

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

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 15, 2001

COMMISSION FILE NUMBER: 0-26762

PEDIATRIX MEDICAL GROUP, INC.
(Exact name of registrant as specified in its charter)

FLORIDA
(State or other jurisdiction
of incorporation or organization)

65-0271219
(I.R.S. employer identification no.)

1301 CONCORD TERRACE
SUNRISE, FLORIDA 33323-2825
(Address of principal executive
offices, including zip code)

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

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

This Form 8-K/A amends the current report on Form 8-K of Pediatrix Medical Group, Inc. ("Pediatrix" or the "Registrant") filed May 25, 2001 to include in Item 7(a) unaudited financial statements of Magella Healthcare Corporation ("Magella") as of and for the three months ended March 31, 2001, and in Item 7(b) pro forma financial information as of and for the three months ended March 31, 2001 with respect to the merger completed on May 15, 2001 among Pediatrix, Infant Acquisition Corp. and Magella. A description of the merger is contained in Pediatrix's proxy statement/prospectus dated April 12, 2001.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED.

The unaudited condensed consolidated balance sheet of Magella as of March 31, 2001, unaudited condensed consolidated statements of income of Magella for the three months ended March 31, 2000 and 2001, the unaudited condensed consolidated statements of cash flows of Magella for the three months ended March 31, 2000 and 2001, and the accompanying notes, are filed as Exhibit 99.1 to this current report on Form 8-K/A and are incorporated herein by reference.

(b) PRO FORMA FINANCIAL INFORMATION.

The unaudited pro forma condensed combined balance sheet of Pediatrix and Magella as of March 31, 2001, the unaudited pro forma condensed combined consolidated statement of income of Pediatrix and Magella for the three months ended March 31, 2001, and the accompanying notes, are filed as Exhibit 99.2 to this current report on Form 8-K/A and are incorporated herein by reference.

(c) EXHIBITS.

See Exhibit Index.

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: July 27, 2001

By: /s/ KARL B. WAGNER

Name: Karl B. Wagner
Title: Chief Financial Officer

EXHIBIT INDEX

- 2.1 Agreement and Plan of Merger dated as of February 14, 2001, among Pediatrix Medical Group, Inc., Infant Acquisition Corp. and Magella Healthcare Corporation (incorporated by reference to Annex A of Pediatrix's Registration Statement on Form S-4, as amended (Registration No. 333-57164)).
- 99.1 Unaudited condensed consolidated balance sheet of Magella Healthcare Corporation as of March 31, 2001, unaudited condensed consolidated statements of income of Magella Healthcare Corporation for the three months ended March 31, 2000 and 2001, unaudited condensed consolidated statements of cash flows of Magella Healthcare Corporation for the three months ended March 31, 2000 and 2001, and accompanying notes (filed herewith).
- 99.2 Unaudited pro forma condensed combined balance sheet of Pediatrix Medical Group, Inc. and Magella Healthcare Corporation as of March 31, 2001, unaudited pro forma condensed combined consolidated statement of income of Pediatrix Medical Group, Inc. and Magella Healthcare Corporation for the three months ended March 31, 2001, and accompanying notes (filed herewith).

MAGELLA HEALTHCARE CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEET
 (UNAUDITED)

MARCH 31, 2001

 (IN THOUSANDS)

ASSETS

Current assets:

Cash and cash equivalents	\$ 997
Accounts receivable, net	11,867
Prepaid expenses	1,032
Deferred income taxes	5,673

Total current assets	19,569

Property and equipment, net	4,029
Goodwill and other assets, net	101,669

Total assets	\$125,267
	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Line of credit	\$ 26,600
Current portion of capital lease obligations ..	224
Current portion of long-term debt	8,250
Accounts payable and accrued expenses	4,772
Income taxes payable	2,658

Total current liabilities	42,504

Long term debt	15,238
Deferred income taxes	1,628
Capital lease obligations	364

Total liabilities	59,734

Commitments and contingencies

Series A convertible preferred stock	42
Additional paid-in capital	41,739
Shareholders' equity:	
Common stock	446
Additional paid-in capital	17,492
Retained earnings	5,814

