

ASC BECKER'S Review

PRACTICAL BUSINESS AND LEGAL GUIDANCE FOR AMBULATORY SURGERY CENTERS

Ambulatory Surgical Centers – An Analysis for the Next Five Years

Sixty-Three People to Know in the Ambulatory Surgical Center Industry

By Scott Becker and Sarah Abraham

The last several years have been an outstanding time for surgery centers. There has been explosive growth in the overall industry and in the number of surgery centers.¹ There have also been a great number of developments that have been extremely positive for the surgery center business. Now, for the first time in several years, the surgery center industry faces several different challenges, including changes in reimbursement, reductions in the number of independent physicians available to engage in surgery center ventures, and changes in rules relating to how to work with managed care payors.

This article discusses six different items. First it reviews which areas are providing cash flow to surgery centers today, essentially reviewing today's bread winners and cash cows. Second, it looks at the types of surgery centers that are likely to be bread winners tomorrow, where surgery centers may excel in the next few years. Third, it examines problematic situations for surgery centers, essentially which areas are difficult and challenging for surgery centers. Fourth, it looks at areas that are potentially positive for the next few years. Fifth, it discusses situations where we expect there to be growth in the surgery center business. Finally, sixth, this article examines certain weaknesses and challenges that the surgery center industry is facing. Here, it also touches on problem centers and issues that are symptomatic of such centers.

¹ There are now around 5,000 Medicare-certified surgery centers in the United States alone, and the industry has grown an average of 7.43% per year over the last decade. American Association of Ambulatory Surgical Centers (AAASC), Growth Chart Table 1/11/07.

continued on page 5

By Scott Becker

1. Sami Abbasi – Sami S. Abbasi leads National Surgical Care as its Chairman and Chief Executive Officer. Prior to National Surgical Care, Mr. Abbasi served as President and Chief Executive Officer of Radiologix, Inc., a leading national provider of diagnostic imaging services. Mr. Abbasi co-founded Radiologix in 1996 and was instrumental in building the company from a creative idea to one of the nation's leading providers of diagnostic imaging services. He led Radiologix through its initial public offering in November 1997 and its sale to RadNet, Inc. in November 2006. Mr. Abbasi previously served as Chief Operating Officer and Chief Financial Officer of Adminiquest, Inc., a web-enabled, full-service outsourcing solutions provider to the insurance and benefits industry. Mr. Abbasi also was a Vice President in the Health Care Group of Robertson Stephens, Inc., with responsibility for investment banking business development and the execution of a broad range of corporate finance transactions and mergers and acquisitions. In addition, he has held various positions at Citigroup Inc., including Vice President and Senior Industry Analyst in the Health Care Group. Mr. Abbasi earned an MBA degree from the University of Rochester and a BA in Economics from the University of Pennsylvania.

2. Buddy Bacon – As the Chief Executive Officer of Meridian Surgical Partners, Buddy Bacon oversees all aspects of business operations. He has more than 20 years of healthcare industry experience. From 1996 to 2003, Bacon served in roles as Chief Executive Officer and previously as Chief Financial Officer for Medifax-EDI, Inc., a healthcare information technology company based in Nashville, Tennessee. In 2001, the company was acquired by Crescent Capital, Atlanta, Georgia, for \$117 million. At that time, Bacon was promoted to Chief Executive Officer of Medifax-EDI and grew the company until it was sold to WebMD in 2003, for a combined valuation of \$365 million. Prior to Medifax-EDI, Inc., Bacon worked in public accounting with Lattimore, Black, Morgan, & Cain, PC from 1986 to 1996, where he focused on corporate audit and tax. He graduated from David

Lipscomb College, in Nashville, TN, with a major in accounting. Bacon is a certified public accountant.

3. Joseph Banno, M.D. – Dr. Banno is the founder of the successful Peoria Day Surgery Center as well as the President of the AAASC. He is driven and smart and a tireless worker on behalf of the ASC industry.

4. Chris Bishop – Mr. Chris Bishop is Vice President of Business Development for Ambulatory Surgical Centers of America (ASCOA) where he currently leverages his extensive experience with surgeon partnerships to develop new ambulatory surgery centers. For the past 10 years, he has worked in leadership roles for both the medical device and surgery center industries. Prior to joining ASCOA, he was responsible for developing Smith & Nephew Endoscopy's surgery center sales team and strategy to further increase market share for this rapidly growing healthcare segment. He is a graduate of Middle Tennessee State University with a Bachelor of Science degree and resides in Franklin, TN with his wife and two children.

5. Tom Bombardier, M.D. – Dr. Bombardier is a board-certified ophthalmologist, the company's Chief Operating Officer, and one of the three founding principals. Prior to founding ASCOA, he established the largest ophthalmic practice in western Massachusetts, two ambulatory surgical centers, and a regional referral center. Over the past fifteen years, he has been a real estate developer on

continued on page 9

INSIDE

- 2 Letter from the Editor
- 25 SpineMark Corporation Makes its Mark in the Evolving Spine Industry
- 28 Good Hiring Practices Help ASCs Meet Critical Staffing Challenges

See conference brochure on page 15.

Letter from the Editor

RE: Buying and Selling ASCs; Under Arrangements Structures; October 18th to 20th ASC Conference; Dr. Mark McClellan and NovaMed CEO Tom Hall Added as Keynote Speakers.

This letter discusses the current market pricing of transactions for ambulatory surgery centers and “under arrangements” models – are they legal or illegal? It also touches on a few other issues.

1. Buying and Selling of Ambulatory Surgery Centers - Pricing By Tier in the Current Market.

This section focuses on buyers of majority interests in ASCs. Currently, there are five public company buyers of ambulatory surgery centers. These are the companies that generally buy more than 50% in an ASC transaction. Typically they buy anywhere from 51-66%. These include (i) United Surgical Partners, (ii) Symbion, Inc., (iii) Amsurg, (iv) NovaMed, (v) Medical Facilities Corporation.

A. Of these companies, two are in the process of going private. Further, each of the companies have different criteria for acquiring ASCs.

B. There are also two principle private consolidators of majority interests of ambulatory surgery centers. These include (i) Meridian Surgical Partners, and (ii) National Surgical Care. Separately, there are a number of purchasers of minority interests in ambulatory surgery centers. Seven of the most prominent include (i) Ambulatory Surgical Centers of America, (ii) Cirrus Health, (iii) HealthMark Partners, (iv) Woodrum ASD, (v) Prexus Health Partners, (vi) Nuetera Healthcare, (vii) Regent Surgical Health and (viii) Foundation Surgical Affiliates. Please feel free to contact me at sbecker@mcguirewoods.com or at 312-750-6016 for further information regarding any of these companies.

C. The pricing of surgery centers (majority interests) can be broken down into three different tiers. (1) the first tier of ASCs includes what we consider low risk acquisitions. These typically measure positively with regard to the following five characteristics: (i) certificate of need, (ii) low out of network percentage of business, (iii) limited reimbursement risk, (iv) not overly dependent on too few doctors, and (v) limited non-compete problems. For these types of low risk transactions, we often see prices of 7.5 times EBITDA or higher minus debt. As part of this transaction, parties often acquire 51 to 66% of the units, and the parties enter into a

long term management agreement with the buyer. The management agreement is typically at five to six percent of collections. Typically, the buyer, as part of the pricing, acquires the accounts receivable minus the accounts payable.

D. A second tier of price deals would include deals that have, of the five characteristics listed in C above, one or two characteristics that pose significant risks. These might be centers in a non certificate of need state or it might be a center with some competition risk or some reimbursement risk or certain other risks. In essence, a situation in which these five factors, a party measures negatively for one to two of these factors, the party might be included in this second tier. Please bear in mind that being completely negative on certain of these factors, can turn a tier one deal into a tier three deal versus a tier two deal. For example, if the center is dependent on one to two physicians, or if many physicians in the venture have significant outside competitive interests, this can make the deal a tier three deal versus a tier two deal.

For tier two pricing, we often see pricing of five to seven times EBITDA minus debt. The actual price within that amount depends a great deal on the depth and number of the different risks present.

Finally, we see tier three deals as deals that have several of these risk characteristics. Here, there are typically few buyers for these transactions, and if, in fact, you do find a buyer for these transactions, you are often looking at a price of 3 to 5 1/2 times EBITDA minus debt. Often, for these types of deals, the party will look toward one of the minority buyers with the intent of restructuring the venture to improve it for greater profitability going forward. In essence, instead of attempting to make a capital gain from the transaction, a party may focus on finding a buyer that will buy a minority interest and help manage and improve the center's profitability and stability.

2. NovaMed Acquires the Surgery Center of Kalamazoo.

CHICAGO, January 4, 2007 – NovaMed, Inc. (Nasdaq: NOVA) announced that it has acquired a 62.5% interest in the Surgery Center of Kalamazoo, a large multi-specialty ambulatory surgery center with four operating rooms located in Portage, Michigan. The surgical procedures performed at this center include orthopedic, ophthalmology, pain and plastics. This will be NovaMed's second surgery center in Michigan.

“This transaction is by far NovaMed's largest surgery center acquisition to date. In the last 12 months over 8,000 surgical procedures were performed at this surgery center generating over \$9

million in net revenue,” commented Thomas S. Hall, NovaMed Chairman, President and Chief Executive Officer. “The Surgery Center of Kalamazoo is a state-of-the-art facility currently used by 20 surgeons, 15 of whom will be our partners in this center. We are pleased to add this high quality operation to our portfolio and look forward to working with our new partners to realize the center's full growth potential,” added Mr. Hall.

3. The Imaging Sector Comes Alive.

Recently, there has been increased interest in private equity funds investing in the imaging sector. We have been witnessing this as we have discussions with different private equity funds. This is evidenced in part by the recent transaction involving Alliance Imaging. The press release relating to the Alliance Imaging transaction discussed the following. MTS, in partnership with funds under the management of Oaktree Capital Management, LLC (“Oaktree”), purchased a 49.7% share of Alliance from Kohlberg Kravis Roberts & Co. L.P. for \$153.1 million in April 2007. Alliance is a leading national provider of shared-service and fixed site diagnostic imaging services. It also operates a growing number of radiation treatment centers.

This type of transaction is of interest in that it shows that imaging valuations may be close to hitting a bottom at which point the private equity investors are again interested in acquiring such business. Also of interest, this represented one private equity fund essentially buying interests from another.

4. Whole ASC Ventures – Under Arrangements Structures – Are they Legal or Illegal?

Over the last few years, a new type of joint venture arrangement for surgery centers has gained tremendous traction. This is often referred to as an “under arrangements” structure. The basics of how a whole venture “under arrangements” structure works are as follows:

A. Physicians or physicians and a hospital establish an ASC-like entity. This venture has all the qualities of an ambulatory surgical center, such as staff, equipment and leased or owned real estate. However, it does not have a license or provider number.

