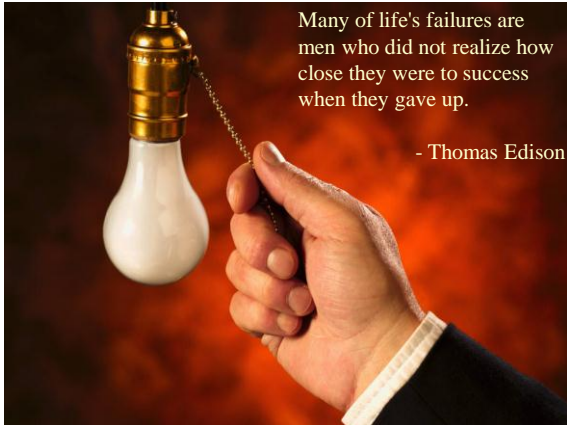


*9TH Annual Orthopedic
Spine & Pain Management
ASC Conference
June 9-11, 2011*

Tulsa Spine & Specialty Hospital
Company Store Consulting Services
CS²

6901 S Olympia Ave
Tulsa, Ok 74132
918-388-5706



Many of life's failures are
men who did not realize how
close they were to success
when they gave up.

- Thomas Edison

Tulsa Spine & Specialty Hospital

6901 S. Olympia Ave
Tulsa, Ok 74132
918.388.5706
Terry@tshmail.Com

Tulsa Spine & Specialty Hospital

- Opened as Tulsa Spine Hospital
 - 100% Physician Owned
 - Friday Dec 13th 2002
 - Spine Surgeries
 - Pain Management
 - Diagnostic Radiology (Xray, CT, MRI)
 - 4 OR's June 2009 11OR's
 - 21 Patient Beds June 2009 38 Beds

Tulsa Spine & Specialty Hospital

Basic Principles of TSSH

- Provide service to all patients
 - No Cherry Picking
- Be able to survive on Medicare reimbursement

Tulsa Spine & Specialty Hospital

Current Service Line

- Spine 14
- Pain Management 8
- ENT (Kids and Adults) 13
- GYN 5
- GYN Oncology 3
- Ortho (Hand to Shoulder)1

Tulsa Spine & Specialty Hospital

- Ortho (Hips and Knees) 2
- Podiatry 3
- Ophthalmology 3
- General Surgery 2
- Plastic Surgery 2

Tulsa Spine & Specialty Hospital

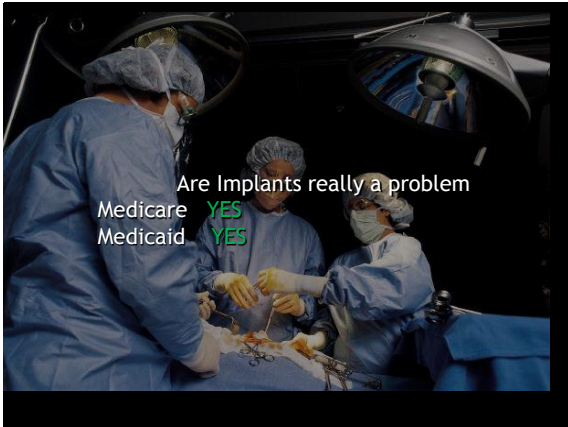
Current Bragging Rights

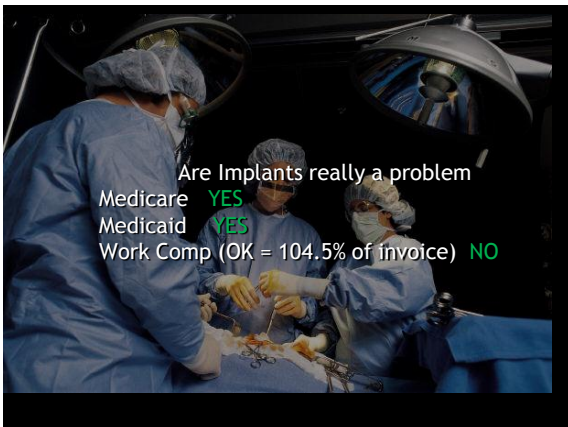
- 5 Star rated hospital in Oklahoma for Spine Surgeries
 - HealthGrades
- # 1 hospital in Tulsa for HCAPS
 - For all ten reporting categories
 - Nurse Communicate well
 - Patient received help quickly
 - Medicines explained
 - Room Quiet at night
 - Patient Overall rating of hosp.
 - Remained #1 from the inception of the program

