates to the business or interests of Employer. Clearance under this procedure does not relieve Employee of the restrictive covenants set forth in this Section 8.

8.7 *Non-Disparagement.* During the Employment Period and for a period of ten (10) years after the termination of this Agreement, Employee will not, directly or indirectly, as an individual or on behalf of a firm, corporation, partnership or other legal entity, intentionally, knowingly, or willingly make any comment that would reasonably be expected to be materially disparaging or negative to any other person or entity regarding Employer or any of its affiliates, agents, attorneys, employees, officers and directors, Employee's work conditions or circumstances surrounding Employee's separation from Employer or otherwise impugn or criticize the name or reputation of Employer, its affiliates, agents, attorneys, employees, officers or directors, orally or in writing.

8.8 *Review by Employee.* Employee has carefully read and considered the terms and provisions of this Section 8, and having done so, agrees that the restrictions set forth in this Section 8 are fair and reasonably required for the protection of the interests of Employer. In the event that any term or provision set forth in this Section 8 shall be held to be invalid or unenforceable by a court of competent jurisdiction, the parties hereto agree that such invalid or unenforceable term(s) or provision(s) may be severed from this Agreement without, in any manner, affecting the remaining portions hereof. Without limiting other possible remedies available to Employer, Employee agrees that injunctive or other equitable relief will be available to enforce the covenants set forth in this Section 8, such relief to be without the necessity of posting a bond. In the event that, notwithstanding the foregoing, any part of the covenants set forth in this Section 8 shall be held to be invalid, overbroad, or unenforceable by an arbitrator or a court of competent jurisdiction, the parties hereto agree that such invalid, overbroad, or unenforceable provision(s) may be modified or severed from this Agreement without, in any manner, affecting the remaining portions of this Section 8 (all of which shall remain in full force and effect). In the event that any provision of this Section 8 related to time period or areas of restriction shall be declared by an arbitrator or a court of competent jurisdiction to exceed the maximum time period, area or activities such arbitrator or court deems reasonable and enforceable, said time period or areas of restriction shall be deemed modified to the minimum extent necessary to make the geographic or temporal restrictions or activities reasonable and enforceable.

8.9 *Survival; Notice of Breach and Right to Cure.* If Employer reasonably believes that Employee has breached a provision of this Section 8, Employer shall provide prompt written notice thereof to Employee that explains such reasonably believed breach (the "Alleged Breach"). Employer agrees to work in good faith with Employee to provide Employee a reasonable opportunity to promptly cure such Alleged Breach. In the event that Employee, acting in good faith, promptly takes actions that would reasonably be expected to cure the Alleged Breach, including, with respect to a comment made by Employee that Employer reasonably believes is in breach of Section 8.7 hereof, by Employee retracting such comment, then Employee shall be deemed not to be in breach of this Section 8 with respect to the Alleged Breach. Employer and Employee further agree that Employee shall not be deemed to be in breach of any term of Section 8.4 hereof unless such breach results in material harm to MEDNAX or Employer.

The provisions of this Section 8 shall survive the termination of this Agreement and Employee's employment with Employer. In the event of a breach of this Section 8 by Employee, as finally determined pursuant to Section 11 hereof, Employer retains the right to terminate any continuing payments to Employee provided for in Section 4 hereof. In the event of a breach of any provisions of this Section 8 by Employee, as finally determined pursuant to Section 11 hereof, the period for which those provisions would remain in effect shall be extended for a period of time equal to that period beginning when such breach commenced and ending when the activities constituting such breach shall have been finally terminated, in each case as finally determined pursuant to Section 11 hereof. The provisions of this Section 8 are expressly intended to benefit and be enforceable by other affiliated entities of Employer, who are express third party beneficiaries hereof. Employee shall not assist others in engaging in any of the activities described in the foregoing restrictive covenants.

9. Tax Matters

9.1 *Section 409A*

(a) *In General.* The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of Section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party. Employer makes no representation or warranty and shall have no liability to Employee or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, Section 409A.

(b) *Six-Month Delay.* Anything in this Agreement to the contrary notwithstanding, if at the time of Employee's separation from service within the meaning of Section 409A of the Code, Employer determines that Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that Employee becomes entitled to under this Agreement on account of Employee's "separation from service" (within the meaning of Section 409A) that would be considered "non-qualified deferred compensation", such payment shall not be payable and such benefit shall not be provided until the date that is within fifteen (15) days after the end of the six-month period beginning on the date of such "separation from service" or, if earlier, within fifteen (15) days after the appointment of the personal representative or executor of Employee's estate following Employee's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(c) *Reimbursements.* All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by Employer or incurred by Employee during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) *Separation from Service.* To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon Employee's termination of employment, then such payments or benefits shall be payable only upon Employee's "separation from service" as defined under Section 409A. The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(e) *Later Calendar Year*. To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and not otherwise exempt from the application of Section 409A, then, if the period during which Employee may consider and sign the Release or the period in which the Employer can make a severance payment spans two calendar years, any payment or benefit described in this Agreement will not be made or begin until the later calendar year.

9.2 ***Section 280G***. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by Employer or its affiliates to Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise (the "Covered Payments") constitute parachute payments (the "Parachute Payments") within the meaning of Section 280G of the Code and, but for this Section 9, would be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to Employee of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to Employee if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount"). "Net Benefit" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes.

(a) Any such reduction shall be made in accordance with Section 409A and the following: (i) the Covered Payments consisting of cash severance benefits that do not constitute nonqualified deferred compensation subject to Section 409A shall be reduced first, in reverse chronological order; (ii) all other Covered Payments consisting of cash payments, and Covered Payments consisting of accelerated vesting of equity based awards to which Treas. Reg. § 1.280G-1 Q/A-24(c) does not apply, and that in either case do not constitute nonqualified

deferred compensation subject to Section 409A, shall be reduced second, in reverse chronological order; (iii) all Covered Payments consisting of cash payments that constitute nonqualified deferred compensation subject to Section 409A shall be reduced third, in reverse chronological order; and (iv) all Covered Payments consisting of accelerated vesting of equity-based awards to which Treas. Reg. § 1.280G-1 Q/A-24(c) applies shall be the last Covered Payments to be reduced.

(b) Any determination required under this Section 9 shall be made in writing in good faith by an independent accounting firm selected by Employer (the "Accountants"). Employer and Employee shall provide the Accountants with such information and documents as the Accountants may reasonably request in order to make a determination under this Section 9. For purposes of making the calculations and determinations required by this Section 9, the Accountants may rely on reasonable, good-faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Accountants' determinations shall be final and binding on Employer and Employee. Employer shall be responsible for all fees and expenses incurred by the Accountants in connection with the calculations required by this Section 9.

(c) It is possible that after the determinations and selections made pursuant to this Section 9, Employee will receive Covered Payments that are in the aggregate more than the amount intended or required to be provided after application of this Section 9 ("Overpayment") or less than the amount intended or required to be provided after application of this Section 9 ("Underpayment").

(i) In the event that: (A) the Accountants determine, based upon the assertion of a deficiency by the Internal Revenue Service against either Employer or Employee that the Accountants believe has a high probability of success, that an Overpayment has been made or (B) it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding that has been finally and conclusively resolved that an Overpayment has been made, then Employee shall pay any such Overpayment to Employer together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code) from the date of Employee's receipt of the Overpayment until the date of repayment.

(ii) In the event that: (A) the Accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred or (B) a court of competent jurisdiction determines that an Underpayment has occurred, any such Underpayment will be paid promptly by Employer to or for the benefit of Employee together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code) from the date the amount should have otherwise been paid to Employee until the payment date.

9.3 *Tax Withholding.* All amounts payable under this Agreement shall be subject to applicable income and employment tax withholding.

10. Dispute Resolution; Injunctive Relief. If any controversy or claim arises out of or relating to this Agreement, or any alleged breach hereof, Employee and Employer shall first try to resolve such controversy or claim through mediation using the services of the American Arbitration Association. If any such controversy or claim cannot be resolved by mediation pursuant to the foregoing, Employee and Employer agree that such controversy or claim shall be finally determined by a single arbitrator, jointly selected by Employee and Employer, provided that if Employee and Employer are unable to agree upon a single arbitrator after reasonable efforts, the arbitrator shall be an impartial arbitrator selected by the American Arbitration Association.

Employer shall bear all costs associated with such mediation and, if necessary, arbitration, including but not limited to all costs of the mediator and arbitrator, and shall reimburse Employee on a monthly basis for Employee's reasonable legal and other expenses, including all fees, incurred in connection with any such mediation and, if necessary, arbitration, provided, however, that if Employer ultimately prevails in any arbitration (as determined by the arbitrator), the arbitrator shall have the power to require Employee to reimburse Employer for all or a portion of the advanced legal fees and other expenses as determined by the arbitrator (and, if the arbitrator finds that Employer prevailed on certain claims and Employee prevailed on others, the arbitrator shall have the power to require Employee to reimburse Employer for a portion of the advanced legal fees and other expenses determined by the arbitrator based on those claims on which Employer prevailed). The mediation and, if necessary, arbitration proceedings shall be held in Sunrise, Florida, unless otherwise mutually agreed by the parties, and shall be conducted in accordance with the American Arbitration Association National Rules for the Resolution of Employment Disputes then in effect. Judgment on any award rendered by the arbitrator may be entered and enforced by any court having jurisdiction thereof. Any such mediation and, if necessary, arbitration shall be treated as confidential by all parties thereto, except as otherwise provided by law or as otherwise necessary to enforce any judgment or order issued by the arbitrator.