B. The ASC-like entity, rather than selling services to third party payors or directly to patients, sells all of its services to the hospital. The services are usually sold on a “per click” basis.

C. The hospital bills services to third party payors and to the Medicare program at hospital out patient department rates.

D. The hospital does better than it would as a partner in a joint venture surgery center. Here, it

bills out at much higher hospital based rates. The surgery center-like entity also often does better than it otherwise would. Here, it provides services to a great variety of payors, and often charges the hospital the same type of rates it would receive from third party payors. The hospital is then able to mark those rates up for Medicare and for third party payors.

E. This strategy has become very popular because it often provides for higher profits for the ASC-like entity and for the hospital.

F. The strategy was developed based on the concept under the Stark Act that services could be provided on a per click basis and still not violate the Stark Act. Here, please note that the services still must be at "fair market value."

G. The arrangement or structure will not meet any safe harbor under the Anti-Kickback Statute. The relevant safe harbors do not permit per click billing.

H. There is a great and evolving question as to the method utilized to set the price that the ASC-like entity sells services to the hospital. For example, should the ASC-like entity simply provide services as though it is a landlord-type of entity? As another example, assuming 10,000 square feet, \$1.7 million in total equipment and annual staffing costs of \$800,000 to \$1,000,000, a lessor of space, equipment and staff may be paid a flat amount of \$2,000,000 a year, inclusive of a mark up. The same center under an "under arrangements" structure may earn \$4,000,000 to \$5,000,000 a year if paid on a per click basis, e.g., 4,000 procedures at \$1,000 to \$1,250 a procedure. In contrast, some arrangements are structured with a much lower payment per procedure or with a base fixed amount plus supplies or a smaller payment per procedure.

Certain questions are critical to assessing this from a legal perspective. Is the higher pay arrangement really driven by risk allocation or, e.g., is the potential for upside a payment for referrals? Is it proper to be charging the hospital as though the entity is actually operating as an "ASC." If it bills the hospital as though it is operating as an ASC, is there a chance this could be viewed as being paid above fair market value as the ASC is really not an ASC? Can it be viewed as a billing scheme intended to treat ASC services as hospital out patient department services and recoup higher payments for what are really ASC services?

I. We have been very reluctant to structure whole venture "under arrangements" transactions, particularly the ones which pay at the high end per click amount, for concerns that they

would be viewed as improper under the Stark Act, the Anti Kickback Statute or that they could be viewed as a means to provide private inurement. There is also the chance that they can be viewed as engaging in improper billing. We view that there is substantial risk that many of these transactions will have to be restructured or unwound. Of course, if they are found to be in violation of the Anti-Kickback Statute, which has criminal provisions, this could lead to problems that are much greater than simply unwinding a venture.

J. In short, as parties increasingly examine "under arrangements" options, we remain skeptical as to the propriety of this model, particularly certain versions of the model. It is of particular concern where both the ASC and the hospital have the right under the Medicare program to bill for the services. For example, it may be more proper to allow such a structure for a limited service line where there is no other way to bill for the services to the Medicare program. In essence, it can be argued that you are really allowing the hospital to avail itself of a service that otherwise could not be billed by the surgery center and that there is no gaming of the reimbursement system in that situation.

5. October 18th to 20th ASC Conference.

We have our 14th Annual Ambulatory Surgery Center Conference scheduled for October 18th to 20th. The conference, with FASA as a partnered sponsor, focuses on improving the profitability of surgery centers and focuses on business and legal issues related thereto. This year, we have added three dynamic key note speakers to help lead up the program. These include, Dr. Mark McClellan, Professor David Dranove and Tom Hall. Mark is the former director of the Center for Medicare and Medicaid Services, David is a very well regarded professor at the Northwestern Kellogg School of Business and Tom Hall is the dynamic CEO of NovaMed.

6. Becker's ASC Review Adds New Co-Editor in Chief.

We have added Stephanie Wasek, the previous managing editor of *Outpatient Surgery Magazine*, as the new co-editor in chief of the *Becker's ASC Review*. She has worked for the industry leading publication *Outpatient Surgery Magazine* for several years. *Outpatient Surgery Magazine* represents the gold standard of ASC magazines in the ASC sector. She is extremely bright and comes from a terrific background. We are delighted to have her join us. She will add greatly to the content of the magazine and help us to broaden the scope of the magazine to be more attractive to certain types of readers and advertisers. Separately, *Becker's ASC Review* has added Maisha Gibson to the magazine who will serve as Vice President of Client Services.

7. The September-October Issue Goes to Print in Two Weeks.

We are very pleased to welcome Kaye/Bassman, Ventas, Foundation Surgery Affiliates, B.Braun and SourceMedical as advertisers in the *ASC Review*. We also greatly appreciate that all five of the current full year advertisers whose term of advertising was up for renewal have each renewed their advertising. These include Alpine Surgical Equipment and Matt Sweitzer at (916) 933-6911 or at matt@alpinesurgical.com, Eveia Health Consulting and Management, Naya Kehayes at (425) 657-0494 or at nayak@eveia.com, Somerset CPAs Steve Dobias at (317) 472-2163 or at sdobias@somersetcpas.com, Symbion Inc and Mike Weaver, Richard Francis – CEO, and George Goodwin et al at (615) 234-5900 and Medical Facilities Corp - Larry Teuber, MD at (605) 484-1616 or at LTeuber@nssa.com. Each are great companies led by terrific people and we are delighted to have them back. The full year advertisers keep the lights on at the *ASC Review*.

Should you have any questions on any of the items listed in this letter, please contact myself at 312-750-6016 or by email at sbecker@mcguirewoods.com.

P.S. For information on attending or exhibiting at the October Conference or advertising in the September-October *ASC Review*, please contact myself at sbecker@mcguirewoods.com.

Very truly yours,

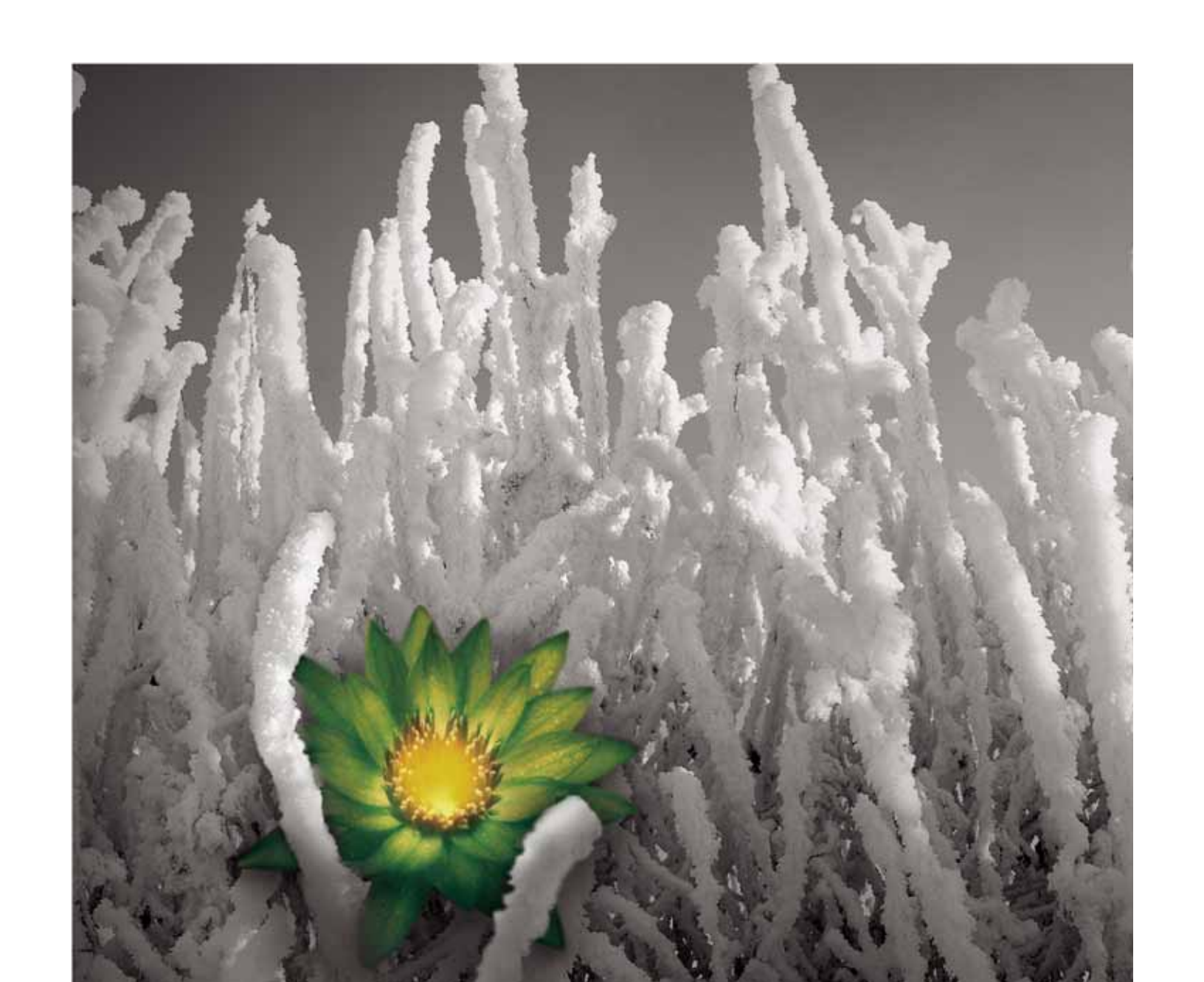


Scott Becker
sbecker@mcguirewoods.com or 312.750.6016

The *ASC Review* is published 6 times per year. It is distributed to approximately 20,000 persons per issue.



To advertise in or subscribe to the *ASC Review*, please contact Scott Becker at sbecker@mcguirewoods.com



Success finds a way.

We create our own climate of success. This is Ventas financing — the fastest-growing force in healthcare REITs. With senior talent, unmatched industry experience, and the strength that comes from an enterprise value of over \$7 billion, we know how to adapt solutions to your environment. And find opportunities that surmount obstacles.

Whether you want to leverage equity or monetize your property assets, this is a superior species of financing.

Opportunity is at hand. Reach out and take it. Find out more at www.VentasREIT.com.

INDEPENDENT LIVING • SKILLED NURSING • ASSISTED LIVING • SPECIALTY HOSPITALS • MEDICAL OFFICE BUILDINGS



Custom capital tailored for growth.™

I. Today's Bread Winners and Cash Cows. The current areas that can be categorized as cash cows and today's bread winners are detailed below. Here, each individual venture is unique. Thus, even though an area may generally be a cash cow, it still needs to be well planned with the right physicians to be successful. Also, it often has to be in right market to be successful.

