

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 Exchange Act of 1934

Date of Report (Date of earliest event reported):
February 3, 2004

PEDIATRIX MEDICAL GROUP, INC.

(Exact name of registrant as specified in its charter)

FLORIDA

(State or other jurisdiction
of incorporation)

0-26762

(Commission
File Number)

65-0271219

(IRS Employer
Identification No.)

1301 Concord Terrace
Sunrise, Florida 33323-2825

(Address of principal executive offices, including zip code)

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

(Former Name or Former Address, if Changed Since Last Report)

Item 12. Information Furnished Under Item 12 (Results of Operations and
Financial Condition)

On February 3, 2004, Pediatrix Medical Group, Inc. issued a press release announcing its results of operations for the three months and 12 months ended December 31, 2003 and expanding previously-issued 2004 earnings guidance to include a breakdown of earnings per share by quarter, as well as estimated cash flow from operations for 2004. The press release is attached as an exhibit hereto and is incorporated herein by reference.

(c). Exhibits

99.1 Press Release of Pediatrix Medical Group, Inc., dated February 3, 2004.

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 3, 2003

By: /s/ Karl B. Wagner

Karl B. Wagner
Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NO.

DESCRIPTION

99.1

Press Release dated February 3, 2004.

Pediatric Reports 2003 Fourth Quarter EPS of 97 Cents;
Introduces 2004 Quarterly Guidance

FORT LAUDERDALE, Fla.--(BUSINESS WIRE)--Feb. 3, 2004--Pediatric Medical Group, Inc. (NYSE:PDX), the nation's largest provider of physician services focused on newborn and maternal-fetal care, today reported record revenue, operating income and net income, as well as expanded operating margins for both the three months and year ended December 31, 2003.

Highlights for the three months ended December 31, 2003, include:

- Earnings per share of 97 cents, up 33 percent from the comparable prior period;
- Revenue of \$145.8 million, an increase of 22 percent, with strong same-unit revenue growth of 13.6 percent;
- Operating income of \$38.7 million, up 26 percent from the comparable prior period, with margins expanding by more than 80 basis points;
- Net income of \$24.0 million, an increase of 26 percent; and
- Cash flow from operations of \$38.2 million, up 25 percent.

"By every measure, this was a very solid quarter that was part of an exceptional year for our national group practice," said Roger J. Medel, M.D., President and Chief Executive Officer of Pediatric Medical Group, Inc. "During 2003 we identified new growth opportunities while remaining focused on managing our core newborn and maternal-fetal care operations. We added pediatric intensive and pediatric cardiology practices to our physician services platform and newborn metabolic screening to our existing newborn screening services. At the same time, we grew our existing operations with new neonatal hospital contracts and strong same-unit growth. We remain confident in our ability to execute our growth strategy."

For the 2003 fourth quarter, net patient service revenue was \$145.8 million, up 22 percent from \$119.5 million for the prior-year period. Same-unit neonatal intensive care unit (NICU) patient volume grew by 2.3 percent, which was one of several factors contributing to strong overall same-unit revenue growth of 13.6 percent.

Income from operations was \$38.7 million for the 2003 fourth quarter, up 26 percent from \$30.7 million for the comparable period of 2002. Operating margin increased by 84 basis points to 26.5 percent for the 2003 fourth quarter as a result of increased efficiencies at the practice level.

Net income for the three months ended December 31, 2003, was \$24.0 million, an increase of 26 percent from \$19.0 million for the comparable period of 2002. On a per-share basis, Pediatric earned 97 cents based on 24.7 million fully-diluted shares outstanding for the 2003 fourth quarter, as compared with 73 cents per share based on 26.1 million fully-diluted shares outstanding for the 2002 fourth quarter.

During the 2003 fourth quarter, Pediatric had cash flow from operations of \$38.2 million, which compares with \$30.6 million for the comparable period of 2002. During the 2003 fourth quarter, Pediatric used its cash to eliminate the balance outstanding on its revolving credit facility, and invested \$11.9 million to acquire two physician group practices.

For the year ended December 31, 2003, Pediatric reported record net patient service revenue of \$551.2 million, an increase of 18 percent from \$465.5 million for 2002. Net income increased by 23 percent to \$84.3 million for the year ended December 31, 2003, from \$68.8 million in 2002. Earnings increased by 33 percent on a per share basis to \$3.43 per share based on 24.6 million fully-diluted shares outstanding, from \$2.58 per share based on a weighted average 26.6 million fully-diluted shares outstanding for 2002.

Cash flow from operations for the year ended December 31, 2003, was \$118.0 million, up 21 percent from 2002. Pediatric used \$100 million of its cash during 2003 to repurchase shares of its common stock on the open market.

Pediatric also invested \$75.2 million to acquire physician group practices, as well as the nation's largest independent laboratory providing newborn metabolic screening services. During the year, Pediatric expanded beyond its core practice area, acquiring physician groups specializing in pediatric intensive care and pediatric cardiology, in addition to neonatal intensive care.

Pediatric had previously issued full-year 2004 earnings per share guidance of \$4.00 to \$4.10. The Company's management offers the

following guidance for earnings per share, by quarter, as follows:

First Quarter	\$0.84 to \$0.86
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Second Quarter	\$0.98 to \$1.00
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Third Quarter	\$1.09 to \$1.12
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Fourth Quarter	\$1.09 to \$1.12
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	\$4.00 to \$4.10
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Pediatrics's management also expects that 2004 cash flow from operations will exceed \$130 million.