Notwithstanding anything herein to the contrary, if Employer or Employee shall require immediate injunctive relief, then the party shall be entitled to seek such relief in any court having jurisdiction, and if the party elects to do so, the other party hereby consents to the jurisdiction of the state and federal courts sitting in the State of Florida and to the applicable service of process. Employee and Employer hereby waive and agree not to assert, to the fullest extent permitted by applicable law, any claim that (i) they are not subject to the jurisdiction of such courts, (ii) they are immune from any legal process issued by such courts and (iii) any litigation or other proceeding commenced in such courts is brought in an inconvenient forum. In the event that Employer brings suit against Employee seeking injunctive relief, Employer agrees to advance all of Employee's reasonable legal and other expenses, including all fees, incurred by Employee in connection with such action, provided, however, that if Employer ultimately prevails in seeking injunctive relief, Employee shall reimburse Employer all such advanced legal fees and other expenses.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to its conflict of laws principles to the extent that such principles would require the application of laws other than the laws of the State of Florida.

12. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when (i) delivered by hand, (ii) delivered by electronic mail that is confirmed by non-automated means, or (iii) when delivered or delivery is refused if sent by registered or certified U.S. mail, return receipt requested, postage prepaid, or via reputable overnight courier, addressed as follows:

If to Employer:

MEDNAX Services, Inc.
1301 Concord Terrace
Sunrise, FL 33323
Attention: General Counsel
Email: dominic_andreano@mednax.com

If to Employee:

C. Marc Richards
c/o MEDNAX Services, Inc.
1301 Concord Terrace
Sunrise, FL 33323
Email: marc_richards@mednax.com

or to such other addresses as either party hereto may from time to time give notice of to the other in the aforesaid manner.

13. Benefits; Binding Effect. This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs, personal representatives, legal representatives, successors and, where applicable, assigns. Notwithstanding the foregoing, Employee may not assign the rights or benefits hereunder without the prior written consent of Employer. This Agreement may be assigned by Employer upon notice to Employee.

14. Severability. The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted. If such invalidity is caused by length of time or size of area, or both, the otherwise invalid provision will be considered to be reduced to a period or area, which would cure such invalidity.

15. Waivers. The waiver by either party hereto of a breach or violation of any term or provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation.

16. Damages. Nothing contained herein shall be construed to prevent Employer or Employee from seeking and recovering from the other damages sustained by either or both of them as a result of a breach of any term or provision of this Agreement.

17. No Third Party Beneficiary. Except as provided in Section 8.9 hereof, nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person (other than the parties hereto and, in the case of Employee, Employee's heirs, personal representative(s) and/or legal representative) any rights or remedies under or by reason of this Agreement. No agreements or representations, oral or otherwise, express or implied, have been made by either party with respect to the subject matter of this Agreement which agreements or representations are not set forth expressly in this Agreement, and this Agreement supersedes any other employment agreement between Employer and Employee.

The remainder of this page has been left blank intentionally.

IN WITNESS WHEREOF, the undersigned have executed this Agreement this 27th day of September, 2020, effective as of the Effective Date.

EMPLOYER:

MEDNAX SERVICES, INC.

By: */s/ Mark. S. Ordan*
Mark S. Ordan
Chief Executive Officer

MEDNAX, INC.

By: */s/ Shirley A. Weis*
Shirley A. Weis
Chair, Compensation Committee

EMPLOYEE:

By: */s/ C. Marc Richards*
C. Marc Richards

EXHIBIT A

BUSINESS OF EMPLOYER

As of the date hereof, Employer, directly or through its affiliates, provides professional medical services and all aspects of practice management services in medical practice areas that include, but are not limited to, the following (collectively referred to herein as "Employer's Business"):

(1) Neonatology, including hospital well baby care;

(2) Maternal-Fetal Medicine, including Obstetrical Hospitalist Care;

(3) Pediatric Cardiology;

(4) Pediatric Intensive Care, including Pediatric Hospitalist Care;

(5) Newborn hearing screening services;

(6) Pediatric Surgery;

(7) Pediatric Emergency Medicine; and

(8) Radiology and Teleradiology.

References to Employer's Business in this Agreement shall include such other medical service lines, practice management services and other businesses in which Employer is engaged during the Employment Period; *provided*, that to be considered a part of Employer's Business, Employer must have engaged in such other service line, practice management service or other business at least six (6) months prior to the termination date of this Agreement. For purposes of this Exhibit A, businesses of Employer shall include the businesses conducted by Employer's subsidiaries, entities under common control and affiliates as defined under Rule 144 of the Securities Act of 1933, as amended. Such affiliates shall include the professional corporations and associations whose operating results are consolidated with Employer for financial reporting purposes.

Notwithstanding the foregoing, Employer acknowledges and agrees to the following exceptions and clarifications regarding the scope of Employer's Business.

A. *Hospital Services.* Employer and Employee acknowledge that, as of the date hereof, Employer does not currently operate hospitals, hospital systems or universities. Nevertheless, the businesses of hospitals, hospital systems and universities would be the same as Employer's Business where such hospitals, hospital systems or universities provide or contract with others to provide some or all of the medical services included in Employer's Business. Therefore, the parties desire to clarify their intent with respect to the limitations on Employee's ability to work for or contract with others to provide services for a hospital, hospital system or university during the Employment Period and during the Restricted Period. Section 8.1 shall not be deemed to restrict Employee's ability to work for a hospital, hospital system or university if the hospital, hospital system or university does not provide any of the medical services included in Employer's Business. Furthermore, even if a hospital, hospital system or university provides medical services that are included in Employer's Business, Employee may work for such hospital, hospital system or university if Employee has no direct supervisory responsibility for or involvement in the hospital's, hospital system's or university's provision of medical services that are Employer's Business. For the avoidance of doubt, Employer and Employee agree that if

Employee becomes the Chief Financial Officer, Chief Operating Officer, or Chief Executive Officer of a hospital system or health system, or other executive officer of similar level to the foregoing, that Employee shall not be in breach of the provisions of this Agreement. Finally, Employer agrees that Employee may hold direct supervisory responsibility for or be involved in the medical services of a hospital, hospital system or university that are included in Employer's Business so long as such hospital, hospital system or university is located at least ten (10) miles from a medical practice owned or operated by Employer or its affiliate. Subject to paragraph B below, the provisions of this paragraph shall not apply to the extent that, after the date hereof, Employer enters into the business of operating a hospital or hospital system.

B. *De Minimus Exception.* Employer agrees that a medical service line (other than those listed in items (1) through (8) above), practice management service or other business in which Employer is engaged shall not be considered to be a part of Employer's Business if such medical service line, practice management service or other business constitutes less than three percent (3%) of Employer's annual revenues.

C. *Divested Lines of Service.* Employer agrees that any medical service line (including those listed in items (1) through (8) above), practice management, or other business in which Employer is engaged that is divested pursuant to a disposition, sale of assets or equity, or otherwise after the Effective Date shall not be considered to be a part of Employer's Business effective as of the effective date of such divestiture.

D. *Certain Ownership Interests.* It shall not be deemed to be a violation of Section 8.1 for Employee to: (i) own, directly or indirectly, one percent (1%) or less of a publicly-traded entity that has a market capitalization of $1 billion or more; (ii) own, directly or indirectly, five percent (5%) or less of a publicly-traded entity that has a market capitalization of less than $1 billion; or (iii) own, directly or indirectly, less than ten percent (10%) of a privately-held business or company, if Employee is at all times a passive investor with no board representation, management authority or other special rights to control operations of such business or company.

EXHIBIT B

FORM OF RELEASE

GENERAL RELEASE OF CLAIMS

1. C. Marc Richards ("Employee"), for himself or herself and his or her family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for the consideration received pursuant to Section 4.[●] of that certain Employment Agreement, dated as of September 27, 2020, by and between Employee and Employer, to which this release is attached as Exhibit B (the "Employment Agreement"), does hereby release and forever discharge MEDNAX Services, Inc. ("Employer"), its subsidiaries, affiliated companies, successors and assigns, and its current or former directors, officers, employees, shareholders or agents in such capacities (collectively with Employer, the "Released Parties") from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown including, but not limited to, all claims under any applicable laws arising under or in connection with Employee's employment or termination thereof, whether for discrimination, harassment, retaliation, tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of loss of employment. Employee acknowledges that Employer encouraged Employee to consult with an attorney of Employee's choosing, and through this General Release of Claims encourages Employee to consult with Employee's attorney with respect to possible claims under the Age Discrimination in Employment Act ("ADEA") and that Employee understands that the ADEA is a Federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefits and benefit plans. Without limiting the generality of the release provided above, Employee expressly waives any and all claims under ADEA that Employee may have as of the date hereof. Employee further understands that by signing this General Release of Claims Employee is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of Claims shall not apply to (i) any actions to enforce rights to receive any payments or benefits which may be due Employee pursuant to Section 4.[●] of the Employment Agreement, or under any of Employer's employee benefit plans, (ii) any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed, (iii) any indemnification rights Employee may have as a former officer or director of Employer or its subsidiaries or affiliated companies, (iv) any claims for benefits under any directors' and officers' liability policy maintained by Employer or its subsidiaries or affiliated companies in accordance with the terms of such policy, (v) any rights as a holder of equity securities of Employer, (vi) any claims that cannot be waived as a matter of law, (vii) any claims Employee may have to government-sponsored and administered benefits such as unemployment insurance, workers' compensation insurance (excluding claims for retaliation under workers' compensation laws), state disability insurance, and paid family leave benefits, and (viii) any benefits that vested on or prior to the termination date pursuant to a written benefit plan sponsored by Employer and governed by the federal law known as "ERISA".