1. Orthopedic Driven Centers. These centers continue to enjoy very solid reimbursement. Further, the fact that they serve higher acuity patients generally means that orthopedic services will remain in surgery centers for a long time to come. In essence, generally, procedures are not at risk of moving to offices. Further, the frequency of need for orthopedic procedures – demand is forecasted to rise 25%, relative to 2001, by 2020 – coupled with solid reimbursement makes them a sweet spot for surgery centers.²

2. Well Planned and Managed Physician-Hospital Joint Ventures. There has been a significant increase in physician-hospital joint ventures over the last several years. According to the most recent data, these joint ventures account for approximately 27% of all ASCs, up 4% from 2004.³ A well planned physician-hospital joint venture often includes better opportunities for reimbursement, less conflict with the hospital over issues such as privileges, and a halo effect for recruiting other physicians.

3. Gastroenterology Centers. Gastroenterology centers have been very successful over the last few years. More gastroenterology procedures are performed in surgery centers than any other procedures. This is due in part to the fact that Medicare reimburses for screening colonoscopies. Thus, while reimbursement is not overly high for gastroenterology centers⁴, the volumes for many gastroenterology centers have been outstanding. Currently, GI centers face some risk in both reimbursement and in the movement of procedures to in office environments. "With

the proposed CMS reductions to ASC payments for GI cases, the 'worst-case' scenario paints a 22% to 30% full phase-in reduction by January 2009 for the most frequently performed GI procedures at Endoscopic Ambulatory Surgery Centers."⁵ In fact, payors are increasingly providing higher site-of-service differentials to encourage gastroenterologists to move procedures to offices.

4. Ophthalmology. Ophthalmology-driven ASCs continue to be an important part of the ASC landscape. Generally, they are one of the top three procedures performed in surgery centers in aggregate.⁶ The risks that are present for ophthalmology driven centers are similar to the risks present for gastroenterology centers. Ophthalmology centers are usually more dependent upon Medicare revenues compared to gastroenterology centers. They have risk of reduced reimbursement. They also require sufficient volume to make them successful. When operating well, single specialty centers can often perform better on an operating margin basis than other types of surgery centers.

5. Pain Management Driven Centers. Pain management driven centers have been an extra base hit for many parties over the last several years. Many pain management physicians do a high volume of procedures⁷ and the reimbursement for procedures has generally been good. This is particularly when compared to the cost of providing pain management services. That stated, pain management centers, whether in a single specialty center or part of a multi specialty center, are at serious risk. They have two great risks. First, they face serious reimbursement risk from Medicare and other payors. Second, they face significant risk of movement from centers to office environments.⁸

6. Ear, Nose and Throat. ENT centers have been quite successful where they are focused on "tubes" or sinus procedures. The sinus procedures are often high value

procedures. The tube procedures are often high volume procedures. ENT procedures are often provided as part of other surgery centers and not as single specialty centers.⁹

7. Out-of-Network Centers. For the last several years, many parties have done very well serving out-of-network patients.¹⁰ Here, reimbursement is often much better than "in network" reimbursement. However, currently, payors are becoming increasingly aggressive about reducing the ability for providers to thrive through out-of-network models.

8. Centers in Certificate of Need States. The Certificate of Need, in 27 states, still provides a helpful moat and protective barrier for surgery centers.¹¹ The center still has to be very well planned to be successful in a CON state. However, the CON can provide a useful barrier.

9. Management Company. The quality of management companies differs substantially across the board. However, a center planned and executed by an intelligent and strong management company still has a much greater chance at success than a physician only center or a center planned without a management company or with a poor management company.

10. Bariatrics. Increasingly, bariatrics provide an opportunity for surgery centers. These are often private pay procedures and do face some of the problems that relate to globally billed procedures. Also, after the first wave of development of bariatric-driven centers, they are likely to face some reimbursement risk just like LASIK-driven centers did at one time.

II. Tomorrow's Breadwinners. The following centers tend to be the types of surgery centers that are likely to be successful in the next several years. This is not an exclusive list but provides some thoughts on where success is likely to lie.

1. Well Planned and Managed Physician Hospital Driven ASCs. Today, more than 25% of all ASCs are

² ASC Trend Report 1/2/07, AAASC.

³ AAASC Ownership Survey 1/18/07

⁴ Average reimbursement for GI procedures on a referral basis in 2006 was 749. See Intellimarker.

⁵ Tammy Hamm, "Protecting Your Endoscopy Center's Profitability," AAASC Monitor 2007, pg. 3.

⁶ Furthermore, the anticipated relative growth in demand for ophthalmological procedures significantly outpaces most others: demand is forecasted to have increased by 50% percent over the years spanning 2001-2020. *ASC Trend Report*.

⁷ Most pain management procedures at ASCs fall into Medicare Payment Group 1, yielding an average national allowance of \$333.00. Many pain procedures involve multiple injections and/or multiple levels, so each procedure can result in two or three facility fees. Medicare currently pays 100 percent of the highest payment for multiple procedures in a single session and 50 percent for each additional procedure. Furthermore, "as only a short recovery time is needed for most pain procedures, it is possible to perform three to four procedures an hour, thus maximizing the productivity of both the facility and staff." A. Mowles, "Pain Management in ASC Facilities," p. 1

⁸ The cost of running a pain management ASC is "typically between 10 and 35 percent higher than in an office," thus the incentive to move to an office environment. Mowles, p. 2. The higher operating costs arise from the greater requirements pain management centers face with respect to square footage, fire protection, air quality standards, and costs of meeting various states' Life Safety Codes.

⁹ Average net revenues per case were 1536 in 2006 for ENT procedures nationally. See Intellimarker.

¹⁰ In a 2006 Deutsche Bank ASC Sector Survey, facilities with 10%+ net revenue per case growth had, on average, 16% of their revenue coming from out-of-network business, vs. 9% for the average. DB ASC Sector Survey, p. 12. The out-of-network strategy is favored primarily by smaller, locally owned or independent ASCs (p. 17). "We emphasize that none of the major publicly traded chains utilizes an overt out-of-network strategy."

¹¹ A Certificate of Need (CON) requires an ASC developer to "withstand regulatory scrutiny of proving the 'local health care need' for a new project" before going ahead with it. DB ASC Sector Report, p. 89.

physician hospital joint ventures. These joint ventures enjoy significant advantages.

2. Orthopedic Driven Joint Ventures. Orthopedic driven centers, for a number of reasons, are likely to continue to thrive. They do face significant risk related to issues with commercial payors. However, overall, the prognosis for orthopedic driven centers is very good.

3. Spine Driven Centers. Increasingly, lower spine procedures are being performed in surgery centers. These are not reimbursed by Medicare but can be very profitable for commercial payor patients. The big risk related to these procedures remains the inability to enter into contracts with commercial payors. The secondary risk relates to the handling of recovery care and how to handle longer recovery time types of cases.

4. General Surgery. Increasingly, more complex general surgery cases are moving toward surgery centers. These are particularly well positioned where there is a hospital partner. General surgeons often rely heavily on hospital partners and affiliated physicians for

their referrals and for their business. Thus, they tend to do much better and face fewer threats of cases being cut off where they have a hospital partner in the transaction.¹²

III. Problematic Surgery Centers.

The following types of centers and situations are often problematic.

1. Cosmetic Plastics in Multi-Specialty ASCs. In these situations, the surgery center relies on the plastic surgeon to pay the fees for the operating room. This conflict between the surgeon and the surgery center leads to lower reimbursement than the surgery center can bear.

2. Pain Management. Typically, with non complex cases, there is increased risk of these cases moving to office sites. Often the pain management physician will be paid well pursuant to site-of-service differential in his office and is able to retain 100% of that differential. Further, it is not that difficult to develop an in office setting for many pain management procedures.

3. Pediatric Dental in Certain States. In many situations, pediatric dental

cases pay so poorly that surgery centers cannot handle such cases profitably.

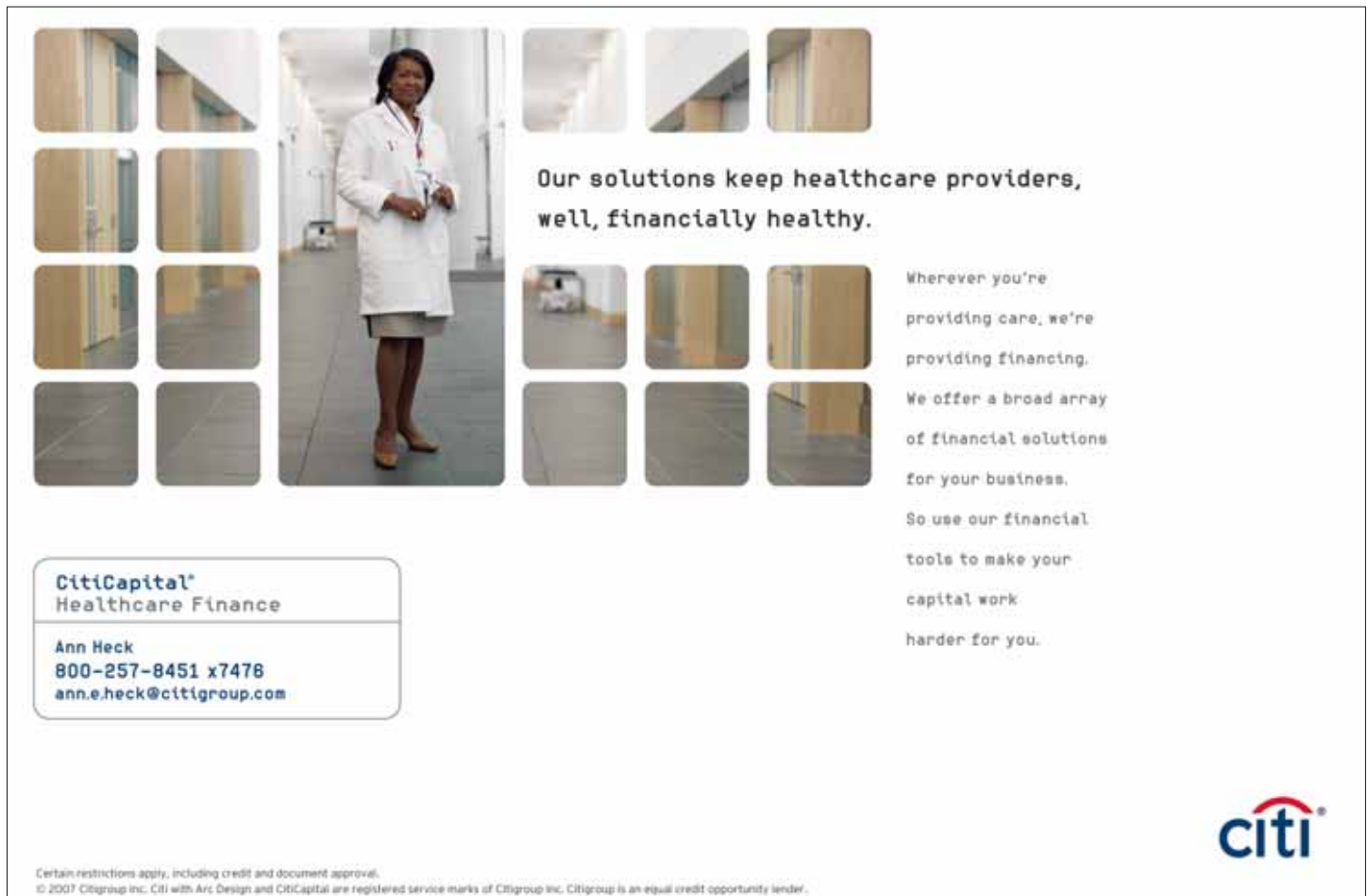
4. General Surgery with No Hospital Partner. In situations where a general surgeon is part of a surgery center, they often struggle because there is not the ability to retain the amount of referrals. This is particularly true in a general surgery practice where the physician relies on a broad range of primary care physicians for referrals or an emergency department for referrals.