Total shareholders' equity	23,752

Total liabilities and shareholders' equity	\$125,267
	=====

The accompanying notes are an integral part of
 these condensed consolidated financial statements

MAGELLA HEALTHCARE CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2001	2000

	(IN THOUSANDS)	
Net patient service revenue	\$23,507	\$17,977
Operating expenses:		
Salaries and benefits	13,808	10,780
Supplies and other operating expenses	2,010	1,708
Depreciation and amortization	1,683	1,526

Total operating expenses	17,501	14,014

Income from operations	6,006	3,963
Interest expense, net	840	886

Income before income taxes	5,166	3,077
Income tax provision	2,170	1,292

Net income	\$ 2,996	\$ 1,785
	=====	=====

The accompanying notes are an integral part of
 these condensed consolidated financial statements

MAGELLA HEALTHCARE CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2001	2000
	(IN THOUSANDS)	
Cash flows from operating activities:		
Net income	\$ 2,996	\$ 1,785
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	1,683	1,526
Debt issuance amortization	40	37
Changes in assets and liabilities:		
Accounts receivable	1,317	212
Prepaid expenses and other current assets	(648)	90
Accounts payable and accrued expenses	(2,881)	(1,118)
Income taxes payable	1,074	683
Net cash provided from operating activities	3,581	3,215
Cash flows from investing activities:		
Physician group acquisition payments	(3,350)	(7,120)
Purchase of property and equipment	(448)	(334)
Net cash used in investing activities	(3,798)	(7,454)
Cash flows from financing activities:		
Redemption of common stock from stockholder	--	(788)
Proceeds from long-term debt	12,400	6,900
Payments on long-term debt	(11,100)	(1,528)
Payments of capital lease obligations	(86)	(85)
Net cash provided from financing activities	1,214	4,499
Net increase in cash and cash equivalents	997	260
Cash and cash equivalents at beginning of period	--	478
Cash and cash equivalents at end of period	\$ 997	\$ 738

The accompanying notes are an integral part of
 these condensed consolidated financial statements

MAGELLA HEALTHCARE CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001

(UNAUDITED)

1. BASIS OF PRESENTATION:

The accompanying unaudited condensed consolidated financial statements of MAGELLA Healthcare Corporation (the "Company" or "Magella") presented herein do not include all disclosures required by generally accepted accounting principles 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 presentation of the results of interim periods.

The results of operations for the three months ended March 31, 2001 are not necessarily indicative of the results of operations to be expected for the year ended December 31, 2001.

2. BUSINESS ACQUISITIONS:

In January 2001, the Company completed the acquisition of a neonatology group practice. Total consideration and related costs for this acquisition approximated \$4.5 million, consisting of \$3.2 million in cash and \$1.3 million in convertible subordinated notes.

The Company accounts for acquisitions using the purchase method of accounting and the excess of cost over fair value of net assets acquired is amortized on a straight-line basis over 25 years. The results of operations of acquired practices have been included in the consolidated financial statements from the dates of acquisition.

3. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following:

	MARCH 31, 2001
	----- (IN THOUSANDS)
Accounts payable	\$ 790
Accrued salaries and bonuses	1,136
Accrued payroll taxes and benefits	1,279
Other accrued expenses	1,567

	\$4,772
	=====

4. CONVERTIBLE SUBORDINATED NOTES

In January 2001, the Company retired \$1.6 million of 6% convertible subordinated notes which were initially due on December 31, 2003.

5. SUBSEQUENT EVENTS

On May 8, 2001, holders of \$5 million of 3% convertible subordinated notes elected to convert their notes into 5 million shares of Magella common stock.

On May 14, 2001 the Company accelerated the vesting of all outstanding stock options. As a result the Company incurred compensation expense of approximately \$12 million.

On May 15, 2001, the Company completed its merger with Pediatrix Medical Group, Inc. ("Pediatrix") which was previously announced on February 15, 2001.