2. Employee represents that Employee has not filed against the Released Parties any complaints, charges, or lawsuits arising out of Employee's employment, or any other matter arising on or prior to the date of this General Release of Claims, and covenants and agrees that Employee will never individually or with any person file, or commence the filing of, any charges, lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by Employee pursuant to paragraph 1 hereof (a "Proceeding"), provided, however, Employee retains the right to commence a Proceeding to challenge whether Employee knowingly and voluntarily waived Employee's rights under ADEA.

3. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement or any other agreement between Employer and Employee shall prevent Employee from filing a charge, sharing information and communicating in good faith, without prior notice to Employer, with any federal government agency having jurisdiction over Employer or its operations, and cooperating in any investigation by any such federal government agency; however, to the maximum extent permitted by law, Employee agrees that if such an administrative claim is made, Employee shall not be entitled to recover any individual monetary relief or other individual remedies, provided that, for purposes of clarity, this limitation on monetary recovery does not apply to whistleblower proceedings before the United States Securities and Exchange Commission.

4. Employee hereby acknowledges that Employer has informed Employee that Employee has up to twenty-one (21) days to sign this General Release of Claims and Employee may knowingly and voluntarily waive that twenty-one (21) day period by signing this General Release of Claims earlier. Employee also understands that Employee shall have seven (7) days following the date on which Employee signs this General Release of Claims within which to revoke it by providing a written notice of Employee's revocation to Employer.

5. Employee acknowledges that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the State of Florida applicable to contracts made and to be performed entirely within such State.

6. Employee acknowledges that Employee has read this General Release of Claims, that Employee has been advised that Employee should consult with an attorney before Employee executes this general release of claims, and that Employee understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

7. This General Release of Claims shall take effect on the eighth day following Employee's execution of this General Release of Claims unless Employee's written revocation is delivered to Employer within seven (7) days after such execution.

_____

_____, 20____

Exhibit 10.5

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into by and between **MEDNAX SERVICES, INC.**, a Florida corporation ("Employer"), and Dominic J. Andreano ("Employee") effective as of September 27, 2020 (the "Effective Date").

RECITALS

WHEREAS, Employer is presently engaged in "Employer's Business" as defined on Exhibit A hereto;

WHEREAS, Employer desires to continue employing Employee and benefit from Employee's contributions to Employer; and

WHEREAS, Employer and Employee previously entered in an Amended and Restated Employment Agreement dated February 13, 2020, as amended, which will be superseded in its entirety upon the execution of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and premises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employer and Employee hereby agree as follows:

1. Employment.

1.1 *Employment and Term*. Employer hereby agrees to employ Employee and Employee hereby agrees to serve Employer on the terms and conditions set forth herein for an "Initial Term" commencing as of the Effective Date and continuing for a period of three (3) years, unless sooner terminated as hereinafter set forth. Thereafter, the employment of Employee hereunder shall automatically renew for successive one (1) year periods until terminated in accordance herewith. The Initial Term and any automatic renewals shall be referred to as the "Employment Period."

1.2 *Duties of Employee*. As of the Effective Date and thereafter during the remaining Employment Period, Employee shall serve as Executive Vice President, General Counsel and Secretary of Employer and MEDNAX, Inc., a Florida corporation and the parent corporation of Employer ("MEDNAX"), and perform such duties as are customary to the position Employee holds or as may be assigned to Employee from time to time by the most senior executive officer of MEDNAX ("Employee's Supervisor") or the Board of Directors of MEDNAX (the "Board") including, but not limited to, also serving as an officer and/or director, or equivalent, of subsidiaries and/or affiliates of MEDNAX; *provided*, that such duties as assigned shall be customary to Employee's role as an executive officer of Employer and MEDNAX. Employee's employment shall be full-time and, as such, Employee agrees to devote substantially all of Employee's attention and professional time to the business and affairs of Employer and MEDNAX. Employee shall perform Employee's duties honestly, diligently, competently, in good faith and in the best interest of Employer and MEDNAX. During the Employment Period, Employee agrees that Employee will not, without the prior written consent of Employer (which consent shall not be unreasonably withheld), serve as a director on a corporate board of directors

or in any other similar capacity for any institution other than Employer and MEDNAX, and their respective subsidiaries and affiliates in accordance with this Section 1.2. During the Employment Period, it shall not be a violation of this Agreement to (i) serve on civic or charitable boards or committees, or (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, so long as such activities have been approved by Employee's Supervisor and do not interfere with the performance of Employee's responsibilities as an employee of Employer in accordance with this Agreement, including the restrictions of Section 8 hereof.

1.3 *Place of Performance*. Employee shall be based at Employer's offices located in Sunrise, Florida, except for required travel relating to Employer's Business.

2. Base Salary and Performance Bonus.

2.1 *Base Salary*. Employer shall pay Employee during the Employment Period an annual salary of Five Hundred Thousand Dollars ($500,000) (the "Base Salary"), payable in accordance with Employer's normal business practices for senior executives (including tax withholding), but in no event less frequently than monthly. Employee's Base Salary shall be reviewed at least annually by the Compensation Committee of the Board (the "Compensation Committee") and may be increased in its discretion. After any such increase in Base Salary, the term "Base Salary" shall refer to the increased amount.

2.2 *Performance Bonus*. Employee shall be eligible to receive a cash bonus (the "Performance Bonus") for each year (or prorated with respect to any partial years of employment) during the Employment Period, provided that, except as otherwise provided herein, Employee has remained employed by Employer as of the end of the applicable year (or as of the end of the Employment Period for the final calendar year of the Employment Period). Employee's target bonus opportunity for any particular year ("Target Bonus") shall be one hundred percent (100%) of Base Salary. The amount of bonus payable to Employee for any particular year will be determined by the Compensation Committee, in its sole discretion, taking into account the performance of Employer and Employee for that particular year (or portion thereof). All such bonuses shall be paid no later than March 15th of the calendar year immediately following the calendar year in which it is earned. Notwithstanding the foregoing, the Performance Bonus with respect to the 2020 calendar year shall be paid at one hundred percent (100%) of Base Salary.

3. Benefits.

3.1 *Expense Reimbursement*. Employer shall promptly reimburse Employee for all out-of-pocket expenses reasonably incurred by Employee during the Employment Period on behalf of or in connection with Employer's Business pursuant to the reimbursement standards and guidelines of Employer in effect from time to time, including reimbursement for appropriate professional organizations. Employee shall account for such expenses and submit reasonable supporting documentation in accordance with Employer's policies in effect from time to time.

3.2 *Employee Benefits*. During the Employment Period, Employee shall be entitled to participate in such health, welfare, disability, retirement savings and other fringe benefit plans and programs (subject to the terms and conditions of such plans and programs) as may be provided from time to time to employees of Employer and to the extent that such plans and programs are applicable to other similarly situated employees of Employer.

3.3 *Leave Time*. During the Employment Period, Employee shall be entitled to paid vacation and leave days each calendar year in accordance with the leave policies established by Employer from time to time. Any leave time not used during each fiscal year of Employer may be carried over into the next year to the extent permitted by Employer policy.

3.4 *Equity Plans.* During the Employment Period, the Chief Executive Officer of MEDNAX shall recommend to the Compensation Committee that Employee receive, on an annual basis following the Effective Date, and at the same time as other executive officers of Employer, grants of awards (each an "Equity Award") pursuant to MEDNAX's Amended and Restated 2008 Incentive Compensation Plan, as amended (the "2008 Plan"), or any other similar plan adopted by MEDNAX (together with the 2008 Plan, each an "Equity Plan"), with a grant value determined by the Compensation Committee in the same manner as for other executive officers of Employer. Every Equity Award made to Employee shall be subject to the terms and conditions of this Agreement and the terms of the applicable Equity Plan, and shall be made subject to an award agreement that is consistent with terms applicable to other executive officers of Employer. Notwithstanding any contrary provision in this Agreement or any Equity Plan then maintained by MEDNAX, if Employee remains continuously employed with Employer through the date of a Change in Control (as defined in the Equity Plan pursuant to which the Equity Award is issued), then upon such Change in Control (i) all time-based Equity Awards granted to Employee by MEDNAX shall immediately become fully vested, non-forfeitable and, if applicable, exercisable and (ii) all performance-based Equity Awards for which the applicable performance condition has been met at the time of such Change in Control shall immediately become fully vested, non-forfeitable and, if applicable, exercisable. For purposes of clarification, the vesting of any performance-based Equity Awards for which the performance condition has not been met at the time of such Change in Control shall not be accelerated or otherwise modified pursuant to this Section 3.4 but such Equity Awards may nonetheless be accelerated or otherwise modified as determined by the Company under the terms of the Equity Plan.

