

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): May 3, 2006

PEDIATRIX MEDICAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation)	001-12111 Commission File Number	65-0271219 (IRS Employer Identification No.)
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1301 Concord Terrace Sunrise, FL (Address of principal executive offices)	33323 (Zip Code)
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Registrant's telephone number, including area code: (954) 384-0175

N/A

(Former name or former address, if changed since last report)

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 May 3, 2006, Pediatrix Medical Group, Inc. (the "Company") issued a press release announcing its results of operations for the three months ended March 31, 2006 (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 9.01. Financial Statements and Exhibits.

Item 9.01(a) Financial Statements of businesses acquired:

Not applicable.

Item 9.01(b) Pro Forma Financial Information:

Not applicable.

Item 9.01(c) Exhibits:

SIGNATURES

Pursuant of 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.
(Registrant)

Date: May 3, 2006

By: /s/ Karl B. Wagner

Karl B. Wagner
Chief Financial Officer

Pediatrics Reports Non-GAAP Post-Split EPS of 55 Cents;
Operating Efficiencies Drive Adjusted Net Income Growth of 24 Percent

FORT LAUDERDALE, Fla.--(BUSINESS WIRE)--May 3, 2006--Pediatrics Medical Group, Inc. (NYSE:PDX), today reported that it earned 55 cents per share for the three months ended March 31, 2006, as presented on a non-GAAP basis that excludes the impact of equity-based compensation expense, or 49 cents per share on a GAAP basis when including the impact of those expenses.

Pediatrics's 2006 first quarter earnings per share reflect the impact of a two-for-one stock split that was effective April 28, 2006.

Pediatrics's results for the 2006 first quarter include:

- Record quarterly revenue of \$187.7 million;
- Same-unit revenue growth of 6.9 percent, which included neonatal intensive care unit (NICU) patient volume growth of 4.3 percent;
- The investment of \$63.3 million to acquire physician group practices;
- Effective management of general and administrative expenses resulting in non-GAAP operating margin expansion of 130 basis points.

"This is another solid quarter for Pediatrics, one in which our strong revenue growth is exceeded by growth of operating income," said Roger J. Medel, M.D., Chief Executive Officer of Pediatrics. "These results were at the high end of our guided range for the quarter after considering the impact of our stock split. We continue to demonstrate that as we execute our growth strategy we remain focused on opportunities to manage our national group practice more efficiently."

Net patient service revenue increased by 14 percent for the three months ended March 31, 2006, to \$187.7 million, when compared to the same period of 2005. Revenue growth included contributions from acquisitions completed during the past year, as well as same-unit revenue growth of 6.9 percent. NICU patient volume increased by 4.3 percent for the 2006 first quarter, compared with the 2005 first quarter.

Income from operations was \$37.8 million for the three months ended March 31, 2006, as compared with \$29.3 million for the same period in 2005. When adjusted to exclude equity-based compensation expense, income from operations was \$42.8 million for the 2006 first quarter, up 21 percent from \$35.3 million for the 2005 first quarter after adjusting for a charge related to the national Medicaid and TRICARE investigation that was recorded in that period. General and administrative expenses, when adjusted for those same items, were 12.4 percent of revenue for the 2006 first quarter, down from 13.5 percent for the 2005 first quarter.

Operating margin was 20.1 percent for the three months ended March 31, 2006, up from 17.9 percent for the comparable 2005 period. On a non-GAAP basis, operating margin adjusted to exclude equity-based compensation expense was 22.8 percent for the 2006 first quarter, an increase of 130 basis points from the comparable period of 2005, after adjusting to exclude the charge related to the Medicaid investigation.

Net income for the three months ended March 31, 2006, was \$23.7 million, or 49 cents per share based on a weighted average 48.8 million shares outstanding, which compares with net income of \$18.0 million, or 38 cents per share, based on a weighted average 46.9 million shares outstanding for the three months ended March 31, 2005. When adjusted to exclude equity-based compensation, net income was \$26.9 million or 55 cents per share for 2006 first quarter, compared with \$21.7 million or 46 cents per share for the 2005 first quarter after adjusting to exclude the charge related to the Medicaid investigation.

At March 31, 2006, Pediatrics had cash and cash equivalents of \$4.5 million and net accounts receivable of \$115.8 million. Days sales outstanding remain less than 60.

Total debt of \$42.2 million at March 31, 2006, includes an outstanding balance of \$41 million under Pediatrics's \$225 million revolving credit facility.

Pediatrics used \$63.3 million of its cash and amounts available under its revolving credit facility to acquire physician group practices, including a neonatal group practice based in Atlanta, Georgia, and a pediatric cardiology physician group practice based in Springfield, Missouri.

Cash flow used in operations for the three months ended March 31,

2006, was \$11.2 million. Pediatrix normally experiences significant cash outflows during the first quarter of each year, principally because of annual bonus payments that are made to physicians under incentive programs for the prior year.

Reconciliation of Non-GAAP Information

Beginning with the first quarter of 2006, Pediatrix adopted Financial Accounting Standards No. 123R, "Share-Based Payments". This press release contains non-GAAP information for the three months ended March 31, 2006, that includes income from operations, operating margin, net income and earnings per share as adjusted to exclude equity-based compensation expense.