MAGELLA HEALTHCARE CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
(UNAUDITED)

Under the terms of the merger agreement, Pediatrix issued approximately 7.3 million shares of Pediatrix common stock in exchange for all outstanding shares of Magella capital stock (including shares of Magella non-voting common stock that were issued upon the exercise immediately prior to the merger of substantially all outstanding warrants of Magella), and assumed certain obligations to issue up to 1.39 million shares of Pediatrix common stock pursuant to Magella stock option plans. Pediatrix also guaranteed approximately \$16.0 million of Magella's convertible subordinated notes which are convertible into approximately 600,000 shares of Pediatrix common stock.

Additionally, Pediatrix repaid approximately \$23.5 million of Magella's bank debt and approximately \$2,446,000 of Magella's convertible subordinated notes in connection with the merger.

PEDIATRIX MEDICAL GROUP, INC. AND MAGELLA HEALTHCARE CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED
CONSOLIDATED FINANCIAL STATEMENTS

On May 15, 2001, Pediatrix Medical Group, Inc. ("Pediatrix") and Magella Healthcare Corporation ("Magella") completed their previously announced merger pursuant to the Agreement and Plan of Merger dated as of February 14, 2001 among Pediatrix, Infant Acquisition Corp., a wholly owned subsidiary of Pediatrix ("Infant Acquisition"), and Magella. Infant Acquisition was merged with and into Magella with Magella surviving the merger as a wholly owned subsidiary of Pediatrix. Both Pediatrix and Magella, through their respective subsidiaries and affiliated physician groups, provide neonatal and perinatal physician services in the United States.

The following unaudited pro forma condensed combined consolidated financial statements have been prepared to illustrate the effects of the merger on the historical financial position and operation results of Pediatrix using the purchase method of accounting. The following unaudited pro forma condensed combined consolidated balance sheet as of March 31, 2001 gives effect to the merger as if it occurred as of that date. The following unaudited pro forma condensed combined consolidated statement of income for the three months ended March 31, 2001 gives effect to the merger as if it had occurred as of January 1, 2001.

The pro forma information is based upon, and should be read in conjunction with, the historical consolidated financial statements of Pediatrix and the historical consolidated financial statements of Magella, including the accompanying notes thereto. For Pediatrix, those financial statements are incorporated by reference to Pediatrix's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, and Pediatrix's Annual Report on Form 10-K for the year ended December 31, 2000, as amended. For Magella, those financial statements are included in Item 7(a) of this Current Report on Form 8-K/A and incorporated by reference to Pediatrix's Registration Statement on Form S-4, as amended (Registration No. 333-57164).

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the consolidated financial position or consolidated results of operations that would have been reported had the merger occurred on the dates indicated, nor does this pro forma information represent a forecast of the consolidated financial position at any future date or the consolidated results of operations for any future period.

No effect has been given in the unaudited pro forma condensed combined consolidated statement of income for costs that may be incurred in integrating the operations of the two companies.

PEDIATRIX MEDICAL GROUP, INC. AND MAGELLA HEALTHCARE CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2001
(IN THOUSANDS, UNAUDITED)