IV. Questionable Areas.

Certain of the questionable areas for surgery centers going forward include the following.

1. Well Planned Small Hospitals. It is unclear whether either the regulatory risk of physician prohibitions on ownership of hospitals or reimbursement risks will make it difficult for physicians to own and operate small hospitals. Well planned small hospitals, if they have sufficient volume and a sufficient group to build around, can be very successful. However, they face increasing risks and increasing costs to develop and operate the same.

¹² Net revenues per case for general surgery cases were \$1,239 on a national basis in 2006. See Intellimarker.



Our solutions keep healthcare providers, well, financially healthy.

Wherever you're providing care, we're providing financing. We offer a broad array of financial solutions for your business. So use our financial tools to make your capital work harder for you.

CitiCapital[®] Healthcare Finance

Ann Heck
800-257-8451 x7478
ann.e.heck@citigroup.com

citi

Certain restrictions apply, including credit and document approval.
© 2007 Citigroup Inc. Citi with Arc Design and CitiCapital are registered service marks of Citigroup Inc. Citigroup is an equal credit opportunity lender.

2. Under Arrangement Models. Over the past few years, many parties have profited extensively from joint ventures planned around full under arrangement models. Here, there are many questions as to whether this model will withstand legal scrutiny over the next few years.¹³

V. Growth of Surgery Centers.

1. 5,000 to 6,000 ASCs. There are currently approximately 5,000 Medicare certified surgery centers. There are probably another 1,000 surgery centers that are not “certified” but are accredited in some manner.

2. Organic Growth. There is still an amount of organic growth to be had in the surgery center business. It will not be at the pace it has been over the last several years. However, we do expect 150 to 200 surgery centers to be opened each year nationally. Certain of these surgery centers will have evolved from previous surgery center where physicians have become disenchanted or new physicians together with old physicians are developing a new center.

3. Turnaround Surgery Centers. An increasing amount of management company time and efforts is spent on turning around surgery centers. There are tremendous amount of centers that were either built too big or without a strong enough base of physicians that face the need for a turnarounds.

4. Joint Ventures. We expect that at least half of the growth of surgery centers in the next few years will come from hospital-physician joint ventures. Hospitals are softening on the bullishness of joint ventures but it remains a strategy that will be in vogue for many years to come.

VI. Key Weakness and Challenge.

Certain of the key weaknesses that surgery centers generally face and surgery centers in certain markets face are the following.

1. Many Surgery Centers Lack Reimbursement Clout. The national surgery center industry still lacks reimbursement clout to an extent, particularly in contrast to hospitals. “Hospital political clout eclipses that of surgery centers and they are

using it to our industry’s detriment,” says Luke Lambert of Ambulatory Surgery Centers of America, LLC (ASCOA). However, the surgery center industry has greatly improved its efforts at developing national clout over the last few years.

2. A Lack of Reimbursement Clout in Certain Markets. In certain markets, surgery centers get paid very poorly. This is also true for all providers in some markets. This continues to plague surgery centers in many markets. It is almost impossible to develop a very successful surgery center in markets where reimbursement is very poor.

3. A Lack of Free Physicians. In many situations, particularly in non-CON states, many of the existing mature physician practices are already involved in some way or another in a surgery center. In states where this is the case, it is very difficult to develop a new surgery center around a core base of solid physicians. This provides challenges to growth particularly of de novo centers.

4. Out-of-Network. Increasingly, payors are becoming aggressive about entering into

¹³ For example, a hospital’s payments to an ASC likely fall outside of the safe harbor of the federal Anti-Kickback Statute, and therefore “the government could allege that one purpose of the hospital’s payments to the ASC venture is to induce or pay for referrals in violation of the federal Anti-Kickback Statute, even if the economic incentive to refer would not be any greater than the incentive arising from investment in a safe harbored ASC.” D. Melvin & E. Zimmerman, “A New Hospital-Physician Partnership Model: “Under Arrangements,” p. 2.



An experienced financial partner where your practice and patients are your primary focus.

Medical Facilities Corporation (“MFC”), a leading group of specialty hospitals, is interested in acquiring partnership interests in established specialty hospitals, ambulatory surgery centers, and imaging facilities. MFC was founded by physicians and continues to be managed by physicians who understand doctors’ priorities. As a publicly traded company with a \$300MM market capitalization, MFC offers physician owners the opportunity to:

- Gain immediate liquidity by selling an interest in their facility to a large publicly traded company,
- Retain local operational control while gaining access to a partnership team that has over 15 years experience in developing alternative surgical facilities,
- Benefit from a “hands off” partnership that does not seek to impose burdensome management contracts on its facility partners, and
- Participate in the broader healthcare market with the support of a strong financial partner.

For more information contact Steven Hartley, Managing Director, Alluence Capital Advisors, advisors to MFC, 866- 766-3590 extension 105. Or visit our website at www.mfc.com.

Finding Your Next Administrator Could Be The Riskiest Procedure You'll Perform All Year

...Maybe It's Time to Call A Specialist

When hiring top ASC talent, the difference between "good" and "great" can be millions

Executive Search & Recruitment of

- Administrators
- Directors of Nursing
- ASC Corporate Executives

When Quality Counts, call Greg Zoch
The ASC Specialist

- FASA Member
- Exceptional References
- Helping Clients Get Superior Outcomes Since 1990

Call or email to schedule a
consultation:

Greg Zoch
972-931-5242
gnoz@kbic.com



KAYE/BASSMAN

Kaye/Bassman International Corp
www.kbic.com

- Ranked #1 "Largest Retained Executive Search Firm" by The Dallas Business Journal
- Recognized as an industry expert by The Wall Street Journal, Fortune, Business Week, USA Today, Fox, CNN and others

"exclusives" that do not allow out-of-network patients, or penalizing physicians for sending patients to out-of-network facilities by delisting them or paying them less. This will be a bigger and bigger challenge for surgery centers going forward. "Smaller facilities using [an out-of-network] strategy could come under pressure in the next few years as managed care payers exert pressure to go in-network. Over time, we believe this issue will come to a head among the small minority of players in the market that utilize the out-of-network strategy – likely creating distressed asset sales and fueling an acceleration of consolidation."¹⁴

VII. Problem Centers. Many surgery centers face similar problems. Certain of the problems that surgery centers face include the following.

1. Overbuilt Centers. The average center is 13,000 square feet, many surgery centers are built at 18,000 to 22,000 square feet and end up paying for this through reduced profits.

2. Overstaffing. There are a great number of surgery centers that are not staffed efficiently.

3. Many Unaffiliated Physicians. Many surgery centers are built around many "one off" single physicians. This is a very hard model to manage and a very hard model to assure that there is a core volume in place to make the center viable.

4. Reliant on Too Few Physicians. Many surgery centers are heavily reliant on a few physicians. This becomes very problematic as those physicians change their practice over time.

5. Difficulty with Managed Care. Increasingly, managed care has become more difficult rather than easier to deal with in many markets. Many of the managed care plans have become part of national managed care payors. Further, the managed care payors continue to be more closely tied to their relationships hospital than their physician ambulatory surgical center relationships. Many of the payors also have increased clout and can negotiate hard or leave physician driven surgery centers out of their plans.

6. Too Reliant on Out of Network or Substantial Reimbursement Risk. Many centers are overly dependent on out of network payments or face reimbursement that is at significant risk.

7. Non Compete Problems. Centers which have many physicians that may move procedures to their offices or where many of the doctors also own interests in other centers are also viewed as at substantial longer term risk.

This provides an overview summary of many of the issues facing surgery centers today's. While it is not exhaustive, we hope it provides some useful framework for understanding the current status of the surgery center industry. ■

¹⁴ DB ASC Sector Survey 10/6/06, p. 18. However, out-of-network exposure "may not be as pervasive as the investment community believes." Only 15% of respondents to the survey indicated that out-of-network revenues comprised more than 20% of their total revenues. DB Survey, p. 7

See
conference
brochure
on page 15.

Sixty-Three People to Know in the Ambulatory Surgical Center Industry continued from page 1

Cape Cod, MA. Dr. Bombardier is a graduate of Amherst College, Albany Medical College, and Louisiana State University residency program.

6. Brett Brodnax – Brett Brodnax has distinguished himself as one of the ambulatory surgical center industry's leading development executives. He is Executive Vice President and Chief Development Officer at United Surgical Partners. Due to his leadership, efforts and integrity Brett has made United Surgical Partners one of the fastest growing ambulatory surgical chains, with a portfolio of nearly 100 surgical centers and several surgical hospitals. He accomplished this through a mix of acquisitions of small surgical center chains, individual surgical centers and through the development of joint ventures with hospital systems.

7. Kathy J. Bryant – As president of FASA (formerly known as the Federated Ambulatory Surgery Association), Kathy Bryant leads the activities of the nation's largest ambulatory surgery center (ASC) membership association. FASA represents the interests of multi- and single-specialty ASCs, the health care professionals who deliver health care in ASCs and the patients who seek care in ASCs in policy-making forums across the nation. FASA also assists ASCs in meeting the challenges of operating an ASC through services such as the nation's largest

ASC outcomes monitoring project and a national compliance hotline for ASCs.

Bryant edits FASA Update, a bimonthly journal on ASC issues and is a frequent speaker on ambulatory surgery issues. She regularly consults with policy makers on regulatory and legislative issues of interest to ASCs.

Bryant also serves as president of the Foundation for Ambulatory Surgery in America. The Foundation is the largest publisher of ASC-specific publications, provides a variety of educational programming and conducts and contracts for research on ASC topics.