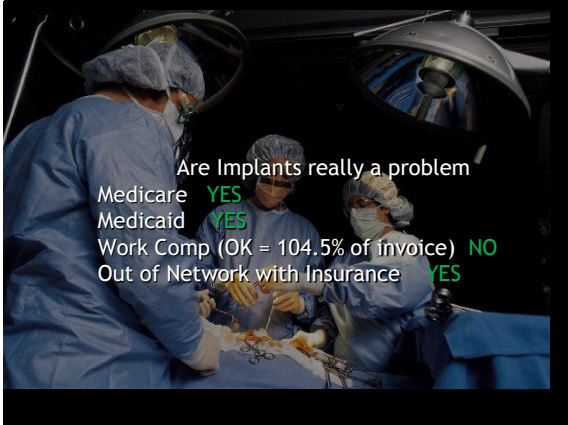
- Doctor communicate well
- Pain well controlled
- Room Clean
- D C Instructions clear
- Recommend hosp to others

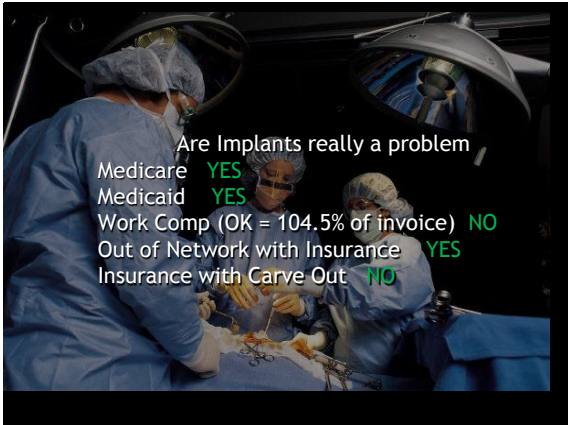


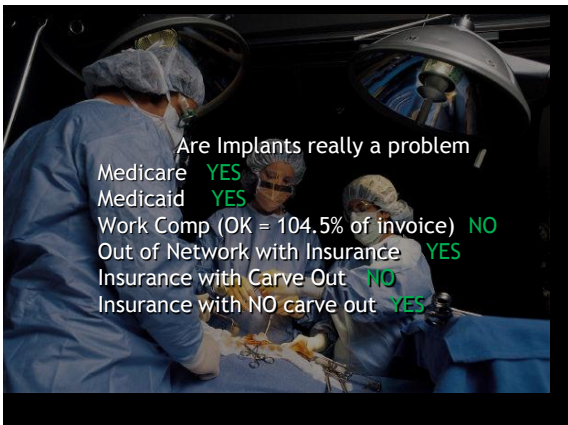






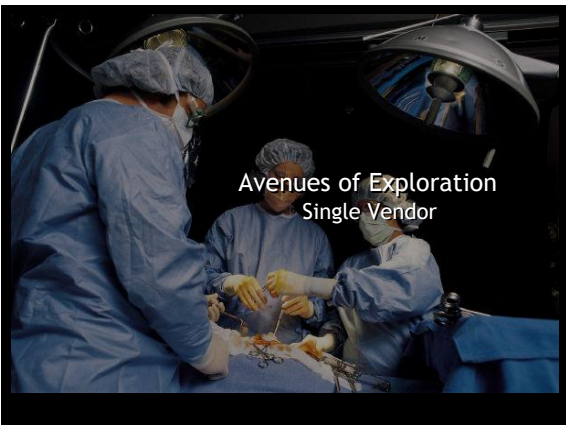




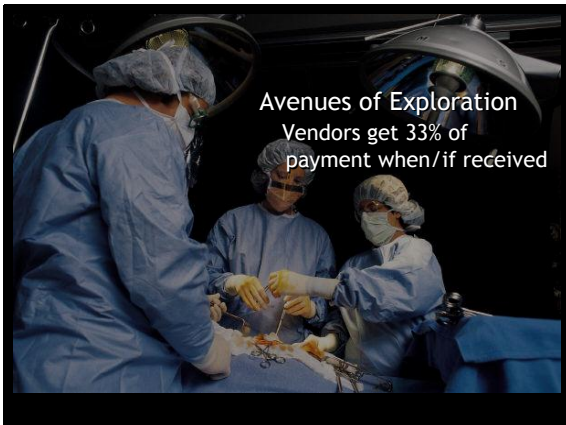


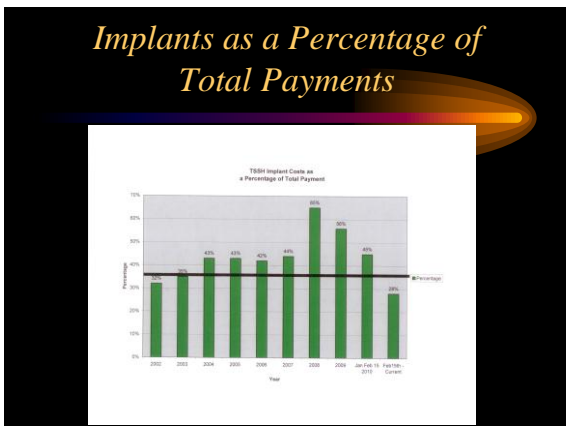












The Company Store

“TSSH Company Store Opened”
Feb 15th 2010

The Company Store Concept

- In house “Implant Technicians” (no more Reps)
- TSSH Company Store
 - Limited Manufacturers
 - Highly discounted pricing
 - Variety of products
- Key Concept :
 - The commission stays at home

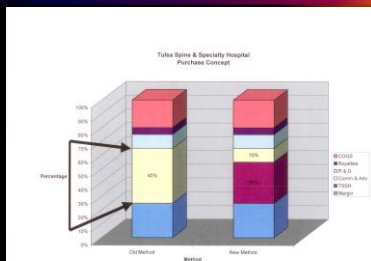
BackGround

- Major Implant Players
 - Medtronic
 - Synthes
 - Stryker
 - Depuy
- Tier 2 Providers
- Basic 80-20 rule with implants

Understanding Implants

- 80 % of all implants use “Stable Technologies”
- All implants used are 510K certified
- Use only AATB Certified Bone (American Association of Tissue Banks)
- Understand the manufacturing / vendor cost structure

Understanding Implants



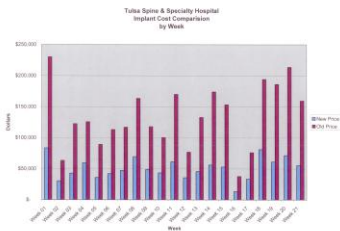
Company Store Results

- First two weeks – Minor rep issues
 - Mainly with bone
 - Reps had opportunities to pick at physicians
- No real physician issues
 - Have only one chance to make it work
- Need to show physicians savings after every case
- 92% compliance

Company Store Results

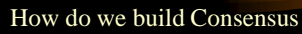
- Monitor your results
- The proof is in the savings

Company Store Results



Company Store Results



[illegible]

- Show physicians the cost of implants per case
 - Build constructs per vendor
 - Make physicians sign off for the implants used
 - Physicians sign checks to vendors (Large Checks)
 - Show physicians % of reimbursement going to pay for implants