	HISTORICAL PEDIATRIX	HISTORICAL MAGELLA	ADJUSTMENTS	PRO FORMA AS ADJUSTED
	-----	-----	-----	-----
ASSETS				
Current assets:				
Cash	\$ 1,756	\$ 997	\$ --	\$ 2,753
Accounts receivable, net	67,086	11,867	--	78,953
Prepaid expenses	906	1,032	--	1,938
Other current assets	917	5,673	(5,673) (b)	917
	-----	-----	-----	-----
Total current assets	70,665	19,569	(5,673)	84,561
Property and equipment, net	10,024	4,029	--	14,053
Other assets, net	239,384	101,669	106,545 (a10)	447,598
	-----	-----	-----	-----
Total assets	\$ 320,073	\$ 125,267	\$ 100,872	\$ 546,212
	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Line of credit	\$ 15,800	\$ 26,600	\$ 2,446 (c)	\$ 44,846
Current portion of long-term debt	--	8,250	(5,000) (a8)	3,250
Current portion of capital lease obligations	--	224	--	224
Accounts payable and accrued expenses	28,260	4,772	1,750 (a4)	38,682
			1,520 (a6)	
			500 (a7)	
			1,880 (a9)	
Income taxes payable	8,059	2,658	--	10,717
Deferred income taxes	10,538	--	(5,673) (b)	4,865
	-----	-----	-----	-----
Total current liabilities	62,657	42,504	(2,577)	102,584
Long-term debt	--	15,238	(2,446) (c)	12,792
Deferred income taxes	7,512	1,628	--	9,140
Capital lease obligations	--	364	--	364
Deferred compensation	3,899	--	--	3,899
	-----	-----	-----	-----
Total liabilities	74,068	59,734	(5,023)	128,779
	-----	-----	-----	-----
Convertible preferred stock	--	41,781	(41,781) (a5)	--
Shareholder's equity:				
Common stock	159	446	(446) (a5)	232
			71 (a1)	
			2 (a2)	
Additional paid-in capital	136,041	17,492	(17,492) (a5)	307,396
			147,849 (a1)	
			4,574 (a2)	
			18,932 (a3)	
Retained earnings	109,805	5,814	(5,814) (a5)	109,805
	-----	-----	-----	-----
Total stockholders' equity	246,005	23,752	147,676	417,433
	-----	-----	-----	-----
Total liabilities and shareholders' equity	\$ 320,073	\$ 125,267	\$ 100,872	\$ 546,212
	=====	=====	=====	=====

PEDIATRIX MEDICAL GROUP, INC. AND MAGELLA HEALTHCARE CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED STATEMENT OF INCOME
 FOR THE THREE MONTHS ENDED MARCH 31, 2001
 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS, UNAUDITED)

	HISTORICAL PEDIATRIX	HISTORICAL MAGELLA	ADJUSTMENTS	PRO FORMA AS ADJUSTED
Net revenue	\$ 63,920	\$ 23,507	\$ --	\$ 87,427
Cost and expenses:				
Salaries and benefits	46,480	13,808	--	60,288
Supplies and other operating expenses	6,857	2,010	--	8,867
Depreciation and amortization	3,578	1,683	1,066 (d)	6,327
Total operating expenses	56,915	17,501	1,066	75,482
Operating income	7,005	6,006	(1,066)	11,945
Interest expense, net	452	840	(38) (e)	1,254
Income before tax	6,553	5,166	(1,028)	10,691
Provision for income taxes	2,949	2,170	16 (e)	5,135
Net income	\$ 3,604	\$ 2,996	\$ (1,013)	\$ 5,587
Per share data:				
Net income per common and common equivalent share:				
Basic	\$ 0.23			\$ 0.24
Diluted	\$ 0.22			\$ 0.23 (g)
Weighted average shares used in computing net income per common and common equivalent share:				
Basic	15,895		7,293 (f)	23,188
Diluted	16,692		8,210 (f)	24,902

PEDIATRIX MEDICAL GROUP, INC. AND MAGELLA HEALTHCARE CORPORATION

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED
FINANCIAL STATEMENTS

The purchase price for Magella pursuant to the Merger Agreement is comprised of the following:

- o Pediatrix issued 7,074,100 shares of its common stock in exchange for all the outstanding shares of Magella common and preferred stock. In the merger, holders of outstanding shares of Magella stock received one-thirteenth of a share of Pediatrix common stock for each outstanding share of Magella common stock that they held or each share of Magella common stock into which outstanding shares of other classes or series of Magella stock that they held were convertible immediately prior to the merger.
- o Pediatrix issued 218,699 shares of its common stock in exchange for shares of Magella nonvoting common stock issued immediately prior to the merger upon the previously agreed, cashless exercise of certain outstanding Magella warrants. The cashless exercise was based upon the average daily closing price of Pediatrix common stock for the five consecutive trading days immediately preceding May 15, 2001, the effective date of the merger, which average price was \$26.91.
- o Pursuant to the merger agreement, each outstanding option to purchase Magella common stock that was issued by Magella and not exercised at the effective time of the merger became an option to purchase the number of shares of Pediatrix common stock equal to one-thirteenth of the number of shares of Magella common stock which could have been obtained immediately before the effective time of the merger upon the exercise of the option. The exercise price of each such option per share of Pediatrix common stock equals the exercise price per share of Magella common stock subject to the option immediately before the effective date of the merger multiplied by 13. All Magella stock options issued prior to the date of the merger agreement became vested immediately prior to the effective date of the merger.