As chief operating officer of the Board of Ambulatory Surgery Certification, Ms. Bryant oversaw the development and implementation of the first ASC-specific credential – CASC (Certified Administrator Surgery Center). More than 300 individuals have earned this credential since its implementation in 2002.

Before joining FASA in 1998, Ms. Bryant headed the government relations program of the American College of Obstetricians and Gynecologists. Prior to her 13-year stint with ACOG, Ms. Bryant worked for the American Medical Association and the Iowa State Senate. A native of Iowa, Ms. Bryant graduated with distinction from the University of Iowa School of Law. She received a

bachelor's degree with high distinction from the same university.

8. Robert J. Carrera – With over 20 years of healthcare experience, Rob has spent the last 15 years developing and managing ASCs, physical/occupational rehabilitation centers, diagnostic imaging facilities, and occupational medicine clinics nationally. Rob provides PINNACLE III clients expertise in operational and financial controls/management as well as business development. Rob's innovative operational approach has created solid physician loyalty to the ancillary entities he oversees. Organizations who have adopted Rob's recommended action plans experience increased volume and enhanced bottom line performance while maintaining a high level of customer satisfaction and quality of care. Also, Rob has been active legislatively at the State level regarding issues affecting ASCs.

9. Pat Churchwell – Pat is a Senior Vice President with Surgery Consultants of America and Surgery Center Billing. She is extremely smart, works tirelessly, and is a great advisor to surgery centers on a national basis. She works extensively with both physician hospital joint ventures and with physician only surgery centers. She has a great understanding of the financial issues relative to surgery center management and

They say it's lonely at the top.

Not when you have the right partner.

Meridian Surgical Partners can help you plan, develop and manage your own surgery center. We also acquire partnership interests for those seeking a return on investment. We have the expertise and capital to get you there. We realize not every journey to the top is the same. That's why we tailor each facility based on the partnership's definition of success. It's how we help physicians reach the top – the meridian – of a joint venture. Call us at 615-301-8140 when you're ready to begin your journey.

Let's meet!

To schedule a meeting, contact
Kenny Hancock at 615-301-8142 or
at khancock@meridiansurg.com


MERIDIAN
SURGICAL PARTNERS

Performance, Efficiency, Achievement, Knowledge

is a tremendous asset to Surgery Consultants of America.

10. Joe Clark – Joseph Clark. Joe Clark is the CEO of the ASC Division of HealthSouth. The division was recently sold for almost \$1 billion.

11. Don Cook – Don Cook is the founder and Chief Executive Officer of Surgeum, a surgery center management and development company located in Los Angeles. With over twenty years of experience in outpatient healthcare management, Don has built and operated both private and public companies in a number of industries including surgery, cardiology, home infusion therapy, and physician practice management. He has written, spoken and consulted extensively in the areas of management, strategy and operational effectiveness. Don holds an MBA from the Kellogg School of Management at Northwestern University.

12. Steve Dobias – Steve is a Principal with Somerset CPAs, P.C. Steve's work focuses on providing services for physician groups and hospital systems. Steve initiated the Ancillary Services Group that facilitates the feasibility, organization, funding and set up of operations of ambulatory surgery centers, and medical office buildings. Steve has worked with physician groups and hospitals nationwide on the development of both joint venture and physician owned surgery centers and/or medical office buildings.

13. Judy English – Judy English is a Senior Vice President with Serbin Surgery Center Billing. She does a tremendous job of helping Caryl Serbin to run that company. They have grown the company considerably to where it has more than \$25 million in collected revenues related to it per year. She is very talented and very smart.

14. Richard E. Francis, Jr. – As President, Chairman of the Board, CEO and a Director of Symbion, Inc., Richard Francis has helped transform Symbion into one of the country's leading surgical center management and development firms. Under his leadership, Symbion has become a publicly held company and an ambulatory surgical center chain with nearly 100 successful surgical centers.

15. Ann Geier – Ms. Geier has been a perioperative nurse for 30 years. She is currently VP of Operations for Ambulatory Surgical Centers of America (ASCOA) with responsibility for ASCs in New England and Florida. For the last 20 years, her focus has been ambulatory surgery, primarily free-standing ambulatory surgery centers. Ms. Geier serves on the Board of Directors of the American Association of Ambulatory Surgery Centers (AAASC) and on the annual meeting planning committee for AAASC. She writes a monthly staffing column for *Outpatient Surgery Magazine*, serves on the editorial board of *Same Day Surgery*, OR 2007 and OR Manager. She has served as a contributor for several Perioperative Management

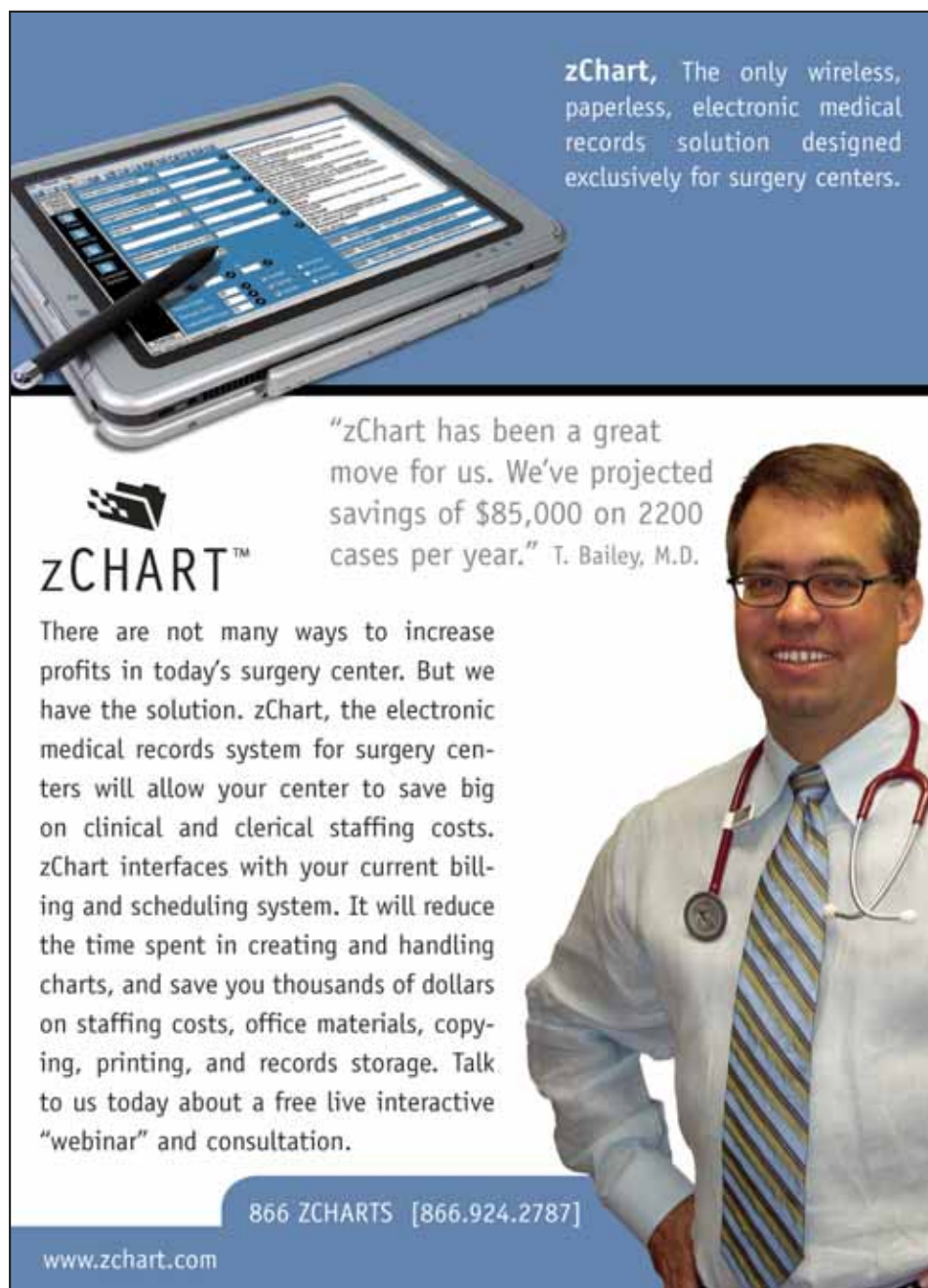
Resources for AORN, including Block Time, Accreditation/Regulation/JCAHO. She currently presents for the Ambulatory Administrator Certificate Program and has contributed to the Advanced Certificate Program offered online, and she has been appointed to the AORN PNDS Benchmark Database Task Force.

16. Brett Gosney – Brett Gosney is a founder and the CEO of Animas Surgical Hospital. He is a leading advocate on behalf of physician ownership of surgical hospitals both nationally and in his home state of Colorado. He also serves as the President of the Physician Hospitals of American ("PHA").

17. George Goodwin – Director and Vice President of Mergers and Acquisitions of Symbion. George has stepped into the leadership spot at Symbion over the last several years. He is extremely

bright and has done a terrific job of handling the acquisition and merger of so many different providers at Symbion. Symbion has grown greatly under his leadership and increasingly has an important role in that leadership.

18. James T. Grant – Jim Grant is the COO of National Surgical Hospitals and the past President of Physician Hospitals of America ("PHA"). In his role as PHA's President, he has overseen a nearly five year battle to prevent limits and prohibitions on physician ownership of specialty and surgical hospitals. Prior to his position at National Surgical Hospitals, Jim was an executive at Quorum Health Group and Talus Health Systems. His leadership, devotion, experience, intelligence and energy in the ambulatory surgical hospital industry are unparalleled.



zChart, The only wireless, paperless, electronic medical records solution designed exclusively for surgery centers.

zCHART™

There are not many ways to increase profits in today's surgery center. But we have the solution. zChart, the electronic medical records system for surgery centers will allow your center to save big on clinical and clerical staffing costs. zChart interfaces with your current billing and scheduling system. It will reduce the time spent in creating and handling charts, and save you thousands of dollars on staffing costs, office materials, copying, printing, and records storage. Talk to us today about a free live interactive "webinar" and consultation.

"zChart has been a great move for us. We've projected savings of \$85,000 on 2200 cases per year." T. Bailey, M.D.

866 ZCHARTS [866.924.2787]

www.zchart.com

19. Molly Gutierrez – Molly Gutierrez was named the Executive Director for the Physician Hospitals of America, then the American Surgical Hospital Association in November 2005. As such, Molly leads the organization's day-to-day business and operational functions and directs PHA's membership recruitment, public relations and political advocacy efforts. In addition, Molly serves as the President of the South Dakota Association of Specialty Care Providers – representing specialty hospitals and ambulatory surgery centers in South Dakota. She is currently serving a second term as a Governor appointee to the South Dakota Healthcare Commission. Molly is also a Co-Chair of the Governor appointed Subcommittee on Universal Healthcare Access in South Dakota. Molly received her Juris Doctorate with honors in 1997.