In addition, this press release contains non-GAAP information for the three months ended March 31, 2005, that includes income from operations, operating margin, net income and earnings per share as adjusted to exclude expenses related to a pre-tax charge as a result of an increase of the estimated liability relating to the Medicaid and TRICARE investigation.

Pediatrix believes that the presentation of non-GAAP information provides useful guidance 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 Pediatrix's ongoing operating financial performance. This information is not intended to be considered in isolation, or as a substitute for GAAP financial information. The following tables reconcile non-GAAP financial information to income from operations, net income and net income per common share which Pediatrix believes are the most comparable GAAP measures:

	Three Months Ended March 31, 2006		
	GAAP	Adjustments	Adjusted
	(in thousands except per share data)		
Net patient service revenue	\$187,679		\$187,679
	-----		-----
Operating expenses:			
Practice salaries and benefits	112,483	(1,083)	111,400
Practice supplies and other operating expenses	7,802		7,802
General and administrative expenses	27,238	(3,934)	23,304
Depreciation and amortization	2,348		2,348
	-----		-----
Total operating expenses	149,871		144,854
	-----		-----
Income from operations	37,808		42,825
	-----		-----
Investment income	450		450
Interest expense	(409)		(409)
	-----		-----
Income before income taxes	37,849		42,866
Income tax provision	(14,099)	1,869	(15,968)
	-----		-----
Net income	\$23,750		\$26,898
	-----		-----
Net income per common and common equivalent share (diluted)	\$0.49	\$0.06	\$0.55
Weighted average shares used in computing net income per common and common equivalent share (diluted)	48,844		48,844

Share and per-share data for all periods presented have been adjusted to give effect to the two-for-one stock split that was effective April 28, 2006.

	Three Months Ended March 31, 2005		
	GAAP	Adjustments	Adjusted
	(in thousands except per share data)		
Net patient service revenue	\$164,150		\$164,150
Operating expenses:			
Practice salaries and benefits	97,803		97,803

Practice supplies and other operating expenses	6,250		6,250
General and administrative expenses	28,129	(6,000)	22,129
Depreciation and amortization	2,647		2,647
	-----		-----
Total operating expenses	134,829		128,829
	-----		-----
Income from operations	29,321		35,321
	-----		-----
Investment income	177		177
Interest expense	(840)		(840)
	-----		-----
Income before income taxes	28,658		34,658
Income tax provision	(10,675)	2,235	(12,910)
	-----		-----
Net income	\$17,983		\$21,748
	-----		-----
Net income per common and common equivalent share (diluted)	\$0.38	\$0.08	\$0.46
Weighted average shares used in computing net income per common and common equivalent share (diluted)	46,910		46,910

Share and per-share data for all periods presented have been adjusted to give effect to the two-for-one stock split that was effective April 28, 2006.

Earnings conference call

Pediatrics Medical Group, Inc. will host an investor conference call to discuss the quarterly results at 11 a.m. (EDT) today. The conference call Webcast may be accessed from the Company's Website, <http://www.pediatrics.com>. A telephone replay of the conference call will be available from 1 p.m. (EDT) today through midnight (EDT) May 10, 2006 by dialing 800-475-6701, access code 824325. The replay will also be available at <http://www.pediatrics.com>.

About Pediatrics

Pediatrics Medical Group, Inc. 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 860 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 <http://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 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 Pediatrics'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 Pediatrics 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 Pediatrics's most recent Annual Report on Form 10-K, including the section entitled

"Risk Factors".

Pediatric Medical Group, Inc.
Consolidated Statements of Income
(Unaudited)

	Three months ended March 31,	
	2006	2005
	----- (in thousands, except for per share data) -----	
Net patient service revenue	\$ 187,679	\$ 164,150
Operating expenses:		
Practice salaries and benefits	112,483	97,803
Practice supplies and other operating expenses	7,802	6,250
General and administrative expenses	27,238	28,129
Depreciation and amortization	2,348	2,647

Total operating expenses	149,871	134,829

Income from operations	37,808	29,321

Investment income	450	177
Interest expense	(409)	(840)

Income before income taxes	37,849	28,658
Income tax provision	(14,099)	(10,675)

Net income	\$ 23,750	\$ 17,983
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Per share data:

Net income per common and common equivalent share (diluted)	\$ 0.49	\$ 0.38
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Weighted average shares used in computing net income per common and common equivalent share (diluted)	48,844	46,910
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Share and per-share data for all periods presented have been adjusted to give effect to the two-for-one stock split that was effective April 28, 2006.

Balance Sheet Highlights
(Unaudited)

	As of Mar. 31, 2006	As of Dec. 31, 2005
	----- (in thousands) -----	
Assets:		
Cash and cash equivalents	\$ 4,507	\$ 11,192
Short-term investments	9,958	10,920
Accounts receivable, net	115,759	111,725
Other current assets	31,236	30,787
Other assets, property and equipment	801,557	735,779

Total assets	\$ 963,017	\$ 900,403
	=====	
Liabilities and shareholders' equity:		
Accounts payable & accrued expenses	\$ 122,169	\$ 164,749
Total debt	42,179	1,504
Other liabilities	47,943	42,359

Total liabilities	212,291	208,612
Shareholders' equity	750,726	691,791

Total liabilities and shareholders' equity	\$ 963,017	\$ 900,403

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