4. Termination; Compensation and Benefits Upon Termination.

4.1 *Termination for Cause*. Employer may terminate Employee's employment under this Agreement for Cause (as defined below). The termination date for a termination of Employee's employment under this Agreement pursuant to this Section 4.1 shall be the date specified by Employer in a written notice to Employee of finding of Cause. If Employee's employment is terminated for Cause, Employer shall pay (i) Employee's Base Salary through the termination date at the rate in effect at the termination date, (ii) reimbursement for reasonable business expenses incurred prior to the termination date, subject to Employer policy and the provisions of Section 3.1 hereof, and (iii) any other benefits that are vested benefits under applicable Employer benefit plans or that are required by applicable law (the foregoing clauses (i)-(iii), the "Accrued Obligations").

4.2 *Disability*. Employer may terminate Employee's employment under this Agreement upon the Disability (as defined below) of Employee. The termination date for a termination of this Agreement pursuant to this Section 4.2 shall be the date specified by Employer in a notice to Employee. In the event of Employee's Disability, (i) Employee shall continue to receive Employee's Base Salary for ninety (90) days under the Company's short term disability policy, which may be amended or modified in the Company's discretion upon written notice to Employee (the "Initial Disability Period"), and (ii) following such Initial Disability Period, if Employee's Disability continues, the Company may terminate Employee's employment immediately upon written notice. If Employee's employment is terminated in connection with Employee's Disability, in addition to the Accrued Obligations and subject to and conditioned on Employee's compliance with the terms of Section 5 hereof, Employee shall be eligible to receive (A) a bonus with respect to Employer's fiscal year in which the termination date occurs, equal to Employee's minimum Target Bonus for the year of termination, multiplied by the number of days in the fiscal year prior to and including the date of termination and divided by three hundred sixty five (365) (a "Pro-Rated Bonus") payable within thirty (30) days of the termination date; and (B) all time-based Equity Awards granted to Employee by MEDNAX prior to termination of Employee's employment shall immediately become fully vested, non-forfeitable and, if applicable, exercisable, and all performance-based shares awards shall remain outstanding and shall vest based upon actual performance determined at the end of the applicable performance period (the "Equity Acceleration").

4.3 *Death*. Employee's employment under this Agreement shall terminate automatically upon the death of Employee, without any requirement of notice by Employer to Employee's estate. The date of Employee's death shall be the termination date for a termination of Employee's employment under this Agreement pursuant to this Section 4.3. Upon Employee's death during the Employment Period, Employer shall pay or provide to the person or entity designated by Employee in a notice filed with Employer or, if no person is designated, to Employee's estate (i) the Accrued Obligations; (ii) a Pro-Rated Bonus; and (iii) the Equity Acceleration.

4.4 *Termination by Employer Without Cause*. Employer may terminate Employee's employment under this Agreement without Cause by giving Employee written notice of such termination. The termination date shall be the date specified by Employer in such notice, which may be up to ninety (90) days from the date of such notice. Upon any termination of Employee's employment without Cause pursuant to this Section 4.4, in addition to the Accrued Obligations and subject to and conditioned on Employee's compliance with the terms of Section 5 hereof, Employee shall be eligible to receive: (i) a Pro-Rated Bonus; (ii) severance payments equivalent to Employee's monthly Base Salary for a period of twenty-four (24) months after the termination date (the "Severance Period"), payable in installments in Employer's normal payroll; (iii) continuation of health, medical, hospitalization and other similar health insurance programs on the same basis as regular, full-time employees of Employer and their eligible dependents during the Severance Period (or, at Employer's option, Employer may provide health insurance to Employee and Employee's eligible dependents through an insurance carrier(s) selected by Employer in lieu of providing the foregoing coverage, provided the coverage afforded by such insurance is substantially comparable to the foregoing coverage, and Employee shall pay the cost of such insurance up to the amount that would have been paid by Employee under the foregoing coverage and Employer shall pay the excess cost, if any); and (iv) an amount equal to the greater of (A) 1.5 times Employee's Average Annual Performance Bonus (as defined below) or (B) 1.5 times Employee's Target Bonus amount, payable within thirty (90) days of the termination date.

4.5 *Termination by Employee without Good Reason*. Employee may terminate Employee's employment under this Agreement without Good Reason (as defined below) upon not less than ninety (90) days prior written notice to Employer. Upon receipt of such notice from Employee, Employer may, at its option, accelerate the effective date of Employee's termination of employment at any time in advance of the expiration of such ninety (90) day period (which acceleration shall not constitute Good Reason or a termination by Employer without Cause). The termination date under this Section 4.5 shall be the date specified by Employer, but in no event more than ninety (90) days after Employer's receipt of notice from Employee as contemplated by this Section 4.5. Upon any termination of Employee's employment under this Agreement pursuant to this Section 4.5, Employee shall be entitled to the Accrued Obligations; provided, however, that if Employee provides notice of termination without Good Reason within ninety (90) days prior to the second (2nd) anniversary of the Effective Date, then Employee shall be eligible to receive the same payments and benefits, subject to the same conditions, for a termination without Cause as set forth in Section 4.4 hereof.

4.6 *Termination by Employee for Good Reason.* Employee may terminate Employee's employment hereunder for Good Reason. If Employee desires to terminate Employee's employment under this Agreement pursuant to this Section 4.6, Employee must, within ninety (90) days after the occurrence of events giving rise to the Good Reason, provide Employer with a written notice describing the Good Reason in reasonable detail. If Employer fails to cure the matter cited within thirty (30) days after the date of Employee's notice, then this Agreement shall terminate as of the end of such thirty (30) day cure period, provided, however, that Employer may, at its option, require Employee to terminate employment at any time in advance of the expiration of such thirty (30) day cure period. If Employee's employment under this Agreement is terminated pursuant to this Section 4.6, then Employee shall be eligible to receive the same payments and benefits, subject to the same conditions, for a termination without Cause as set forth in Section 4.4 hereof.

4.7 *Continuation of Benefit Plans*. Following any termination that results in the expiration of Employee's continued benefit plan coverage, Employee and each of Employee's eligible dependents shall be entitled to elect for continuation of coverage provided pursuant to COBRA.

4.8 *Continuing Obligations*. The obligations imposed on Employee with respect to non-competition, non-solicitation, confidentiality, non-disclosure and assignment of rights to inventions or developments in this Agreement or any other agreement executed by the parties shall continue, notwithstanding the termination of the employment relationship between the parties and regardless of the reason for such termination.

5. Conditions to Severance; Certain Definitions.

5.1 *Release.* Employer shall provide Employee with a general release in the form attached as Exhibit B (subject to such modifications as Employer may reasonably request) (the "Release") within seven (7) days after Employee's termination date. Payments or benefits to which Employee may be entitled pursuant to Section 4 hereof (other than the Accrued Obligations) (the "Severance Amounts") shall be conditioned upon (i) Employee executing the Release within twenty one (21) days after receiving it from Employer (or such longer period as may be set forth

in the Release) and the Release becoming irrevocable upon the expiration of seven (7) days following Employee's execution of it, (ii) Employee agreeing to submit to a reasonable exit interview if requested by Employer, and (iii) Employee's compliance with all post-termination obligations to Employer and its subsidiaries and affiliates and surrendering to Employer all proprietary or confidential information and articles belonging to Employer or its subsidiaries or affiliates. Payment of the Severance Amounts shall be suspended during the period (the "Suspension Period") that begins on Employee's termination date and ends on the date ("Suspension Termination Date") that is at least forty-five (45) days after Employee's termination date; provided, however, that this suspension shall not apply, and Employer shall be required to provide, any continued health insurance coverage (or COBRA reimbursement) that would be required under Section 4 hereof during the Suspension Period. If Employee executes the Release and the Release becomes irrevocable by no later than the Suspension Termination Date, then payment of any Severance Amounts that were suspended pursuant to this provision shall be made in the first payroll period that follows the Suspension Termination Date, and any Severance Amounts that are payable after the Suspension Termination Date shall be paid at the times provided in Section 4 hereof.

5.2 *Certain Definitions*. As used in this Agreement:

(a) "Average Annual Performance Bonus" shall mean an amount equal to the average of the percentage of the Performance Bonus target achieved by Employee for the three (3) full calendar years prior to the termination date (or such lesser period as Employee may have been employed by Employer), and calculated based on Employee's Base Salary and Target Bonus in Employee's current position. For illustration purposes, if Employee earned 40%, 100% and 70% of Employee's Target Bonus in each of the three full calendar years prior to termination, and Employee's current Target Bonus was 100% of Base Salary, and Base Salary was $450,000.00, then Employee's Average Annual Performance Bonus would equal $315,000.00. ((40%+ 100% + 70%) / 3 x 100% x $450,000.00 = $315,000.00).