20. David Hall – David Hall has a long and successful career as a health care innovator and businessman. Currently he is Chairman at Titan Health Corporation, an ASC management company; Director of Radiant Research, a clinical trials company; and Director of Cogent Healthcare, a hospitalist staffing company. In the past, he has served as: President and CEO of ASC Network, an ambulatory surgery center company; Executive Vice President at Medical Care America, then the country's largest operator of outpatient surgery centers; and the President and CEO of two acute care hospital companies.

21. Thomas Hall – Thomas S. Hall has served as President and Chief Executive Officer of NovaMed Inc., and has been a member of our Board of Directors, since November 14, 2005. Mr. Hall was appointed Chairman of the Board on February 21, 2007.

From April 2003 to November 2005, Mr. Hall served as President and Chief Operating Officer of Matria Healthcare, Inc., after having joined Matria in October 2002 as Executive Vice President and Chief Operating Officer. Matria provides disease management programs to health plans and employers.

From 2000 to 2002, Mr. Hall was President and Chief Executive Officer of TSH & Associates, an independent consulting and management services company. From 1997 to 1999, Mr. Hall held several executive positions that included President of ADP TotalSource, a division of Automated Data Processing, Inc. (ADP). Mr. Hall also served in senior management positions with Riscorp, Inc., an insurance holding company, and USAir Express/Chautauqua Airlines.

A native of Upstate New York, Mr. Hall earned a BA in business from Goshen College and an MBA from Clarkson University.

22. Kenneth N. Hancock – Kenny Hancock is the President and Chief Development Officer of Meridian Surgical Partners, a venture capital-funded firm that is actively acquiring ambulatory surgical

centers and small hospitals. He has over twenty years experience in the healthcare industry and is a co-founder of both Surgical Alliance Corporation and OrthoLink Physicians Corporation. OrthoLink was sold in 2001 to United Surgical Partners International in a stock transaction valued at ninety-two million dollars. With a wealth of experience and as one of the country's first specialty hospital developers, Kenny has a unique knowledge of the industry.

23. Richard Hanley – Richard Hanley is the CEO and founder of Health Inventures. Richard has held leadership positions at Health Inventures for the past twenty years. He also is a FASA Board Member and leading national advocate for ASCs.

24. Allen Hecht – Allen Hecht is the CEO and President of Health Resources International. He is also the President of FASA. He is one of the pioneers in the ASC industry and an extremely astute and likable leader. He adds great value to FASA and to the organizations he works with.

25. Marc Jang – Marc Jang is President and CEO of Titan Health Corporation. Marc has held executive positions in healthcare for 16 years, including serving as Vice President of Finance for Sutter Surgery Centers, Inc. and Regional Vice President for ASC Network, Inc. He has vast experience in finance, mergers and acquisitions, and development and operations as they relate to the ambulatory services industry.



**Leaders in ASC
Development and Management**

**The Original ASC Coding
and Billing Company**



NAMES YOU CAN TRUST FOR YOUR ASC NEEDS

Surgery Consultants of America, Inc.
12670 Creekside Lane Suite 401
Fort Myers, Florida 33919
www.ascbilling.com



Caryl A. Serbin
RN, BSN, LHRM
President - Founder

Serbin Surgery Center Billing™
12670 Creekside Lane Suite 401
Fort Myers, Florida 33919
www.ascbilling.com

26. Craig Jeffries – Craig Jeffries is a health care lawyer with over twenty years experience leading growth oriented, highly regulated organizations in rapidly changing healthcare, pharmaceutical and distribution industries. As Executive Director of the American Association of Ambulatory Surgery Centers he also brings a wealth of experience in working with Congress, CMS and state government. The American Association of Ambulatory Surgery Centers is a physician led, national association dedicated to advancing high quality, patient centered care in ambulatory surgical facilities. The 2008 AAASC Annual Meeting, April 16 -19, 2008 in Tampa, Florida is the premier educational and exhibitor event for medical directors, surgeons, anesthesiologists, directors of nursing and administrators that own, work in, or are establishing an ambulatory surgery center. American Association of Ambulatory Surgery Centers, 423 915 1001, CraigJeffries@AAASC.org, www.AAASC.org.

27. Mike Karnes – Mike is the Chief Operating Officer of Regent Surgical Health. Michael recently served as chief administrative officer of GTCR-Golder Rauner, one of the largest and oldest venture capital firms in the U.S. He also has been CFO for Prime Group Realty Trust and Balcor, a subsidiary of American Express. Michael has led teams that successfully executed two NYSE IPOs, raising \$550 million in new equity and merged two NYSE listed firms. He holds a BS in accounting from the University of Maryland, a BBA-Finance degree from University of Notre Dame and an MBA degree from Harvard Business School.

28. Naya Kehayes – Naya Kehayes is the founder and CEO of Eveia Health Consulting

& Management (formerly Millennium Health Consulting). She is a nationally recognized expert in the area of reimbursement and managed care and insurance contract negotiations for ASCs and surgical practices. She is equally proficient in ASC operations and financial management and serves as a financial advisor to several national ASC corporations. She is intelligent, has a wealth of experience and has (and continues to) made her mark in the healthcare sector by helping her clients dramatically improve their managed care contracts and reimbursements.

29. Susan Kizirian – Susan is a Senior Vice President with Ambulatory Surgical Centers of America. Susan is an extremely talented person who has served in many roles throughout the country and many roles with ASCOA. She also sits on the board of the AAASC.

30. Michael Kulczycki – Michael is the Executive Director of Ambulatory Care Accreditation for the Joint Commission. In his role, he has greatly expanded the import of the JCAHO with respect to ambulatory surgical centers.

31. Joan Lapham – Joan is the Chief Executive Officer of Sierra Surgery Hospital, a joint venture between a physician investor group and a not-for-profit community hospital that was built and opened in 2005. Responsible for comprehensive oversight of the hospital construction from functional design through completion of construction; transition of the organization and staff from a surgery center to a fully operational hospital; licensure, certification, and accreditation; negotiation of the joint venture operating agreement and other required legal documents; arranging financing

for the project; and, hiring and development of a competent senior management team. This \$21.5 million project was delivered on-time and on-budget. For 18 years, the Executive Director of Carson Ambulatory Surgery Center, Inc. (CASCI), a physician owned multi-specialty surgery center. Responsible for operational oversight including clinical services, facility support, fiscal activity and corporate business. Developed and implemented facility programs including continuous quality improvement, risk management, medical staff credentialing, compliance program, and infection control program. Guided facility through six successful Joint Commission accreditation surveys. Managed and directed corporate business under the direction the Board of Directors. She is a graduate of University of Rhode Island, Kingston, RI with a Bachelor of Science in Nursing and the University of Colorado, Denver, CO with a Master of Business Administration.

32. Brent Lambert, M.D. – Dr. Brent Lambert has revolutionized approaches to ambulatory surgery center management. He is the Chairman of the Board and a founder of ASCOA, the country's largest privately held ASC company (prior to HealthSouth and USPI going private). He not only has a brilliant strategic mind but also takes a hands on approach to ASC management. He will share his thoughts on ASC management at the meeting. Dr. Lambert is a Harvard College graduate. He received a Bachelor of Arts degree with a major in American History and graduated Cum Laude. He also attended Columbia University College of Physicians and Surgeons and received a Doctor of Medicine degree. He completed his residency at Harvard Medical School and Massachusetts Eye & Ear Infirmary.



For Conference Questions Contact:

Maisha Gibson
Phone: (312) 420-9370
Fax: (216) 359-0035
Email: mgibson@beckersasc.com

**For ASC Review & Exhibitor/
 Sponsorship Questions Contact:**

Maisha Gibson
Phone: (312) 420-9370
Fax: (216) 359-0035
Email: mgibson@beckersasc.com

Grace Boyles
Phone: (202) 337-5739
Fax: (202) 337-1200
Email: grace@bluehouse.us

Jessica Cole
Phone: (312) 505-9387
Fax: (866) 678-5866
Email: jessica@beckersasc.com

**MARK YOUR CALENDAR
 DON'T MISS THE MOST IMPORTANT
 ASC CONFERENCE OF THE YEAR!**

October 18 – 20, 2007

*The 14th Annual
 Ambulatory Surgery Center
 Conference & Exhibits*

Presented by ASC Communications, Inc. & FASA



To be held: The Westin Michigan Avenue • Chicago, Illinois

IMPROVING THE PROFITABILITY OF ASCS AND BUSINESS AND LEGAL ISSUES

33. Luke Lambert – Luke Lambert is the CEO of Ambulatory Surgical Centers of America. He has a background in equity research and management consulting. With his experience and his MBA from Columbia University, he is a regular speaker at ambulatory surgical conferences and brings a wealth of experience and knowledge to the industry.

34. Jeff Leland – Managing Partner, Before Blue Chip Surgical, Jeff was with ASCOA, (Ambulatory Surgical Centers of America), where he was responsible for de novo surgical center development and surgical center management. Jeff served as Executive Director, Lutheran General Medical Group, a 260-physician, multi-specialty medical group located in Chicago. Jeff was once a senior level executive with Advocate Health Care in Chicago, responsible for both Business Development and Advocate's 225,000-member health plan. He also served as President of HealthSpring Medical Group, a primary care medical group that was acquired by Met Life & Travelers. Jeff was also Chief Executive Officer Western Ohio Health Care, an HMO with 200,000+ members, which was acquired by United HealthCare. He is an alumnus of the Harvard Business School with undergraduate studies at the University of Cincinnati.

35. Tom Mallon – Before founding Regent in 2001, Tom served as a founding member and remains a general partner with Gryffindor Capital

Partners, a Chicago-based venture-capital fund. In 1994, he co-founded Same Day Surgery, which acquired five distressed and underutilized ASCs and a physician management company. After recruiting more than 70 physician partners and growing the business from \$2 million in annual revenues to over \$20 million, Tom successfully sold his interest in 1998. Before his healthcare ventures, Tom enjoyed 12 years of successful commercial office leasing for national firms. Tom has a BA from Denison University and an MBA from Harvard Business School.

36. Ajay Mangal, M.D. – Ajay Mangal is the founder, CEO and a Board Member of Prexus Health Partners. He is also an ear, nose and throat physician. As a hands on executive at Prexus, Ajay has been instrumental in developing surgery centers and assisting existing centers and hospitals to prosper. He is becoming a major force in the ASC industry.

