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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934

Date of Report (date of earliest event reported): February 8, 2006

PEDIATRIX MEDICAL GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Florida

001-12111

65-0271219

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

1301 Concord Terrace
Sunrise, Florida 33323

(Address of principal executive office)

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

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Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17
CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR
240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the
Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the
Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On February 8, 2006, Pediatrix Medical Group, Inc. (the "Company") issued a
press release announcing its results of operations for the three and twelve
months ended December 31, 2005 (the "Release"). A copy of the Release is
attached hereto as Exhibit 99.1 and is hereby incorporated in this Current
Report by reference. The information contained in this Item 2.02, including
Exhibit 99.1, shall not be deemed "filed" with the Securities and Exchange
Commission nor incorporated by reference in any registration statement or other
document filed by the Company under the Securities Act of 1933, as amended,
except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

The Company also announced in the Release that it has increased its
previously announced earnings per share guidance for 2006 and introduced its
quarterly earnings per share guidance. The information contained in this Item
7.01, including Exhibit 99.1, shall not be deemed "filed" with the Securities
and Exchange Commission nor incorporated by reference in any registration
statement or other document filed by the Company under the Securities Act of
1933, as amended, except as shall be expressly set forth by specific reference
in such filing.

Item 8.01. Other Events.

In the Release, the Company announced that it had reached an agreement in principle as to a settlement amount of \$25.1 million relating to the previously disclosed federal and state Medicaid and TRICARE investigation. The amount of the settlement is subject to necessary governmental approvals. The settlement is also subject to the negotiation and approval of a definitive settlement agreement by state and federal authorities. The last five sentences of the first paragraph, the first sentence of the fourth paragraph and the thirteenth and fourteenth paragraphs of the Release describing the financial settlement and the last textual paragraph of the Release containing cautionary statements regarding forward looking information is hereby incorporated by reference in this Current Report.

Item 9.01 Financial Statements and Exhibits

- (a) Financial Statements of Business Acquired.

Not applicable

- (b) Pro Forma Financial Information.

Not applicable

- (c) Exhibits

99.1 -- Press Release dated February 8, 2006

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 hereunto duly authorized.

PEDIATRIX MEDICAL GROUP, INC.

Date: February 8, 2006

By: /s/ Karl B. Wagner

Name: Karl B. Wagner
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

Description

99.1

Press Release dated February 8, 2006.

Pediatrix Reports Non-GAAP EPS of
\$1.30 for 2005 Fourth Quarter, Reaches Financial Settlement in
Principle on Medicaid, TRICARE Investigation

FORT LAUDERDALE, Fla.--(BUSINESS WIRE)--Feb. 8, 2006--Pediatrix Medical Group, Inc. (NYSE: PDX), today reported results from operations for the three and 12 months ended December 31, 2005. In addition, Pediatrix announced that it has reached an agreement in principle on the amount of a financial settlement with the U.S. Department of Justice for a previously announced national Medicaid and TRICARE investigation. Pediatrix has agreed to pay \$25.1 million to settle the investigation, subject to obtaining necessary governmental approvals. This amount relates to services provided from January 1996 through December 1999. Completion of this settlement will conclude all pending governmental investigations of the Company's billing for neonatal services. Claims for the period 2000 to 2002 were reviewed as part of the investigation and Pediatrix is not making any payments for these periods.

Pediatrix reported earnings per share of 65 cents for the three months ended December 31, 2005, when including the impact of equity-based compensation of \$5.5 million before taxes and a \$14.9 million pre-tax charge to increase existing reserves related to the government investigation. A portion of that charge is not tax-deductible. When excluding those items, Pediatrix earned \$1.30 per share for the 2005 fourth quarter, an increase of 18 percent from \$1.10 per share for the comparable 2004 period.

Pediatrix is the nation's leading provider of newborn, maternal fetal and pediatric subspecialty physician services. Its results for the 2005 fourth quarter include:

- Strong management of general and administrative expenses, which continue to decline as a percent of revenue when viewed on a comparable basis that excludes equity-based compensation expense and the change in reserves related to the Medicaid and TRICARE investigation; and
- Continued robust cash flow from operations, which exceeded \$47 million for the period. Pediatrix used its cash to complete a \$50 million share repurchase program that had been authorized in November 2005.

"Our agreement in principle with the government on financial terms is an important step forward in resolving these coding and billing issues," said Roger J. Medel, M.D., Chief Executive Officer of Pediatrix. "Throughout this period, we have remained focused on executing our core strategy. Our 2005 financial results reflect the strength of our business model and our ability to attract and retain physicians to our national group practice. We are encouraged by our prospects for sustained growth within our existing clinical expertise as we simultaneously look to extend our national group practice model to other physician specialties with characteristics that are similar to our newborn physician services."

For the three months ended December 31, 2005, Pediatrix reported net patient service revenue of \$177.7 million, up 10 percent from \$161.0 million for the comparable 2004 period. Revenue growth included contributions from acquisitions, as well as same-unit revenue growth of 3.5 percent. Same-unit revenue included patient volume growth of 1.7 percent at neonatal intensive care units (NICUs) staffed by Pediatrix physicians, contributions from other services including maternal-fetal medicine and pediatric cardiology physician subspecialties and a slight increase in revenue from reimbursement-related factors.

