



Prescription for Successful Spine ASCs

Case Study: The Christ Hospital Spine Surgery Center

June 2011



Agenda

- Quick overview of TCHSSC
- Rationale for surgeons
- Keys to getting started
- Growing the center
- Why partner
- Roles and responsibilities

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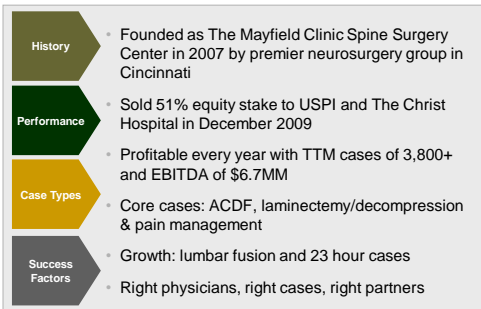
Overview of USPI



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Overview of The Christ Hospital Spine Surgery Center




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TCHSSC Profile

- 2 OR / 1 PR / 9 private patient rooms
- Located 6 miles north of Cincinnati on I-71
- 17 neurosurgeon owners
- 14K sq ft



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Rationale for Surgeons

- Control
- Convenience
- Focus
- Flexibility
- ROI

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Our Core Competency

	ACDF	Decompression / Discectomy
Pre-Op (minutes)	60	60
OR Time (minutes)	113	95
Recovery Time (minutes)	130	130
Average Supply Costs	\$2,000	\$500

* Patients are ambulatory after 60 minutes and leave the center under their own power

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Keys to Getting Started

- Strong surgeons
- Convenient location
- Right cases
- Smart contracting
- Outpatient anesthesia expertise
- Controlled evolution
- Building physician confidence in outpatient surgery

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Performing the Right Cases

	2007	2008	2009	2010
TOTAL CASES	1938	3374	3461	3772
OVERALL CASE MIX	2007	2008	2009	2010
Spine Surgery	33% (640)	27% (913)	32% (1092)	31% (1170)
Pain Management	67% (1298)	73% (2461)	68% (2369)	69% (2602)
SPINE CASE TYPES	2007	2008	2009	2010
ACDF (1 & 2 Level)	25% (160)	26% (240)	28% (301)	29% (337)
Decompression/Discectomy	49% (313)	45% (408)	51% (552)	44% (519)
Other	26% (167)	29% (265)	22% (239)	23% (271)
23 Hour Stay	0% (0)	0% (0)	0% (0)	4% (43)

* 23 Hour Stay cases are generally Lumbar Fusion, 3 level ACDF

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Tracking and Improving Quality

Major Medical Complications

- Infection (<5 per 1,000)
- Admission/transfer (1.8 per 1,000)

- DVT
 - Unplanned re-operation
 - Return to OR within 72 hours
 - Dural tear with complication
 - Other significant medical complication
- } < 9 per 1,000

Other Indicators

- Turnover time (14 minutes)
- On-time starts (80% within 7 mins of scheduled start)
- Same day cancellations (11 per 1,000)

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Avoiding Potential Pitfalls

- Overbuilding
- Payors that won't pay
- Surgeons cling to hospital
- Surgeons push the limit
- Center accepts entry payor rate
- Passive owners
- Single versus multi-specialty

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Enhancing Center Performance

- Motivating physicians
- Standardizing device use
- Optimizing scheduling
- Improving initial contracts
- Finding the "next" procedure
 - AXIALIF
 - Kyphoplasty
 - TLIF
 - Corpectomy
 - ALIF

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Why Partner?

Management Company

- Liquidity
- Capital
- Recruiting
- Operations

Health System

- Managed care contracting
- Brand
- Physician relations
- Inclusion

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Roles & Responsibilities

Surgeons

- Clinical care & oversight
- Credentialing
- Governance
- Resource management

JV Partner

- Partnership management
- Managed care contracting
- Operations
 - Back office functions
 - Financial management
 - Purchasing
 - IT
 - Legal
 - Facility management
 - Accreditation

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Key Operating Terms

- Exclusivity
- Price
- Ownership
- Governance
- Management agreement
- Non-compete
- Buy-backs

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Lessons Learned

- Politics matter
- Recruiting gets harder
- Motivation works
- Physician champions are key

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