37. Thomas A. Michaud – Thomas A. Michaud, Chief Executive Officer and Chairman of the Board at Foundation Surgery Affiliates. After graduating from Boston College with a Bachelor of Science degree in Accounting, Mr. Michaud earned his CPA certificate while serving as a staff accountant with the international accounting firm, Ernst & Young. Other experience included that of partner in a local CPA firm, Chief Operating Officer of a regional wholesale company, along with holding the

upper management positions of Manager of Management Information Systems as well as Manager of Materials at an aerospace company. Prior to founding Foundation Surgery Affiliates in January of 1996, Mr. Michaud held the positions of Chief Operating Officer and Chief Financial Officer of a regional surgery center management company. Mr. Michaud's responsibilities include marketing the Foundation program to potential surgeon/owner groups, developing new geographic and product markets for the Company, along with medium and long term corporate planning and strategy.

38. Evie Miller – Evie Miller is the Director of Acquisitions of USPI. She is one of the architects of the company's strategy to focus on physician and hospital driven ventures. A certified public accountant, Evie began her career in banking at an independent banking service organization. Evie also served as Director of Management Information Services for a local community bank for 6 years before returning to accounting at All Saints Health System in Fort Worth, Texas. For four years she was Executive Vice President of Medway Health Systems, overseeing the financial operations of its medical clinics. Evie joined United Surgical Partners as a financial analyst in Development and is now Director, Acquisitions. Evie is responsible for the strategic direction of USPI's acquisition effort as well as the overall acquisition process.

The Cure for the Common Hospital

Specializing in Development and Acquisition

Foundation Surgery Affiliates is a healthcare management organization specializing in project development, innovative facility design, partner recruitment and facility operations for ambulatory surgery centers, medical office buildings, surgical hospitals, bariatric hospitals and healthplexes. Foundation monitors the construction and development throughout a surgical facility project whether new construction or acquisition. With multiple site visits per month, meetings with contractors, architects and vendors, monitoring of licensure, certification and permitting activities, Foundation ensures that all items required by the regulatory state agencies are completed.

Foundation Surgery Affiliates currently offers healthcare management to 26 facilities nationwide.

26 Operating Facilities

1. COMPANY HEADQUARTERS
 13900 N. Portland Ave., Suite 200
 Oklahoma City, OK 73134-4042
 P: 405.608.1700 F: 405.608.1600
 toll-free: 800.783.0404

Regional Offices

2. ARIZONA
 7500 S. Foster Road, Suite 1112
 Mesa, AZ 85209

3. HOUSTON
 3470 West Loop South, Suite 2200
 Houston, TX 77401

4. PENNSYLVANIA
 3360 First Ave., Suite 400
 King of Prussia, PA 19406

OPERATING FACILITIES

5. Big Creek Surgery Center, Middleburg Heights, OH
6. Brazoria County Surgery Center, Angleton, TX
7. Doctors' Surgical Center, Houston, TX
8. Foundation Bariatric Hospital of Oklahoma, Edmond, OK
9. Foundation Surgery Center of Oklahoma, Oklahoma City, OK
10. Foundation Surgical Center of Dickinson, Dickinson, TX
11. Foundation Surgical Hospital, Houston, TX
12. Foundation West Houston Surgical Center, Houston, TX
13. Harbinger Park Surgery Center, Sherman, TX
14. Huntington Valley Surgery Center, Huntington Valley, PA
15. Huntville Imaging Center, Huntville, TX
16. Inveness Surgery Center, Fort Wayne, IN
17. Mackcenter Ambulatory Surgery, Houston, TX
18. Nacogdoches Surgery Center, Nacogdoches, TX
19. New Brunsards Surgical Centre, New Brunsards, TX
20. New Jersey Surgery Center, Monroeville, NJ
21. Paso Del Norte Surgery Center, El Paso, TX
22. Physician Ambulatory Surgery Center I, San Antonio, TX
23. Physician Ambulatory Surgery Center II, San Antonio, TX
24. Physician Ambulatory Surgery Center IV, San Antonio, TX
25. Physician Ambulatory Surgery Center V, San Antonio, TX
26. South Texas Surgical Center, Seguin, TX
27. Wightman of Oklahoma at Edmond, Edmond, OK
28. Wightman of San Antonio at Harbinger, San Antonio, TX
29. Wightman of San Antonio at Sorrento, San Antonio, TX
30. Foundation Bariatric Hospital of San Antonio, San Antonio, TX

Foundation Surgery Affiliates

13900 N. Portland Ave., Suite 200 · Oklahoma City, OK 73134-4042 · 800.783.0404
www.foundationurgery.com

39. Amy Mowles – Amy is the owner of Mowles Medical Management. Amy is the nation's premier expert with respect to pain management services provided in practices and provided in surgery centers. She is thoughtful and also has strong opinions for what works and what does not work. She is very smart and a talented advisor to pain management physicians.

40. Tom Mulhern – Tom Mulhern is the executive director of Limestone Medical Center, a large medical office building complex and ambulatory surgical center in Delaware. He has been a leader in the development of ambulatory surgical services and an advocate for the industry. As a member of Delaware's health planning commission, he has been instrumental in the development of Delaware's health planning, as well as health planning on a national level.

41. Richard Pence – Richard Pence is President of National Surgical Care and leads the development and management of National Surgical Care's surgery centers. Before co-founding NSC, he served as Executive Vice President and Chief Operating Officer of MAGELLA Healthcare, a national group of perinatal health care providers. Mr. Pence also served as Chief Operating Officer for National Surgery Centers and as Controller and Vice President for Medical Care International. A certified public accountant, he is a graduate of the University of

Alabama School of Commerce and earned a M.B.A. from Southern Methodist University.

42. Thomas J. Pliura, M.D. – Tom Pliura is a doctor, lawyer and the founder and manager of several ambulatory surgical centers. Additionally, he is the founder of zChart EMR, an electronic medical records related company. In addition to these accomplishments, he is an incredibly inventive and interesting individual.

43. John Poisson – John Poisson is the Executive Vice President and Strategic Partnerships Officer of Physicians Endoscopy, the leading ASC industry company specializing in the development and management of freestanding endoscopic ASCs. He has over fourteen years experience in the healthcare field, most of which is specifically focused on medical service outsourcing. He also has extensive experience in information technologies, practice management, and contract management. Remaining actively involved post-development, John regularly assists providers meet or exceed their targets.

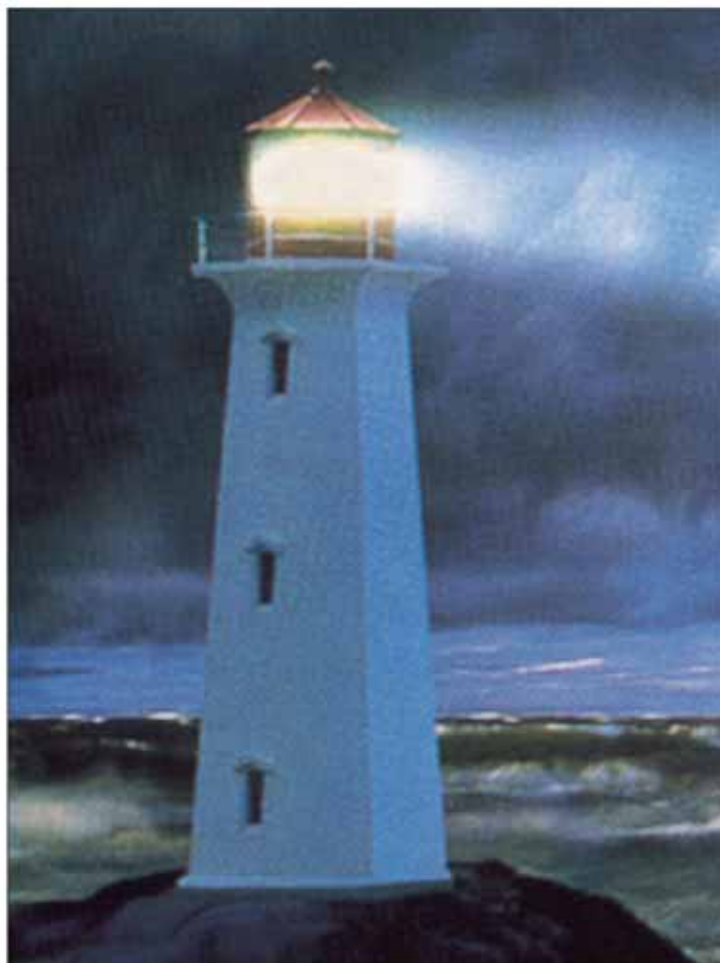
44. Karen Sablyak – Karen Sablyak is the CFO and Executive Vice President of Management Services at Physicians Endoscopy. With ten years experience in healthcare finance and operations, Karen's leadership skills and financial acumen have resulted in tremendous results in reporting and management at Physicians Endoscopy. She has

particular expertise in billing processes, the development of policies and procedures, and the analysis and interpretation of healthcare financial data.

45. Caryl Serbin – Caryl Serbin is the President and founder of Surgery Consultants of America, Inc. and Serbin Surgery Center Billing, LLC. She has developed a tremendous team and provides credible and hard working leadership for her company. She provides consulting services for a variety of ASCs including orthopedic, ophthalmology, gastroenterology, pain management, urology, and multi-specialty. She is one of the best executives in the ASC industry and a leading woman executive in the business. Recently, one client commented on Caryl's efforts as follows, "Her team has been very hard working and has dramatically helped us turn around our center."

46. Sarah Silberstein – Sarah serves as the Chief Executive Office of the Foundation for Ambulatory Surgery. This is the political arm and fundraising arm of FASA. She has done a tremendous job of growing the importance of FASA along with Kathy Bryant. As the Executive Director of FASA, Sarah Silberstein manages the activities of the nation's largest ambulatory surgery center (ASC) membership association. FASA represents the interests of multi- and single-specialty ASCs, the health

continued on page 20



Look to the experts to shine some light on your valuation.

No one has more expertise and
experience valuing surgery centers than
VMG Health. It's what we do.



www.vmghealth.com

Three Galleria Tower
13155 Noel Road, Suite 2400
Dallas, Texas 75240 214-369-4888
3100 West End Avenue, Suite 940
Nashville, Tennessee 37203 615-777-7300



ASC Communications, Inc. and FASA

PROUDLY PRESENT
THE 14TH ANNUAL



Ambulatory Surgery Center Conference & Exhibits

October 18-20, 2007

THE WESTIN MICHIGAN AVENUE – CHICAGO, ILLINOIS

OVERALL CONFERENCE OBJECTIVES

- To describe the current business and legal issues pertaining to ambulatory surgery centers (ASCs).
- To identify the disciplines involved in the development and operation of a successful ASC.
- To enable participants to incorporate innovative business and strategic strategies into their ASCs.
- To identify the key business, clinical and staffing issues involved in ASCs.
- To provide the opportunity for participants to interact with a variety of different ambulatory surgery center experts throughout the conference.

TARGET AUDIENCE

This 2 1/2 day conference is designed to provide orthopedic surgeons, ENTs, hospital and ASC administrators, ophthalmologists, neurosurgeons, gastroenterologists, pain management physicians, surgeons, and all physicians involved in single- or multi-specialty ASCs the latest information on business, legal and regulatory issues, establishing and improving the profitability of ASCs.

