



Nebraska Spine Hospital
Successful Three Party Joint Ventures

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health inventures. **Alegent Health**

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Snapshot of Nebraska Spine Hospital

- **Location:** Omaha, NE
- **Deemed Status Approval Date:** 9/9/10
- **Medicare Approval Date:** 12/23/10
- **Surgeries to Date:** 891
- **Number of Operating Rooms:** 6
- **Number of Procedure Rooms:** 1
- **Number of Inpatient Beds:** 34
- **Advanced Surgical Technology:**
 - Medtronic O-Arm- Surgical Imaging
 - Stealth Navigation- Intraoperative Imaging
 - Neuro-monitoring
 - Banyan- A/V Integration System Imaging
- **Number of Employees:** 135
- **Average Length of Stay:** 2.5 days
- **Most Common Inpatient Cases:**
 - DRG 460 (ALIFs & TLIFs) (39%)
 - DRG 455-458 (Fusions, XLIFs, TLIFs) (10%)
 - DRG 473 (ACDF) (7%)
- **Most Common OP Procedures:**
 - ACDF
 - Lumbar Discectomy

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Back and Spine Institute

- Back and Spine Specialists
 - Nebraska Spine Center, LLP
 - Alegant Health- Immanuel Medical Center
- Focused on the continuum of care for Back and Spine pain with a full range of treatment options
- Surgery is only one treatment option but provided at the Nebraska Spine Hospital
- Nebraska Spine Hospital is within Immanuel Medical Center



Waiting area



Waiting area

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The Nebraska Spine Hospital Partnership

- Nebraska Spine Center performed nearly 1,000 spine surgeries annually at Alegant Hospital
 - Mostly at Immanuel Medical Center
- Contractual Co-Management Services Agreement
- Shared desire to create a long term partnership that would align common operational goals and financial interests
- Partners
 - Nebraska Spine Center
 - Alegant Health
 - Health Ventures

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- Alegant Health is made up of nine acute care hospitals, five of which are located in Omaha
 - Immanuel Medical Center (Omaha, NE)
 - Bergan Mercy Medical Center (Omaha, NE)
 - Lakeside Hospital (Omaha, NE)
 - Lasting Hope Recovery Center (Omaha, NE)
 - Midlands Hospital (Papillion, NE)
 - Memorial Hospital (Schuyler, NE)
 - Mercy Hospital (Council Bluffs, IA)
 - Community Memorial Hospital (Missouri Valley, IA)
 - Mercy Hospital (Corning, IA)
- Alegant Health has more than 100 sites of service, over 1,300 physicians on its medical staff and roughly 9,000 employees
- Alegant was created in 1996 uniting Immanuel Health Systems and Catholic Health Initiatives

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Nebraska Spine Center

- Practice founded in 1963
- 7 fellowship trained spine surgeons
- 1 physical medicine & rehab physician
- 3 physical therapists, 9 P.A.s, 1 chiropractor



Health Inventures

- Development and Management Services Company specializing in:
 - ASC Services
 - Peri-Operative Services
 - Physician Services
 - HR and Employment Services
- "We create successful and sustainable physician and hospital partnerships" by:
 - Maximizing partner value and financial success
 - Creating certainty and stability in uncertain economic times
 - Providing clarity and strategic direction
 - Being committed to our partner's vision of thriving, not just surviving
 - Allowing our partners to focus on what they do best – delivering high quality care to patients-while we focus on delivering superior business results through continued growth and practice efficiencies.

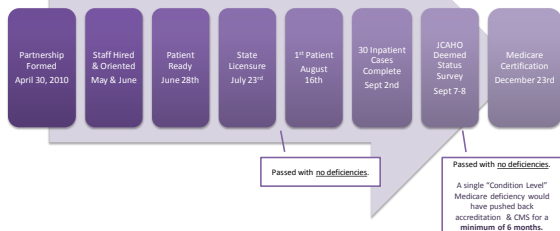
Partners' Roles and Responsibilities

- **Hospital Partner Role**
 - Facilities (Facility maintenance contract, preventative maintenance on all equipment)
 - Managed care contracting
 - Ancillaries (Imaging, pharmacy, respiratory therapy)
 - Affiliate services (banking, lender relationships, vendor pricing, GPO pricing)
- **Physician Partner Role**
 - Operations management and clinical direction
 - Capital equipment planning & cost control
 - Governance
- **Management Company Role**
 - Responsible for Day to Day operations
 - Development and implementation of strategic plans
 - Human resource management and development
 - Maintain accreditation, licensure and certification

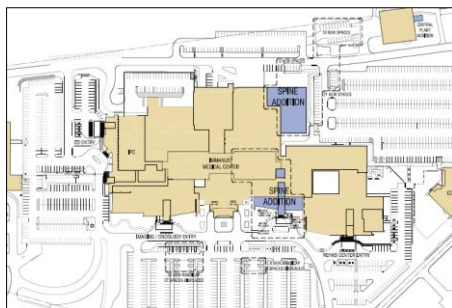
Timeline & Milestones

Race Against ACA Dec 31st Deadline

Licensed, Accredited, & Medicare Certified in 4 ½ Months



Contractual Physical Plant Contribution of Alegent



Regulatory Considerations

- Federal Healthcare Laws require strict FMV transactions and payment for contractual services between physicians and other referable entities
 - Important to maintain:
 - Written contracts
 - FMV documentation comparables and 3rd party valuations
 - Documentation of services rendered
 - Valuation of Alegen^{te}'s spine business was necessary to capitalize partnership
 - Master Services Agreement with Alegen^{te} for ancillary services
 - Facility Lease
 - Equipment leases
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- Waiting area



Partnerships Continually Evolve

- Natural Integration with Immanuel Medical Center
- Separate vendors, separate information systems, separate facility
- Staff Leasing Arrangement
- Master Services Agreement