 - TALK TALK TALK implants whenever possible

[illegible][illegible]

Building Physician Buy in

Quantity	Description	Price	Total Price
1	4 Screws	\$4,000.00	\$4,000.00
1	1 Plate	\$1,500.00	\$1,500.00
1	TOTAL	\$5,500.00	\$5,500.00

Physician Signature: *John Doe* Total Price: \$2,824.00
 Call center would have been \$2,837.00 Savings \$13.00

Building Physician Buy in

- Physician Vendor Rep. Relationship
- Why should physician break relationship
- Types of relationships
 - Relative
 - Best friends
 - Physician was best man at Rep's wedding
 - Rep was best man at physician's wedding
 - Others
- Understand the pricing of Implants

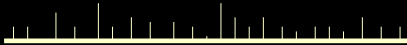
How implants are priced

- Different pricing for every hospital
- Item pricing VS Construct Pricing
- | | VENDOR # 1 | VENDOR # 2 |
|------------|-------------|-------------|
| • 4 Screws | \$ 4,000.00 | \$ 2,000.00 |
| • 1 Plate | \$ 1,500.00 | \$ 4,000.00 |
| • TOTAL | \$ 5,500.00 | \$6,000.00 |

Building Physician Buy in

- Meet with physicians
- Discuss 510K clearance
- Discuss AATB clearance
- Show dollar savings possible
- Follow up on a daily basis of savings per case

First of Month End of Month



Consensus Builder's Message to Physician

Dear Terry Woodbeck

This is the confirmation of surgery at Painless Medical Center for the patient/procedure.

The procedure scheduled for: 111111111

The estimated implant cost is: \$5675

The Company Store option would cost: \$2000

The savings on this case could have been: \$3675

Thanks again for your support of: Painless Medical Center

Building Physician Buy in

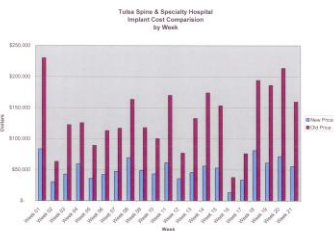
- Show physicians the cost savings per case
- Make physicians sign off for the implants used

[illegible]

Building Physician Buy in

[illegible][illegible]

Company Store Results

[illegible]

Company Store Results

