

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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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, 2005

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))

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Item 2.02. Results of Operations and Financial Condition.  
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On May 3, 2005, Pediatrix Medical Group, Inc. (the "Company") issued a press release ("Press Release") announcing its results of operations for the three months ended March 31, 2005. A copy of the Press Release is attached hereto as Exhibit 99.1 and is incorporated in this Current Report by reference.

The information in this Current Report, including the exhibit hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Section 11 or 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any registration statement or other document filed with the Securities and Exchange Commission by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.  
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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:

99.1 Press Release of Pediatrix Medical Group, Inc. dated May 3,  
2005.

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, 2005

By: /s/ Karl B. Wagner

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Karl B. Wagner  
Chief Financial Officer

(c) Exhibits

99.1 Press Release of Pediatrix Medical Group, Inc., dated May 3, 2005.

Pediatrics Reports 2005 First Quarter Results

FORT LAUDERDALE, Fla.--(BUSINESS WIRE)--May 3, 2005--Pediatrics Medical Group, Inc. (NYSE:PDX), today reported that it earned 93 cents per share for the three months ended March 31, 2005, as presented on a non-GAAP basis that excludes the impact of a previously announced charge related to an ongoing national Medicaid investigation, or 77 cents per share when including the impact of the charge.

Highlights for the 2005 first quarter include:

- Record quarterly revenue of \$164.2 million;
- Same-unit revenue growth of 4.0 percent that included neonatal intensive care unit (NICU) patient volume growth of 3.7 percent;
- A reduction in days sales outstanding as a result of strong patient account collections activity; and
- The investment of \$36.9 million to acquire five physician group practices.

"Our financial results for the 2005 first quarter were at the high end of our guided range when excluding the impact of the charge to increase our Medicaid-related reserves," said Roger J. Medel, M.D., Chief Executive Officer of Pediatrics. "This was another very solid quarter for our Company. We continue to grow our business by more effectively managing our physician group practice and drawing physicians from across the country to the value-added services that are part of Pediatrics."

For the three months ended March 31, 2005, net patient service revenue of \$164.2 million was up 11 percent from the comparable period of 2004. Revenue growth was driven principally by contributions from acquisitions completed during the past year. Same-unit revenue growth of 4.0 percent was largely the result of increased NICU patient volume of 3.7 percent, as well as contributions from other services, including maternal-fetal medicine physician services and newborn screening. Strong growth in NICU patient volume and other services more than offset the decline of same-unit revenue that resulted from a payor mix shift from commercial to government payors that occurred in the second half of 2004. Throughout the 2005 first quarter, Pediatrics's payor mix remained essentially at the same levels as the second half of 2004.

For the 2005 first quarter, GAAP income from operations was \$29.3 million for the 2005 first quarter, or 17.9 percent of revenue. Excluding the impact of the pre-tax charge, income from operations was \$35.3 million, or 21.5 percent of revenue. This compares with income from operations of \$34.1 million, or 23.0 percent of revenue, for the 2004 first quarter.

Net income for the 2005 first quarter was \$18.0 million when including the after-tax impact of the charge to increase reserves. Excluding that charge, net income was \$21.7 million, a slight increase from \$21.3 million for the comparable period of 2004.

Earnings per share for the three months ended March 31, 2005, were 77 cents based on a weighted average 23.5 million shares outstanding. Excluding the impact of the charge to increase our Medicaid-related reserves, earnings per share were 93 cents for the 2005 first quarter. During the 2004 first quarter, Pediatrics earned 85 cents per share based on 25.1 million shares outstanding.

At March 31, 2005, Pediatrics had cash and cash equivalents of \$4.1 million and net accounts receivable of \$105.4 million. Accounts receivable were reduced by approximately \$3 million over the past six months as Pediatrics collections for patient accounts have improved, including for accounts that had been delayed as a result of business disruptions during the busy hurricane season in the 2004 third quarter. For the 2005 first quarter, days sales outstanding returned to below 60. Total debt of \$83.2 million at March 31, 2005, includes an outstanding balance of \$82 million under Pediatrics's \$225 million revolving credit facility. During the 2005 first quarter, Pediatrics exercised an option to expand that facility by \$75 million.