(b) "Cause" shall mean the occurrence of any of: (i) Employee's engagement in (A) willful misconduct resulting in material harm to MEDNAX or Employer, or (B) gross negligence; (ii) Employee's conviction of, or pleading nolo contendere to, a felony or any other crime involving fraud, financial misconduct, or misappropriation of Employer's assets; (iii) Employee's willful and continual failure, after written notice from Employee's Supervisor or the Board to (A) perform substantially Employee's employment duties consistent with Employee's position and authority, or (B) follow, consistent with Employee's position, duties, and authorities, the reasonable lawful mandates of Employee's Supervisor or the Board; (iv) Employee's failure or refusal to comply with a reasonable policy, standard or regulation of Employer in any material respect, including but not limited to Employer's sexual harassment, other unlawful harassment, workplace discrimination or substance abuse policies; or (v) Employee's breach of Section 8.4 hereof resulting in material harm to MEDNAX or Employer. No act or omission shall be deemed willful or grossly negligent for purposes of this definition if taken or omitted to be taken by Employee in a good faith belief that such act or omission to act was in the best interests of Employer or MEDNAX or if done at the express direction of the Board.

(c) Subject to the requirements of applicable law, "Disability" shall mean (i) Employee's inability to perform Employee's duties hereunder, with or without a reasonable accommodation, as a result of physical or mental illness or injury, and (ii) a determination by an independent qualified physician selected by Employer and acceptable to Employee (which acceptance shall not be unreasonably withheld) that Employee is currently unable to perform such duties and in all reasonable likelihood such inability will continue for a period in excess of an additional ninety (90) or more days in any one hundred twenty (120) day period.

(d) "Good Reason" shall mean: (i) a decrease in Employee's Base Salary; (ii) a decrease in Employee's Target Bonus opportunity; (iii) Employee is assigned any position, duties, responsibilities or compensation that is inconsistent with the position, duties, or responsibilities of Employee contemplated herein as of the Effective Date or compensation of Employee as of the Effective Date, excluding for this purpose any isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by Employer promptly after receipt of written notice; (iv) Employee experiences a material diminution in Employee's authorities, duties or responsibilities, excluding for this purpose any isolated and inadvertent action not taken in bad faith and which is remedied by Employer promptly after receipt of written notice; (v) Employee is required to report to any person other than the senior most executive officer of MEDNAX, the Board, or a duly constituted committee thereof, or there is a material diminution in the authority, duties or responsibilities of the senior most executive officer of MEDNAX; (vi) the requirement by Employer that Employee be based in any office or location outside of the metropolitan area where Employee resides as of the Effective Date, except for travel reasonably required in the performance of Employee's duties; (vii) if following a Change in Control (as defined in the 2008 Plan as of the Effective Time), neither the common stock of MEDNAX nor the common equity of its successor, parent, or subsidiary is listed for trading on a national securities exchange, or (viii) any other action or inaction that constitutes a material breach of this Agreement by Employer.

6. Successors; Binding Agreement.

6.1 *Successors*. Employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) acquiring a majority of Employer's voting common stock or any other successor to all or substantially all of the business and/or assets of Employer to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform it if no such succession had taken place and Employee hereby consents to any such assignment. In such event, "Employer" shall mean Employer as previously defined and any successor to its business and/or assets which executes and delivers the agreement provided for in this Section 6 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. This Section 6.1 shall not limit Employee's ability to terminate this Agreement in the circumstances described in Section 4.6 hereof.

6.2 *Benefit*. This Agreement and all rights of Employee under this Agreement shall inure to the benefit of and be enforceable by Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Employee should die after the termination date and amounts would have been payable to Employee under this Agreement if Employee had continued to live, including under Section 5 hereof, then such amounts shall be paid to Employee's devisee, legatee, or other designee or, if there is no such designee, Employee's estate.

7. Conflicts. Except as otherwise provided in this Agreement, this Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes and revokes any and all prior or existing agreements, written or oral, relating to the subject matter hereof, and this Agreement shall be solely determinative of the subject matter hereof.

8. Restrictive Covenants; Confidential Information; Work Product; Injunctive Relief.

8.1 *No Material Competition*. Employer and Employee acknowledge and agree that a strong relationship and connection exists between Employer and its current and prospective patients, referral sources, and customers as well as the hospitals and healthcare facilities at which it provides professional services. Employer and Employee further acknowledge and agree that the restrictive covenants described in this Section are designed to enforce, and are ancillary to or part of, the promises contained in this Agreement and are reasonably necessary to protect the legitimate interests of Employer in the following: (1) the use and disclosure of the Confidential Information as described in Section 8.4 hereof; (2) the professional development activities described in Section 1.2 hereof; and (3) the goodwill of Employer, as promoted by Employee as provided in Section 1.2 hereof. The foregoing listing is by way of example only and shall not be construed to be an exclusive or exhaustive list of such interests. Employee acknowledges that the restrictive covenants set forth below are of significant value to Employer and were a material inducement to Employer in agreeing to the terms of this Agreement. Employee further acknowledges that the goodwill and other proprietary interest of Employer will suffer irreparable and continuing damage in the event Employee enters into competition with Employer in violation of this Section.

Therefore, Employee agrees that, except with respect to services performed under this Agreement on behalf of Employer, **Employee shall not**, at any time during the Restricted Period (as defined below), for Employee or on behalf of any other person, persons, firm, partnership, corporation or employer, intentionally, knowingly, or willingly participate or engage in or own an interest in, directly or indirectly, any individual proprietorship, partnership, corporation, joint venture, trust or other form of business entity, whether as an individual proprietor, partner, joint venturer, officer, director, member, employee, consultant, independent contractor, stockholder, lender, landlord, finder, agent, broker, trustee, or in any manner whatsoever, if such entity or its affiliates is engaged in, directly or indirectly, "Employer's Business," as defined on Exhibit A hereto. Employee acknowledges that, as of the date hereof, Employee's responsibilities will include matters affecting the businesses of Employer listed on Exhibit A. For purposes of this Section 8, the "Restricted Period" shall mean the Employment Period plus (i) eighteen (18) months in the event this Agreement is terminated pursuant to Section 4.1 hereof, and (ii) twenty-four (24) months in the event the Agreement is terminated for any other reason.

8.2 *No Hire*. Employee further agrees that **Employee shall not**, at any time during the Employment Period and for a period of eighteen (18) months immediately following termination of this Agreement for any reason, for Employee or on behalf of any other person, persons, firm, partnership, corporation or employer, intentionally, knowingly, or willingly employ, or intentionally, knowingly, or willingly permit any company or business directly or indirectly controlled by Employee to (a) employ or otherwise engage (i) any person who is a then current employee or exclusive independent contractor of Employer or one of its affiliates, or (ii) any person who was an employee or exclusive independent contractor of Employer or one of its affiliates in the prior six (6) month period, or (b) take any action that would reasonably be expected to induce an employee or independent contractor of Employer or one of its affiliates to leave his or her employment or engagement with Employer or one of its affiliates (including without limitation for or on behalf of a subsequent employer of Employee).

8.3 *Non-Solicitation.* Employee further agrees that **Employee shall not**, at any time during the Employment Period and for a period of eighteen (18) months immediately following termination of this Agreement for any reason, for Employee or on behalf of any other person, persons, firm, partnership, corporation or employer, intentionally, knowingly, or willingly solicit or accept business from or take any action that would reasonably be expected to materially interfere with, diminish or impair the valuable relationships that Employer or its affiliates have with (i) hospitals or other health care facilities with which Employer or its affiliates have contracts to render professional services or otherwise have established relationships, (ii) patients, (iii) referral sources, (iv) vendors, (v) any other clients of Employer or its affiliates, or (vi) prospective hospitals, patients, referral sources, vendors or clients whose business Employee was aware that Employer or any affiliate of Employer was in the process of soliciting at the time of Employee's termination (including potential acquisition targets).

8.4 *Confidential Information*. At all times during the term of this Agreement, Employer shall provide Employee with access to "Confidential Information." As used in this Agreement, the term "Confidential Information" means any and all confidential, proprietary or trade secret information, whether disclosed, directly or indirectly, verbally, in writing or by any other means in tangible or intangible form, including that which is conceived or developed by Employee, applicable to or in any way related to: (i) patients with whom Employer has a physician/patient relationship; (ii) the present or future business of Employer; or (iii) the research and development of Employer. Without limiting the generality of the foregoing, Confidential Information includes: (a) the development and operation of Employer's medical practices, including information relating to budgeting, staffing needs, marketing, research, hospital relationships, equipment capabilities, and other information concerning such facilities and operations and specifically including the procedures and business plans developed by Employer for use at the hospitals where Employer conducts its business; (b) contractual arrangements between Employer and insurers or managed care associations or other payors; (c) the databases of Employer; (d) the clinical and research protocols of Employer, including coding guidelines; (e) the referral sources of Employer; (f) other confidential information of Employer that is not generally known to the public that gives Employer the opportunity to obtain an advantage over competitors who do not know or use it, including the names, addresses, telephone numbers or special needs of any of its patients, its patient lists, its marketing methods and related data, lists or other written records used in Employer's business, compensation paid to employees and other terms of employment, accounting ledgers and financial statements, contracts and licenses, business systems, business plan and projections, and computer programs. The parties agree that, as between them, this Confidential Information constitutes important, material, and confidential trade secrets that affect the successful conduct of Employer's business and its goodwill. Employer acknowledges that the Confidential Information specifically enumerated above is special and unique information and is not information that would be considered a part of the general knowledge and skill Employee has or might otherwise obtain.