On a GAAP basis, income from operations for the 2005 fourth quarter was \$29.7 million and net income was \$15.9 million, resulting in earnings per share of 65 cents based on a weighted average 24.4 million shares outstanding.

When adjusted to exclude equity-based compensation and the charge to increase its Medicaid-investigation reserves, Pediatrix reported operating income of \$50.0 million for the 2005 fourth quarter, up 25 percent from \$40.2 million for the comparable 2004 period. When excluding these adjustments, general and administrative expenses of \$20.8 million were 11.7 percent of revenue, a reduction of 73 basis points from the comparable period of 2004. Non-GAAP net income of \$31.6 million for the 2005 fourth quarter increased by 23 percent from \$25.8 million for the 2004 fourth quarter.

For the three months ended December 31, 2005, non-GAAP earnings per share were \$1.30 based on a weighted average 24.4 million shares outstanding, up 18 percent from \$1.10 per share, based on a weighted

average 23.5 million shares outstanding for the 2004 period.

During the 2005 fourth quarter, cash flow from operations was \$47.8 million.

Pediatrics had cash and cash equivalents of \$11.2 million at December 31, 2005, and accounts receivable of \$111.7 million. Days sales outstanding remained at less than 60.

For the 12 months ended December 31, 2005, Pediatrics had record net patient service revenue of \$693.7 million, operating income of \$147.7 million and net income of \$89.0 million, all on a GAAP basis. GAAP earnings per share of \$3.72 are based on a weighted average 23.9 million shares outstanding. For all of 2005, Pediatrics had same-unit revenue growth of 5.6 percent, including same-unit NICU patient volume growth of 4.0 percent.

Pediatrics generated cash flow from operations of \$162.4 million for 2005, up 31 percent from \$123.8 million in 2004. During 2005, Pediatrics invested \$91.9 million in physician group practice acquisitions, including \$6.2 million during the 2005 fourth quarter, paid off amounts outstanding under its credit facility, and completed a \$50 million share repurchase program that had been authorized in November 2005.

The Company's agreement in principle with governmental authorities arises from an investigation, coordinated by the U.S. Department of Justice, of Pediatrics's Medicaid, TRICARE and Federal Employees Health Benefits Program billings. The agreement on the financial terms is subject to, among other things, completion of negotiation and approval of a final settlement agreement with relevant federal and state governmental authorities, including the Department of Justice and the Office of Inspector General of the Department of Health and Human Services. There can be no assurance that a definitive settlement agreement will be reached.

Pediatrics had been informed of the national investigation in June 2003, and has cooperated fully with investigators.

Outlook

As a result of the completion of the share repurchase program, Pediatrics now expects that earnings per share for 2006 will be \$4.83 to \$4.93 on a GAAP basis, or \$5.42 to \$5.52 per share when excluding the after-tax impact of equity-based compensation. Pediatrics is also introducing quarterly earnings per share guidance for 2006, presented in the following table on a GAAP basis and on an adjusted basis that excludes the impact of estimated equity-based compensation expense:

	Estimated GAAP EPS	Estimated Equity-based Compensation Expense	Adjusted Estimated EPS
First Quarter	\$0.95 to \$0.97	\$ 0.13	\$1.08 to \$1.10
Second Quarter	\$1.22 to \$1.24	\$ 0.14	\$1.36 to \$1.38
Third Quarter	\$1.33 to \$1.36	\$ 0.16	\$1.49 to \$1.52
Fourth Quarter	\$1.33 to \$1.36	\$ 0.16	\$1.49 to \$1.52
Total	\$4.83 to \$4.93	\$ 0.59	\$5.42 to \$5.52

Pediatrics expects that cash flow from operations will exceed \$170 million during 2006, excluding any payments that may be made in connection with a final settlement of the national Medicaid and TRICARE investigation.

Reconciliation of Non-GAAP Information

This press release contains non-GAAP information, including income from operations, operating margin, net income and earnings per share as adjusted to exclude equity-based compensation expense and expenses related to a pre-tax charge as a result of an increase of the estimated liability relating to the Medicaid and TRICARE investigation. Pediatrics believes that the presentation of non-GAAP guidance provides useful information to management and investors regarding financial and business trends related to its results of operations and that when non-GAAP information is viewed with GAAP information, investors are provided with a meaningful understanding of Pediatrics's ongoing operating financial performance. This information is not intended to be considered in isolation, or as a substitute of GAAP financial information. The following table reconciles non-GAAP financial information to income from operations, net income and net income per common share which Pediatrics believes are the most

comparable GAAP measures:

Three Months Ended
December 31, 2005

	GAAP	Adjustments	Adjusted
(in thousands except per share data)			
Net patient service revenue	\$ 177,695	\$ --	\$ 177,695
Operating expenses:			
Practice salaries and benefits	98,115	(1,188)	96,927
Practice supplies and other operating expenses	7,569	--	7,569
General and administrative expenses	39,956	(19,188)	20,768
Depreciation and amortization	2,400	--	2,400
Total operating expenses	148,040	--	127,664
Income from operations	29,655	--	50,031
Operating margin	16.7%		28.2%
Investment income	534	--	534
Interest expense	(209)	--	(209)
Income before income taxes	29,980	--	50,356
Income tax provision	(14,110)	4,648	(18,758)
Net income	\$ 15,870	--	\$ 31,598
Per share data:			
Net income per common and common equivalent share (diluted)	\$ 0.65	--	\$ 1.30
Weighted average shares used in computing net income per common and common equivalent share (diluted)	24,384	--	24,384

Investor conference call

Pediatrics Medical Group, Inc. will host an investor conference call to discuss the quarterly results at 10 a.m. (EST) today. During that call, members of Pediatrics's management team are expected to discuss quarterly earnings guidance for 2006. The conference call Webcast may be accessed from the Company's website, www.pediatrics.com. A telephone replay of the conference call will be available from 1:30 p.m. Eastern Time today through midnight Eastern Time February 15, 2006 by dialing 800-475-6701, access code 816253. The replay will also be available at www.pediatrics.com.

About Pediatrics

Pediatrics Medical Group, Inc. (NYSE: PDX) is the nation's leading provider of newborn, maternal-fetal and pediatric physician subspecialty services. Pediatrics physicians and advanced nurse practitioners are reshaping the delivery of maternal-fetal and newborn care by identifying best demonstrated processes and participating in clinical research to enhance patient outcomes and provide high-quality, cost-effective care. Founded in 1979, its neonatal physicians provide services at more than 240 NICUs, and through Obstetrix, its perinatal physicians provide services in many markets where Pediatrics's neonatal physicians practice. Combined, Pediatrics and its affiliated professional corporations employ more than 850 physicians in 32 states and Puerto Rico. Pediatrics is also the nation's largest provider of newborn hearing screens and newborn metabolic screening. Additional information is available at www.pediatrics.com.

Certain statements and information in this press release may be deemed to be "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, statements relating to our results of operations, 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 Pediatrix's 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 press release are made as of the date hereof, and Pediatrix undertakes 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 Pediatrix's most recent Annual Report on Form 10-K, including the section entitled "Risk Factors".

Pediatrix Medical Group, Inc.
Consolidated Statements of Income

	Three months ended December 31,		12 months ended December 31,	
	2005	2004	2005	2004
	-----		-----	
	(Unaudited)		(Unaudited)	
	(in thousands, except for per share data)			
	-----		-----	
Net patient service revenue	\$177,695	\$160,993	\$693,700	\$619,629
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Operating expenses:				
Practice salaries and benefits	98,115	91,406	393,137	350,354
Practice supplies and other operating expenses	7,569	7,048	27,678	24,254
General and administrative expenses	39,956	19,990	115,304	79,445
Depreciation and amortization	2,400	2,355	9,915	9,353
	-----	-----	-----	-----
Total operating expenses	148,040	120,799	546,034	463,406
	-----	-----	-----	-----
Income from operations	29,655	40,194	147,666	156,223
	-----	-----	-----	-----
Operating Margin	16.7%	25.0%	21.3%	25.2%
	-----	-----	-----	-----
Investment income	534	539	1,177	893
Interest expense	(209)	(441)	(2,262)	(1,295)
	-----	-----	-----	-----
Income before income taxes	29,980	40,292	146,581	155,821
Income tax provision	(14,110)	(14,507)	(57,544)	(57,542)
	-----	-----	-----	-----
Net income	\$ 15,870	\$ 25,785	\$ 89,037	\$ 98,279
	=====	=====	=====	=====
Per share data:				
Net income per common and common equivalent share (diluted)	\$ 0.65	\$ 1.10	\$ 3.72	\$ 3.97
	-----	-----	-----	-----
Weighted average shares used in computing net income per common and common equivalent share (diluted)	24,384	23,461	23,930	24,747

Balance Sheet Highlights

	As of Dec. 31, 2005 (Unaudited)	As of Dec. 31, 2004

	(in thousands)	
Assets:		
Cash & cash equivalents	\$ 11,192	\$ 7,011
Short-term investments	10,920	9,961
Accounts receivable, net	111,725	107,860
Other current assets	30,787	27,402
Other assets, property and equipment	735,779	636,655

Total assets	\$ 900,403	\$ 788,889
	=====	
Liabilities and shareholders' equity:		
Accounts payable & accrued expenses	\$ 164,749	\$ 128,991
Total debt	1,504	55,312
Other liabilities	42,359	33,555

Total liabilities	208,612	217,858
Shareholders' equity	691,791	571,031

Total liabilities and shareholders' equity	\$ 900,403	\$ 788,889
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Other Operating Data

	12 Months Ended December 31,	
	2005	2004

Number of:		
Births	629,948	567,794
NICU Admissions	72,876	63,115
NICU Patient days	1,347,064	1,195,936

CONTACT: Pediatrix Medical Group, Inc., Fort Lauderdale
 Bob Kneeley, 954-384-0175 Ext: 5300
 bob_kneeley@pediatrix.com