Pediatrics generated better-than-expected cash flow from operations of \$656,000 for the three months ended March 31, 2005, a period when the Company normally experiences negative cash flow as it makes payments for bonuses and 401(k) plan matching contributions. Cash flow from operations was positively impacted by the reduction of days sales outstanding.

A total of \$36.9 million of cash and amounts available under the revolving credit facility were used to complete five physician group

practice acquisitions during the 2005 first quarter. Since March 31, 2005, Pediatrix has completed the acquisition of a pediatric cardiology practice based in Miami, Florida, and a neonatal physician group based in Tulsa, Oklahoma.

#### Non-GAAP Financial Information

This press release contains non-GAAP information, including income from operations, net income and earnings per share that are adjusted to exclude a \$6 million pre-tax charge to general and administrative expenses to increase the estimated liability relating to the pending Medicaid and TRICARE investigation. Pediatrix believes that this presentation of non-GAAP information 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 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 table reconciles this non-GAAP information to income from operations, net income and net income per common share, which we believe are the most comparable GAAP measures.

	Three Months Ended March 31, 2005 -----	Adjustments	Three Months Ended March 31, 2005 ----- (Non-GAAP)
	(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	(6,000)	128,829
Income from operations	29,321	6,000	35,321
Investment income	177	--	177
Interest expense	(840)	--	(840)
Income before income taxes	28,658	6,000	34,658
Income tax provision	10,675	2,235	12,910
Net income	\$ 17,983	\$ 3,765	\$ 21,748
Net income per common and common equivalent share (diluted)	\$ 0.77	\$ 0.16	\$ 0.93
Weighted average shares used in computing net income per common and common equivalent share (diluted)	23,455	--	23,455

#### Earnings conference call

Pediatrix Medical Group, Inc. will host an investor conference call to discuss the quarterly results at 10 a.m. (EDT) today. The conference call Webcast may be accessed from the Company's Website, <http://www.pediatrix.com>. A telephone replay of the conference call will be available from 2 p.m. (EDT) today through midnight (EDT) May 10, 2005 by dialing 800-475-6701, access code 778455. The replay will also be available at <http://www.pediatrix.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 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 titled "Risk Factors."

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

	Three months ended	
	March 31,	
	2005	2004
	----	----
	(in thousands, except for per share data)	
	-----	-----
Net patient service revenue	\$164,150	\$148,116
Operating expenses:		
Practice salaries and benefits	97,803	86,475
Practice supplies and other operating expenses	6,250	5,351
General and administrative expenses	28,129	19,847
Depreciation and amortization	2,647	2,363
	-----	-----
Total operating expenses	134,829	114,036
	-----	-----
Income from operations	29,321	34,080
	-----	-----
Investment income	177	146
Interest expense	(840)	(256)
	-----	-----
Income before income taxes	28,658	33,970
Income tax provision	(10,675)	(12,654)
	-----	-----
Net income	\$ 17,983	\$ 21,316
	=====	=====
Per share data:		
Net income per common and common equivalent share (diluted)	\$ 0.77	\$ 0.85
Weighted average shares used in computing net income per common and common equivalent share (diluted)	23,455	25,105

Balance Sheet Highlights

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(unaudited)

	As of	As of
	March 31, 2005	Dec. 31, 2004
	-----	-----
	(in thousands)	
Assets:		
Cash and cash equivalents	\$ 4,080	\$ 7,011
Short-term investments	11,332	9,961
Accounts receivable, net	105,409	107,860
Other current assets	26,143	27,402
Other assets	673,410	636,655
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Total assets	\$ 820,374	\$ 788,889
	=====	=====
Liabilities and shareholders' equity:		
Accounts payable & accrued expenses	\$ 93,979	\$ 128,991
Total debt	83,246	55,312
Other liabilities	42,061	33,555
	-----	-----
Total liabilities	219,286	217,858
Shareholders' equity	601,088	571,031
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Total liabilities and shareholders' equity	\$ 820,374	\$ 788,889
	=====	=====

CONTACT: Pediatrix Medical Group, Inc., Fort Lauderdale  
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