Notwithstanding the foregoing, Confidential Information shall not include any information that (i) was known by Employee from a third party source before disclosure by or on behalf of Employer, (ii) becomes available to Employee from a source other than Employer that is not, to Employee's knowledge, bound by a duty of confidentiality to Employer, (iii) becomes generally available or known in the industry other than as a result of its disclosure by Employee, or (iv) has been independently developed by Employee and may be disclosed by Employee without breach of this Agreement, provided, in each case, that Employee shall bear the burden of demonstrating that the information falls under one of the above-described exceptions. Pursuant to the Defend Trade Secrets Act of 2016, Employee acknowledges that Employee shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Employee files a lawsuit for retaliation by Employer for reporting a suspected violation of law, Employee may disclose the trade secret to Employee's attorney and may use the trade secret information in the court proceeding, if Employee (X) files any document containing the trade secret under seal and (Y) does not disclose the trade secret, except pursuant to court order.

Additionally, notwithstanding anything herein to the contrary, nothing in this Agreement or any other agreement between Employer and Employee shall prevent Employee from filing a charge, sharing information and communicating in good faith, without prior notice to Employer, with any federal government agency having jurisdiction over Employer or its operations, and cooperating in any investigation by any such federal government agency.

Unless disclosure is otherwise required by applicable law or stock exchange rules, Employee agrees that the terms of this Agreement shall be deemed Confidential Information for purposes of this Section. Employee shall keep the terms of this Agreement strictly confidential and will not, without the prior written consent of Employer, disclose the details of this Agreement to any third party in any manner whatsoever in whole or in part, with the exception of Employee's representatives (such as tax advisors and attorneys) who need to know such information.

Employee agrees that Employee will not at any time, whether during or subsequent to the term of Employee's employment with Employer, in any fashion, form or manner, unless specifically consented to in writing by Employer, either directly or indirectly, use or divulge, disclose, or communicate to any person, firm or corporation, in any manner whatsoever, any Confidential Information of any kind, nature, or description, subject to applicable law. The parties agree that any breach by Employee of any term of this Section 8.4 resulting in material harm to MEDNAX or Employer is a material breach of this Agreement and shall constitute "Cause" for the termination of Employee's employment hereunder pursuant to Section 4.1 hereof. In the event that Employee is ordered to disclose any Confidential Information, whether in a legal or a regulatory proceeding or otherwise, Employee shall provide Employer with prompt written notice of such request or order so that Employer may seek to prevent disclosure or, if that cannot be

achieved, the entry of a protective order or other appropriate protective device or procedure in order to assure, to the extent practicable, compliance with the provisions of this Agreement. In the case of any disclosure required by law, Employee shall disclose only that portion of the Confidential Information that Employee is ordered to disclose in a legally binding subpoena, demand or similar order issued pursuant to a legal or regulatory proceeding.

All Confidential Information, and all equipment, notebooks, documents, memoranda, reports, files, samples, books, correspondence, lists, other written and graphic records, in any media (including electronic or video) containing Confidential Information or relating to the business of Employer, which Employee shall prepare, use, construct, observe, possess, or control shall be and remain Employer's sole property (collectively "Employer Property"). Upon termination or expiration of this Agreement, or earlier upon Employer's request, Employee shall promptly deliver to Employer all Employer Property, retaining none.

8.5 *Ownership of Work Product.* Employee agrees and acknowledges that (i) all copyrights, patents, trade secrets, trademarks, service marks, or other intellectual property or proprietary rights associated with any ideas, concepts, techniques, inventions, processes, or works of authorship developed or created by Employee during the course of performing work for Employer and any other work product conceived, created, designed, developed or contributed by Employee during the term of this Agreement that relates in any way to Employer's Business (collectively, the "Work Product"), shall belong exclusively to Employer and shall, to the extent possible, be considered a work made for hire within the meaning of Title 17 of the United States Code. To the extent the Work Product may not be considered a work made for hire owned exclusively by Employer, Employee hereby assigns to Employer all right, title, and interest worldwide in and to such Work Product at the time of its creation, without any requirement of further consideration. Upon request of Employer, Employee shall take such further actions and execute such further documents as Employer may deem necessary or desirable to further the purposes of this Agreement, including without limitation separate assignments of all right, title, and interest in and to all rights of copyright and all right, title, and interest in and to any inventions or patents and any reissues or extensions which may be granted therefore, and in and to any improvements, additions to, or modifications thereto, which Employee may acquire by invention or otherwise, the same to be held and enjoyed by Employer for its own use and benefit, and for the use and benefit of Employer's successors and assigns, as fully and as entirely as the same might be held by Employee had this assignment not been made.

8.6 *Clearance Procedure for Proprietary Rights Not Claimed by Employer.* In the event that Employee wishes to create or develop, *other than* on Employer's time or using Employer's resources, anything that may be considered Work Product but to which Employee believes Employee should be entitled to the personal benefit of, Employee agrees to follow the clearance procedure set forth in this Section. Before beginning any such work, Employee agrees to give Employer advance written notice and provide Employer with a sufficiently detailed written description of the work under consideration for Employer to make a determination regarding the work. Unless otherwise agreed in a writing signed by Employer prior to receipt, Employer shall have no obligation of confidentiality with respect to such request or description. Employer will determine in its sole discretion, within thirty (30) days after Employee has fully disclosed such plans to Employer, whether rights in such work will be claimed by Employer. If Employer determines that it does not claim rights in such work, Employer agrees to so notify Employee in

writing and Employee may retain ownership of the work to the extent that such work has been expressly disclosed to Employer. If Employer fails to so notify Employee within such thirty (30) day period, then Employer shall be deemed to have agreed that such work is not considered Work Product for purposes of this Agreement. Employee agrees to submit for further review any significant improvement, modification, or adaptation that could reasonably be related to Employer's Business so that it can be determined whether the improvement, modification, or adaptation relates to the business or interests of Employer. Clearance under this procedure does not relieve Employee of the restrictive covenants set forth in this Section 8.

8.7 *Non-Disparagement.* During the Employment Period and for a period of ten (10) years after the termination of this Agreement, Employee will not, directly or indirectly, as an individual or on behalf of a firm, corporation, partnership or other legal entity, intentionally, knowingly, or willingly make any comment that would reasonably be expected to be materially disparaging or negative to any other person or entity regarding Employer or any of its affiliates, agents, attorneys, employees, officers and directors, Employee's work conditions or circumstances surrounding Employee's separation from Employer or otherwise impugn or criticize the name or reputation of Employer, its affiliates, agents, attorneys, employees, officers or directors, orally or in writing.

8.8 *Review by Employee.* Employee has carefully read and considered the terms and provisions of this Section 8, and having done so, agrees that the restrictions set forth in this Section 8 are fair and reasonably required for the protection of the interests of Employer. In the event that any term or provision set forth in this Section 8 shall be held to be invalid or unenforceable by a court of competent jurisdiction, the parties hereto agree that such invalid or unenforceable term(s) or provision(s) may be severed from this Agreement without, in any manner, affecting the remaining portions hereof. Without limiting other possible remedies available to Employer, Employee agrees that injunctive or other equitable relief will be available to enforce the covenants set forth in this Section 8, such relief to be without the necessity of posting a bond. In the event that, notwithstanding the foregoing, any part of the covenants set forth in this Section 8 shall be held to be invalid, overbroad, or unenforceable by an arbitrator or a court of competent jurisdiction, the parties hereto agree that such invalid, overbroad, or unenforceable provision(s) may be modified or severed from this Agreement without, in any manner, affecting the remaining portions of this Section 8 (all of which shall remain in full force and effect). In the event that any provision of this Section 8 related to time period or areas of restriction shall be declared by an arbitrator or a court of competent jurisdiction to exceed the maximum time period, area or activities such arbitrator or court deems reasonable and enforceable, said time period or areas of restriction shall be deemed modified to the minimum extent necessary to make the geographic or temporal restrictions or activities reasonable and enforceable.

8.9 *Survival; Notice of Breach and Right to Cure.* If Employer reasonably believes that Employee has breached a provision of this Section 8, Employer shall provide prompt written notice thereof to Employee that explains such reasonably believed breach (the "Alleged Breach"). Employer agrees to work in good faith with Employee to provide Employee a reasonable opportunity to promptly cure such Alleged Breach. In the event that Employee, acting in good faith, promptly takes actions that would reasonably be expected to cure the Alleged Breach, including, with respect to a comment made by Employee that Employer reasonably believes is in breach of Section 8.7 hereof, by Employee retracting such comment, then Employee shall be deemed not to be in breach of this Section 8 with respect to the Alleged Breach. Employer and Employee further agree that Employee shall not be deemed to be in breach of any term of Section 8.4 hereof unless such breach results in material harm to MEDNAX or Employer.

The provisions of this Section 8 shall survive the termination of this Agreement and Employee's employment with Employer. In the event of a breach of this Section 8 by Employee, as finally determined pursuant to Section 11 hereof, Employer retains the right to terminate any continuing payments to Employee provided for in Section 4 hereof. In the event of a breach of any provisions of this Section 8 by Employee, as finally determined pursuant to Section 11 hereof, the period for which those provisions would remain in effect shall be extended for a period of time equal to that period beginning when such breach commenced and ending when the activities constituting such breach shall have been finally terminated, in each case as finally determined pursuant to Section 11 hereof. The provisions of this Section 8 are expressly intended to benefit and be enforceable by other affiliated entities of Employer, who are express third party beneficiaries hereof. Employee shall not assist others in engaging in any of the activities described in the foregoing restrictive covenants.