Investor conference call

Pediatrics Medical Group, Inc. will host an investor conference call to discuss the quarterly results at 11 a.m. (EST) today. During that call, members of Pediatrics's management team are expected to also provide more specific quarterly earnings guidance for 2004. 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 2 p.m. Eastern Time today through midnight Eastern Time February 10, 2004 by dialing 800-475-6701, access code 717885. The replay will also be available at <http://www.pediatrics.com>.

About Pediatrics

Pediatrics was founded in 1979. Pediatrics physicians are reshaping the delivery of maternal-fetal and newborn care, identifying best demonstrated processes and participating in clinical research to enhance patient outcomes and provide high-quality, cost-effective care. Its neonatal physicians provide services at more than 200 NICUs, and through Obstetrix, its perinatal physicians provide services in many markets where Pediatrics's neonatal physicians practice. Pediatrics also employs pediatric intensivists, pediatric hospitalists, and pediatric cardiologists. Combined, Pediatrics and its affiliated professional corporations employ more than 690 physicians in 30 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.

Matters discussed in this release may include forward-looking statements within the meaning of the Federal securities laws. Such forward-looking statements may include, but are not limited to, statements relating to Pediatrics's objectives, plans and strategies, and all statements (other than statements of historical facts) that address activities, events or developments that Pediatrics intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are often characterized by terminology such as "believe", "hope", "may", "anticipate", "should", "intend", "plan", "will", "expect", "estimate", "project", "positioned", "strategy" and similar expressions.

These statements are based on assumptions and assessments made by Pediatrics's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors believed to be appropriate. Any forward-looking statement is made as of the date hereof. We disclaim any duty to update or revise any such statement, 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 that could cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements.

Some of the factors that may cause actual results, developments and business decisions to differ materially from those projected or anticipated by such forward-looking statements, as more fully discussed under the section entitled "Risk Factors" in Pediatrics's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, include, pending and future investigations by federal and state government authorities of Pediatrics's billing or other practices (including the previously disclosed investigations regarding Pediatrics's Medicaid billing practices and an investigation by the Federal Trade Commission); unfavorable regulatory or other changes or conditions in geographic areas where Pediatrics's operations are concentrated; determinations that Pediatrics failed to comply with applicable healthcare laws and regulations, limitations, reductions

or retroactive adjustments reimbursement amounts or rates by government-sponsored health care programs; audits by third party payors with respect to Pediatrix's billings for services; failure of physicians affiliated with us to appropriately record and document the services that they provide; Pediatrix's failure to find suitable acquisition candidates or successfully integrate any future or recent acquisitions; Pediatrix's failure to successfully implement Pediatrix's strategy of diversifying its operations; impairment of long-lived assets, such as goodwill; federal and state health care reform, including changes in the interpretation of government-sponsored health care programs; Pediatrix's failure to successfully recruit additional and retain existing qualified physicians; pending and future malpractice and other lawsuits; Pediatrix's failure to manage growth effectively and to maintain effective and efficient information systems; Pediatrix's failure to collect reimbursements from third party payors in a timely manner; cancellation or non-renewal of Pediatrix's arrangements with hospitals, or renewal of such arrangements on less favorable terms; loss of Pediatrix's affiliated physicians' privileges or ability to provide services in hospitals, or hospitals entering into arrangements with physicians not affiliated with Pediatrix; and increased competition in the health care industry.

All information in this release is as of February 3, 2004. The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

Pediatrix Medical Group, Inc.
Consolidated Statements of Income

	Three months ended December 31,		12 months ended December 31,	
	2003	2002	2003	2002

	(Unaudited)			
	(in thousands, except for per share data)			

Net patient service revenue	\$145,782	\$119,474	\$551,197	\$465,481

Operating expenses:				
Practice salaries and benefits	80,318	67,216	310,778	263,165
Practice supplies and other operating expenses	5,027	4,351	18,588	15,791
General and administrative expenses	19,387	15,520	76,537	68,315
Depreciation and amortization	2,357	1,687	8,405	6,135

Total operating expenses	107,089	88,774	414,308	353,406

Income from operations	38,693	30,700	136,889	112,075

Investment income	186	223	482	818
Interest expense	(230)	(299)	(1,372)	(1,156)

Income before income taxes	38,649	30,624	135,999	111,737
Income tax provision	(14,678)	(11,637)	(51,671)	(42,961)

Net income	\$23,971	\$18,987	\$84,328	\$68,776
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Per share data:				
Net income per common and common equivalent share (diluted)	0.97	0.73	3.43	2.58
Weighted average shares used in computing net income per common and common equivalent share (diluted)	24,677	26,119	24,577	26,629

Balance Sheet Highlights

As of	As of
Dec. 31,	Dec. 31,
2003	2002

(in thousands)

Assets:		
Cash & cash equivalents	\$27,896	\$73,195
Accounts receivable, net	94,213	75,356
Other current assets	23,448	12,804
Other assets, property and equipment	572,037	487,324
Total assets	\$717,594	\$648,679

Liabilities and shareholders' equity:		
Accounts payable & accrued expenses	\$ 111,974	\$ 76,400
Total debt	1,864	2,489
Other liabilities	31,378	21,792
Total liabilities	145,216	100,681
Shareholders' equity	572,378	547,998
Total liabilities and shareholders' equity	\$ 717,594	\$ 648,679

Other Operating Data

12 months ended
December 31,
2003 2002

Number of:		
Births	522,612	501,832
NICU Admissions	57,239	55,121
NICU Patient days	1,087,753	983,733

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