The pro forma adjustments for the transaction are as follows:

- (a) To record the purchase price for Magella paid by Pediatrix.

For purposes of the pro forma financial information, the value of Pediatrix common stock issued in the merger is based on the average of the closing prices of the Pediatrix common stock as quoted on the New York Stock Exchange for the two trading days prior to and the two days after the announcement of the merger. Such average amount was \$20.91 per share. In addition, the estimated fair value of the obligation to furnish Pediatrix common stock upon the exercise of Magella stock options after the merger was based on the Black-Scholes option pricing model.

For purposes of the unaudited pro forma condensed combined consolidated financial statements, the purchase price has been allocated as follows (in thousands):

- | | | |
|-----|---|-----------|
| (1) | Fair value of Pediatrix common stock issued for the outstanding stock of Magella (approximately 7.1 million shares)..... | \$147,920 |
| (2) | Fair value of Pediatrix common stock issued or to be issued for Magella nonvoting common stock issued immediately prior to the merger upon the previously agreed, cashless exercise of certain outstanding Magella warrants (approximately 219,000 shares)..... | 4,576 |

(3)	Fair value of Magella options for approximately 1,389,000 shares of Pediatrix common stock to be issued upon exercise.....	18,932
(4)	Estimated direct transaction costs.....	1,750

	Total purchase price.....	\$173,178
		=====

Allocation of the purchase price:

(5)	Net book value of Magella (including convertible preferred stock) (Pediatrix management believes that the book value of assets acquired, except goodwill, and liabilities assumed approximates fair value).....	\$65,533
(6)	Adjust liabilities for employment severance (determined based upon contractual commitments as a result of the change in control).....	(1,520)
(7)	Adjust liabilities for office closure and relocation (costs associated with the closure of Magella's corporate office and the relocation of staff and office equipment as determined by Pediatrix management in accordance with EITF 95-3).....	(500)
(8)	Adjust current portion of long-term debt to reflect conversion of certain of Magella's subordinated convertible notes.....	5,000
(9)	Accrue for Magella transaction costs and other expenses...	(1,880)
(10)	Goodwill.....	106,545

	Total.....	\$173,178
		=====

Pediatrix is in the process of identifying the fair values of tangible assets acquired. It is expected that the remaining excess cost will be recorded as goodwill and amortized over a period of 25 years. Pediatrix does not believe that there will be any significant intangible assets recorded, other than goodwill, as a result of the transaction.

- (b) To reclassify deferred tax assets on the consolidated balance sheet of Magella to a net deferred tax liability for Pediatrix.
- (c) Certain of Magella's subordinated convertible notes contain provisions giving their holders an option to accelerate payment of such debt upon the occurrence of certain events, including the merger. As a result of the merger, the holders of approximately \$2,446,000 in convertible notes elected to accelerate the payment of such debt. Pediatrix used funds available under its existing line of credit to repay these subordinated convertible notes.
- (d) To record the amortization of the excess of cost over net assets acquired resulting from the allocation of the purchase price over the estimated fair value of tangible assets acquired. The pro forma adjustments assume a 25-year amortization period. Such amortization will not be deductible for tax purposes.
- (e) To record the interest savings as a result of the conversion of certain of Magella's subordinated convertible notes.
- (f) The weighted average number of shares of Pediatrix common stock to be issued in connection with the transaction. The outstanding shares used in the diluted net income per share calculation includes the weighted average number of shares of Pediatrix common stock to be issued upon the conversion of the Magella convertible subordinated notes.
- (g) The calculation of diluted net income per share includes the reversal of interest expense, net of tax, recorded on the Magella convertible subordinated notes of approximately \$137,000.