9. Tax Matters

9.1 *Section 409A*

(a) *In General.* The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of Section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party. Employer makes no representation or warranty and shall have no liability to Employee or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, Section 409A.

(b) *Six-Month Delay.* Anything in this Agreement to the contrary notwithstanding, if at the time of Employee's separation from service within the meaning of Section 409A of the Code, Employer determines that Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that Employee becomes entitled to under this Agreement on account of Employee's "separation from service" (within the meaning of Section 409A) that would be considered "non-qualified deferred compensation", such payment shall not be payable and such benefit shall not be provided until the date that is within fifteen (15) days after the end of the six-month period beginning on the date of such "separation from service" or, if earlier, within fifteen (15) days after the appointment of the personal representative or executor of Employee's estate following Employee's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(c) *Reimbursements.* All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by Employer or incurred by Employee during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) *Separation from Service.* To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon Employee's termination of employment, then such payments or benefits shall be payable only upon Employee's "separation from service" as defined under Section 409A. The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(e) *Later Calendar Year*. To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and not otherwise exempt from the application of Section 409A, then, if the period during which Employee may consider and sign the Release or the period in which the Employer can make a severance payment spans two calendar years, any payment or benefit described in this Agreement will not be made or begin until the later calendar year.

9.2 ***Section 280G***. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by Employer or its affiliates to Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise (the "Covered Payments") constitute parachute payments (the "Parachute Payments") within the meaning of Section 280G of the Code and, but for this Section 9, would be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to Employee of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to Employee if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount"). "Net Benefit" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes.

(a) Any such reduction shall be made in accordance with Section 409A and the following: (i) the Covered Payments consisting of cash severance benefits that do not constitute nonqualified deferred compensation subject to Section 409A shall be reduced first, in reverse chronological order; (ii) all other Covered Payments consisting of cash payments, and Covered Payments consisting of accelerated vesting of equity based awards to which Treas. Reg. § 1.280G-1 Q/A-24(c) does not apply, and that in either case do not constitute nonqualified deferred compensation subject to Section 409A, shall be reduced second, in reverse chronological order; (iii) all Covered Payments consisting of cash payments that constitute nonqualified deferred compensation subject to Section 409A shall be reduced third, in reverse chronological order; and (iv) all Covered Payments consisting of accelerated vesting of equity-based awards to which Treas. Reg. § 1.280G-1 Q/A-24(c) applies shall be the last Covered Payments to be reduced.

(b) Any determination required under this Section 9 shall be made in writing in good faith by an independent accounting firm selected by Employer (the "Accountants"). Employer and Employee shall provide the Accountants with such information and documents as the Accountants may reasonably request in order to make a determination under this Section 9. For purposes of making the calculations and determinations required by this Section 9, the Accountants may rely on reasonable, good-faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Accountants' determinations shall be final and binding on Employer and Employee. Employer shall be responsible for all fees and expenses incurred by the Accountants in connection with the calculations required by this Section 9.

(c) It is possible that after the determinations and selections made pursuant to this Section 9, Employee will receive Covered Payments that are in the aggregate more than the amount intended or required to be provided after application of this Section 9 ("Overpayment") or less than the amount intended or required to be provided after application of this Section 9 ("Underpayment").

(i) In the event that: (A) the Accountants determine, based upon the assertion of a deficiency by the Internal Revenue Service against either Employer or Employee that the Accountants believe has a high probability of success, that an Overpayment has been made or (B) it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding that has been finally and conclusively resolved that an Overpayment has been made, then Employee shall pay any such Overpayment to Employer together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code) from the date of Employee's receipt of the Overpayment until the date of repayment.

(ii) In the event that: (A) the Accountants, based upon controlling precedent or substantial authority, determine that an Underpayment has occurred or (B) a court of competent jurisdiction determines that an Underpayment has occurred, any such Underpayment will be paid promptly by Employer to or for the benefit of Employee together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code) from the date the amount should have otherwise been paid to Employee until the payment date.

9.3 *Tax Withholding.* All amounts payable under this Agreement shall be subject to applicable income and employment tax withholding.

10. Dispute Resolution; Injunctive Relief. If any controversy or claim arises out of or relating to this Agreement, or any alleged breach hereof, Employee and Employer shall first try to resolve such controversy or claim through mediation using the services of the American Arbitration Association. If any such controversy or claim cannot be resolved by mediation pursuant to the foregoing, Employee and Employer agree that such controversy or claim shall be finally determined by a single arbitrator, jointly selected by Employee and Employer, provided that if Employee and Employer are unable to agree upon a single arbitrator after reasonable efforts, the arbitrator shall be an impartial arbitrator selected by the American Arbitration Association.

Employer shall bear all costs associated with such mediation and, if necessary, arbitration, including but not limited to all costs of the mediator and arbitrator, and shall reimburse Employee on a monthly basis for Employee's reasonable legal and other expenses, including all fees, incurred in connection with any such mediation and, if necessary, arbitration, provided, however, that if Employer ultimately prevails in any arbitration (as determined by the arbitrator), the arbitrator shall have the power to require Employee to reimburse Employer for all or a portion of the advanced legal fees and other expenses as determined by the arbitrator (and, if the arbitrator finds that Employer prevailed on certain claims and Employee prevailed on others, the arbitrator shall have the power to require Employee to reimburse Employer for a portion of the advanced legal fees and other expenses determined by the arbitrator based on those claims on which Employer prevailed). The mediation and, if necessary, arbitration proceedings shall be held in Sunrise, Florida, unless otherwise mutually agreed by the parties, and shall be conducted in accordance with the American Arbitration Association National Rules for the Resolution of Employment Disputes then in effect. Judgment on any award rendered by the arbitrator may be entered and enforced by any court having jurisdiction thereof. Any such mediation and, if necessary, arbitration shall be treated as confidential by all parties thereto, except as otherwise provided by law or as otherwise necessary to enforce any judgment or order issued by the arbitrator.

Notwithstanding anything herein to the contrary, if Employer or Employee shall require immediate injunctive relief, then the party shall be entitled to seek such relief in any court having jurisdiction, and if the party elects to do so, the other party hereby consents to the jurisdiction of the state and federal courts sitting in the State of Florida and to the applicable service of process. Employee and Employer hereby waive and agree not to assert, to the fullest extent permitted by applicable law, any claim that (i) they are not subject to the jurisdiction of such courts, (ii) they are immune from any legal process issued by such courts and (iii) any litigation or other proceeding commenced in such courts is brought in an inconvenient forum. In the event that Employer brings suit against Employee seeking injunctive relief, Employer agrees to advance all of Employee's reasonable legal and other expenses, including all fees, incurred by Employee in connection with such action, provided, however, that if Employer ultimately prevails in seeking injunctive relief, Employee shall reimburse Employer all such advanced legal fees and other expenses.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to its conflict of laws principles to the extent that such principles would require the application of laws other than the laws of the State of Florida.

12. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when (i) delivered by hand, (ii) delivered by electronic mail that is confirmed by non-automated means, or (iii) when delivered or delivery is refused if sent by registered or certified U.S. mail, return receipt requested, postage prepaid, or via reputable overnight courier, addressed as follows:

If to Employer:	If to Employee:
MEDNAX Services, Inc. 1301 Concord Terrace Sunrise, FL 33323 Attention: Chief Financial Officer Email: marc_richards@mednax.com	Dominic J. Andreano c/o MEDNAX Services, Inc. 1301 Concord Terrace Sunrise, FL 33323 Email: dominic_andreano@mednax.com

or to such other addresses as either party hereto may from time to time give notice of to the other in the aforesaid manner.

13. Benefits; Binding Effect. This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs, personal representatives, legal representatives, successors and, where applicable, assigns. Notwithstanding the foregoing, Employee may not assign the rights or benefits hereunder without the prior written consent of Employer. This Agreement may be assigned by Employer upon notice to Employee.

14. Severability. The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted. If such invalidity is caused by length of time or size of area, or both, the otherwise invalid provision will be considered to be reduced to a period or area, which would cure such invalidity.

15. Waivers. The waiver by either party hereto of a breach or violation of any term or provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation.

16. Damages. Nothing contained herein shall be construed to prevent Employer or Employee from seeking and recovering from the other damages sustained by either or both of them as a result of a breach of any term or provision of this Agreement.

17. No Third Party Beneficiary. Except as provided in Section 8.9 hereof, nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person (other than the parties hereto and, in the case of Employee, Employee's heirs, personal representative(s) and/or legal representative) any rights or remedies under or by reason of this Agreement. No agreements or representations, oral or otherwise, express or implied, have been made by either party with respect to the subject matter of this Agreement which agreements or representations are not set forth expressly in this Agreement, and this Agreement supersedes any other employment agreement between Employer and Employee.

The remainder of this page has been left blank intentionally.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the Effective Date.

EMPLOYER:

MEDNAX SERVICES, INC.

By: */s/ Mark S. Ordan*
Mark S. Ordan
Chief Executive Officer

MEDNAX, INC.

By: */s/ Shirley A. Weis*
Shirley A. Weis
Chair, Compensation Committee

EMPLOYEE:

By: */s/ Dominic J. Andreano*
Dominic J. Andreano

EXHIBIT A

BUSINESS OF EMPLOYER

As of the date hereof, Employer, directly or through its affiliates, provides professional medical services and all aspects of practice management services in medical practice areas that include, but are not limited to, the following (collectively referred to herein as "Employer's Business"):

(1) Neonatology, including hospital well baby care;

(2) Maternal-Fetal Medicine, including Obstetrical Hospitalist Care;

(3) Pediatric Cardiology;

(4) Pediatric Intensive Care, including Pediatric Hospitalist Care;

(5) Newborn hearing screening services;

(6) Pediatric Surgery;

(7) Pediatric Emergency Medicine; and

(8) Radiology and Teleradiology.

References to Employer's Business in this Agreement shall include such other medical service lines, practice management services and other businesses in which Employer is engaged during the Employment Period; *provided*, that to be considered a part of Employer's Business, Employer must have engaged in such other service line, practice management service or other business at least six (6) months prior to the termination date of this Agreement. For purposes of this Exhibit A, businesses of Employer shall include the businesses conducted by Employer's subsidiaries, entities under common control and affiliates as defined under Rule 144 of the Securities Act of 1933, as amended. Such affiliates shall include the professional corporations and associations whose operating results are consolidated with Employer for financial reporting purposes.

Notwithstanding the foregoing, Employer acknowledges and agrees to the following exceptions and clarifications regarding the scope of Employer's Business.

A. *Hospital Services.* Employer and Employee acknowledge that, as of the date hereof, Employer does not currently operate hospitals, hospital systems or universities. Nevertheless, the businesses of hospitals, hospital systems and universities would be the same as Employer's Business where such hospitals, hospital systems or universities provide or contract with others to provide some or all of the medical services included in Employer's Business. Therefore, the parties desire to clarify their intent with respect to the limitations on Employee's ability to work for or contract with others to provide services for a hospital, hospital system or university during the Employment Period and during the Restricted Period. Section 8.1 shall not be deemed to restrict Employee's ability to work for a hospital, hospital system or university if the hospital, hospital system or university does not provide any of the medical services included in Employer's Business. Furthermore, even if a hospital, hospital system or university provides medical services that are included in Employer's Business, Employee may work for such hospital, hospital system or university if Employee has no direct supervisory responsibility for or involvement in the hospital's, hospital system's or university's provision of medical services that are Employer's Business. For the avoidance of doubt, Employer and Employee agree that if

Employee becomes the Chief Operating Officer, Chief Legal Officer, General Counsel or Chief Executive Officer of a hospital system or health system, or other executive officer of similar level to the foregoing, that Employee shall not be in breach of the provisions of this Agreement. Finally, Employer agrees that Employee may hold direct supervisory responsibility for or be involved in the medical services of a hospital, hospital system or university that are included in Employer's Business so long as such hospital, hospital system or university is located at least ten (10) miles from a medical practice owned or operated by Employer or its affiliate. Subject to paragraph B below, the provisions of this paragraph shall not apply to the extent that, after the date hereof, Employer enters into the business of operating a hospital or hospital system.

B. *De Minimus Exception.* Employer agrees that a medical service line (other than those listed in items (1) through (8) above), practice management service or other business in which Employer is engaged shall not be considered to be a part of Employer's Business if such medical service line, practice management service or other business constitutes less than three percent (3%) of Employer's annual revenues.

C. *Divested Lines of Service.* Employer agrees that any medical service line (including those listed in items (1) through (8) above), practice management, or other business in which Employer is engaged that is divested pursuant to a disposition, sale of assets or equity, or otherwise after the Effective Date shall not be considered to be a part of Employer's Business effective as of the effective date of such divestiture.

D. *Certain Ownership Interests.* It shall not be deemed to be a violation of Section 8.1 for Employee to: (i) own, directly or indirectly, one percent (1%) or less of a publicly-traded entity that has a market capitalization of $1 billion or more; (ii) own, directly or indirectly, five percent (5%) or less of a publicly-traded entity that has a market capitalization of less than $1 billion; or (iii) own, directly or indirectly, less than ten percent (10%) of a privately-held business or company, if Employee is at all times a passive investor with no board representation, management authority or other special rights to control operations of such business or company.

EXHIBIT B

FORM OF RELEASE

GENERAL RELEASE OF CLAIMS

1. Dominic J. Andreano ("Employee"), for himself or herself and his or her family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for the consideration received pursuant to Section 4.[●] of that certain Employment Agreement, dated as of September 27, 2020, by and between Employee and Employer, to which this release is attached as Exhibit B (the "Employment Agreement"), does hereby release and forever discharge MEDNAX Services, Inc. ("Employer"), its subsidiaries, affiliated companies, successors and assigns, and its current or former directors, officers, employees, shareholders or agents in such capacities (collectively with Employer, the "Released Parties") from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown including, but not limited to, all claims under any applicable laws arising under or in connection with Employee's employment or termination thereof, whether for discrimination, harassment, retaliation, tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of loss of employment. Employee acknowledges that Employer encouraged Employee to consult with an attorney of Employee's choosing, and through this General Release of Claims encourages Employee to consult with Employee's attorney with respect to possible claims under the Age Discrimination in Employment Act ("ADEA") and that Employee understands that the ADEA is a Federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefits and benefit plans. Without limiting the generality of the release provided above, Employee expressly waives any and all claims under ADEA that Employee may have as of the date hereof. Employee further understands that by signing this General Release of Claims Employee is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of Claims shall not apply to (i) any actions to enforce rights to receive any payments or benefits which may be due Employee pursuant to Section 4.[●] of the Employment Agreement, or under any of Employer's employee benefit plans, (ii) any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed, (iii) any indemnification rights Employee may have as a former officer or director of Employer or its subsidiaries or affiliated companies, (iv) any claims for benefits under any directors' and officers' liability policy maintained by Employer or its subsidiaries or affiliated companies in accordance with the terms of such policy, (v) any rights as a holder of equity securities of Employer, (vi) any claims that cannot be waived as a matter of law, (vii) any claims Employee may have to government-sponsored and administered benefits such as unemployment insurance, workers' compensation insurance (excluding claims for retaliation under workers' compensation laws), state disability insurance, and paid family leave benefits, and (viii) any benefits that vested on or prior to the termination date pursuant to a written benefit plan sponsored by Employer and governed by the federal law known as "ERISA".

2. Employee represents that Employee has not filed against the Released Parties any complaints, charges, or lawsuits arising out of Employee's employment, or any other matter arising on or prior to the date of this General Release of Claims, and covenants and agrees that Employee will never individually or with any person file, or commence the filing of, any charges, lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by Employee pursuant to paragraph 1 hereof (a "Proceeding"), provided, however, Employee retains the right to commence a Proceeding to challenge whether Employee knowingly and voluntarily waived Employee's rights under ADEA.

3. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement or any other agreement between Employer and Employee shall prevent Employee from filing a charge, sharing information and communicating in good faith, without prior notice to Employer, with any federal government agency having jurisdiction over Employer or its operations, and cooperating in any investigation by any such federal government agency; however, to the maximum extent permitted by law, Employee agrees that if such an administrative claim is made, Employee shall not be entitled to recover any individual monetary relief or other individual remedies, provided that, for purposes of clarity, this limitation on monetary recovery does not apply to whistleblower proceedings before the United States Securities and Exchange Commission.

4. Employee hereby acknowledges that Employer has informed Employee that Employee has up to twenty-one (21) days to sign this General Release of Claims and Employee may knowingly and voluntarily waive that twenty-one (21) day period by signing this General Release of Claims earlier. Employee also understands that Employee shall have seven (7) days following the date on which Employee signs this General Release of Claims within which to revoke it by providing a written notice of Employee's revocation to Employer.

5. Employee acknowledges that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the State of Florida applicable to contracts made and to be performed entirely within such State.

6. Employee acknowledges that Employee has read this General Release of Claims, that Employee has been advised that Employee should consult with an attorney before Employee executes this general release of claims, and that Employee understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

7. This General Release of Claims shall take effect on the eighth day following Employee's execution of this General Release of Claims unless Employee's written revocation is delivered to Employer within seven (7) days after such execution.

_____

_____, 20____

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark S. Ordan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MEDNAX, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2020

By: /s/ Mark S. Ordan
Mark S. Ordan
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, C. Marc Richards, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MEDNAX, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2020

By: /s/ C. Marc Richards
C. Marc Richards
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification Pursuant to 18 U.S.C Section 1350
(Adopted by Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of MEDNAX, Inc. on Form 10-Q for the quarter ended September 30, 2020 (the "Report"), each of the undersigned hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of MEDNAX, Inc.

A signed original of this written statement required by Section 906 has been provided to MEDNAX, Inc. and will be retained by MEDNAX, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

November 6, 2020

By: /s/ Mark S. Ordan
Mark S. Ordan
Chief Executive Officer
(Principal Executive Officer)

By: /s/ C. Marc Richards
C. Marc Richards
Chief Financial Officer
(Principal Financial Officer)