CONTINUING EDUCATION CREDITS



CONTINUING MEDICAL EDUCATION

This CME activity has been planned and implemented in accordance with the Essential Areas and Policies of the Accreditation Council for Continuing Medical Education (ACCME) thru the Joint Sponsorship of the Institute for Medical Studies (IMS) and ASC Communications, Inc.

IMS is accredited by the ACCME to provide continuing medical education for physicians.

IMS designates this educational activity for a maximum of 15.5 AMA PRA Category 1 Credits™. Physicians should only claim credit commensurate with the extent of their participation in the activity.

CASC CREDIT

This program is approved for 13.45 hours of AEU credit by BASC Provider #3272.

CEU CREDIT

Provider approved by the California Board of Registered Nursing, Provider Number CEP6949, for 13.45 contact hours.

AMBULATORY SURGERY CENTERS – IMPROVING THE PROFITABILITY OF AND ESTABLISHING ASCs – BUSINESS AND LEGAL ISSUES

This conference will focus on Improving the Profitability of and Establishing ambulatory surgery centers (ASCs). The topics will be addressed through panel discussions, case studies and lectures. These will be presented by distinguished faculty who are experts in the ambulatory surgery center industry.

Key topics include: Turning Around ASCs; Establishing and Operating Physician Hospital Joint Ventures; Benchmarking for ASCs; Developing a Physician Owned Hospital; Seven Steps to Turning Around an ASC; Should You Develop an ASC or Hospital- Weighing the Pros and Cons; Keys to Get Great Billing and Coding for ASCs; The Economics of Adding Key Specialties-Ortho, ENT, Pain Management and other Services to an ASC; Washington Update; Key Legal and Regulatory Issues For an ASC; Key Steps To Selling Your ASC and much, much more!

During the exhibit viewing, reception and luncheons you will be in contact with key industry partners who can make a tremendous impact on the success of your business.

Join other surgeons, ASC administrators, ASC owners, medical directors, hospital administrators, nursing directors and consultants for this dynamic 2 1/2 day conference.

The program is approved for 15.5 hours of Category 1 Credit toward the AMA Physicians Recognition Award.



CONFERENCE PROGRAM

THURSDAY, OCTOBER 18, 2007

12:00 – 2:00 pm

Registration

Pre-Conference Workshop – Concurrent Sessions A, B, C

2:00 – 3:15 pm

A. A Case Study Approach to Turning Around ASCs

Brent Lambert, MD, Founder, Ambulatory Surgical Centers of America

B. Understanding the Impact of the New CMS Rules and the CMS Reimbursement Rates

Kathy Bryant, President, FASA

C. Using Spine and Bariatrics as the Cornerstone of a Thriving ASC

Jim Lynch, MD, Kent Sasse, MD, Founders, Surgery Center of Reno

Tom Mallon, CEO, Regent Surgical Health, Jeff Simmons and

Nap Gary, Western and Eastern Region, President, Regent Surgical Health

3:15 – 3:30 pm

Break

3:30 – 5:15 pm

A. Key Legal and Regulatory Issues for ASCs and a Brief Discussion on Selling ASCs

Scott Becker, Krist Werling, Alison Mikula, Elissa Moore, McGuireWoods, LLP

3:30 – 4:20 pm

B. How to Make Sure an ASC Succeeds After Selling a Part of the ASC to a National Partner

Rick Pence, President and COO, National Surgical Care

C. Developing a Successful Physician Hospital Joint Venture – A Step by Step Approach

Jo Vinson, CASC, V.P., and John Goehle, MBA, CASC, V.P., Surgery

Consultants of America, LLC

4:20 – 5:15 pm

B. A Step-by-step Approach to Establishing an Ambulatory Surgical Center

Joe Zasa and Robert Zasa, Woodrum ASD

C. The Negotiation of Managed Care Contracts for the Start-Up Center

Naya Kehayes, CEO, Eveia Health Consulting and Management

EXHIBITS OPEN

Thursday Evening Cocktail Party

FRIDAY, OCTOBER 19, 2007

7:00 – 8:00 am

Registration & Continental Breakfast

8:00 – 8:45 am

His Perspective on the Future of ASCs

Mark McClellan, MD, Former Administrator, Centers for Medicare and Medicaid Services

8:50 – 9:30 am

Code Red, Reviving the American Healthcare System

David Dranove, Professor Northwestern University Kellogg School of Business

9:35 – 10:15 am

His Views on Building a First Class Company in the ASC Arena

Tom Hall, CEO NovaMed

10:15 – 11:15 am

Exhibits Open

11:15 – 11:50 am

7 Keys to Turning Around a Failing ASC

Brent Lambert, MD, Founder, Ambulatory Surgical Centers of America

FRIDAY, OCTOBER 19, 2007

11:55 – 12:30 pm

5 Key Steps to Establishing a Successful ASC

Tom Mallon, CEO, Regent Surgical Health

12:30 – 1:30 pm

Networking Lunch & Exhibits

1:30 – 2:05 pm

Concurrent Sessions A, B, C, D, E

A. Developing a Pediatric Driven ASC

Joe Zasa and Robert Zasa, Woodrum ASD

B. Revitalizing an ASC - A Case Study Based on a Texas Turnaround

Bill Southwick, CEO, HealthMark Partners

C. Joint Ventures Between Physicians and Hospitals - Core Tips for Success

Tom Yerden, CEO, TRY Ventures

D. Advanced Case Costing for ASCs

Susan Kizirian, Vice President, Ambulatory Surgical Centers of America

E. Bariatric Lap Band Surgery in the ASC and Other Minimally Invasive Bariatric Solutions, Pros and Cons

Tom Michaud, CEO, Foundation Surgery Affiliates

2:10 – 2:45 pm

A. The Power of a Three-party Model - A Hospital, Physician and a Best in Class Management Company

Evelyn Miller, Director of Acquisitions, and Monica Cintado, Senior Vice President, United Surgical Partners International

B. Business Strategies for Endoscopy Centers and GI Practices

Barry Tanner, CEO and Karen Sabbyak, VP, Physicians Endoscopy

C. How to Maintain the Success of Your Center Throughout the Life Cycle of Your Business

Mary Beth Brust, CASC, VP of Operations Eastern Region, Health Inventures, and Dr. Chris Danis, MD, Hand and Reconstructive Surgeons, Dayton, Ohio

D. The ABCs of Benchmarking for ASCs

Sanda Jones, CASC, President, Woodrum ASD

E. How an Expert ASC Manager Can Prepare to Manage a Start Up Hospital

Alex Rintoul, CEO, Medical Center at St. Elizabeth Place

2:45 – 3:15 pm

A. Success Tips for Operating an ASC with a Management Partner

Steve Stern, MD, Northwestern University Orthopedics

B. Developing a Consistent Model for Success - Why What Works in One Market Often Works in Another Market

Ajay Mangal, MD, CEO, Prexus Health

C. The Inside Scoop on Preparing Your ASC For Acquisition

Kenny Hancock, President and Chief Development Officer, Meridian Surgical Partners

D. 7 Keys to Making Partnerships Successful Over the Long Run

James Jackson, Vice President, United Surgical Partners International

E. The Pros and Cons of Different Specialties for ASCs - From Orthopedics to Podiatry to Ophthalmology

Luke Lambert, CEO, CASC, Ambulatory Surgical Centers of America

3:15 – 4:10 pm

Exhibits Open

4:10 – 4:40 pm

A. Combining Specialties and Finding a Means to Work Together for Patient Quality and Financial Success

Scott Holley, MD, Surgery Center of Kalamazoo

CONFERENCE PROGRAM

FRIDAY, OCTOBER 19, 2007

B. What to Do When the 800-pound Hospital Wants to Put You Out of Business

Joe Banno, MD, and Bryan Zowin, Peoria Day Surgery Center

C. Billing and Coding with the New ASC Payment System

Caryl Serbin, President, Serbin Surgery Center Billing

D. Why Are Prices so High and What Is the Price at Which a National Company Should Buy Your ASC?

Mike Weaver, Senior Vice President, Symbion, Inc.

E. Doing a Cost Benefit Analysis on Implementing an EMR System for an ASC

Tom Pliura, MD, JD, CEO and Founder Z-Chart

4:40 – 5:15 pm

A. How Aggressive Hospital Competition Led to a Very Successful Tertiary Care Hospital

Jeff Mason, CEO, FACHE, BayCare Clinic, LLP

B. How to Recruit Doctors and Improve Financial Stability

Chris Bishop, VP, Ambulatory Surgical Centers of America, Krist Werling and Ron Lundeen, McGuireWoods, LLP

C. Single Specialty ASCs - How to Operate Single Specialty ASCs for High Quality and Outstanding Operating Margins

Rob Carrera, CEO, Pinnacle

D. Financing Start-up ASCs and the Recapitalization of ASCs

Anthony Mai, National Business Development, CIT Healthcare, Brad Stern, Senior Vice President, MarCap Corp.

E. Current Legal Issues - Safe Harbor Issues and Credentialing and Staff Privileges Issues

Scott Becker, Alison Mikula and Tom Stallings, McGuireWoods LLP

5:15 – 7:30 pm

Networking Reception & Exhibits

SATURDAY, OCTOBER 20, 2007

8:00 – 9:00 am

Continental Breakfast

9:00 – 9:40 am

Building a Successful Physician Hospital Joint Venture

Richard Hanley, CEO, Health Inventures

9:40 – 10:25 am

The State of the Union for ASCs

Kathy Bryant, President, FASA

10:25 – 11:00 am

(Concurrent Sessions A, B, C & D)

A. The Societal and Business Case for Physician Owned Hospitals

Brett Gosney, CEO and Founder, Animas Surgical Hospital

B. The Anatomy of Three Deals - A Large Multi Specialty Deal, a Spine Driven Deal, and a Large Scale Single Specialty Deal

David Abraham, Reading Neck & Spine Center and Jon Vick, ASCs Inc.

C. Working with Letters of Protection as a Vital ASC Revenue Source

Robert Goettling

D. Developing a Successful Lap-Band Program at Your ASC

Kenny Bozorgi, MD, Mark Mayo and Bret Petkus, Day One Health

11:00 – 11:40 am

(Concurrent Sessions A, B, C & D)

A. Progressive Surgical Solutions - Outcomes Monitoring for ASCs

Debra Saxton Stinchcomb, CASC, Progressive Surgical Systems

SATURDAY, OCTOBER 20, 2007

B. Buy Outs and Syndications - A Case Study Approach

Bill Southwick, CEO, HealthMark Partners, and Jim Corum

C. Developing Spine Driven Centers of Excellence and Other Customer Services Around Spine Services

Marcy Rogers, Spine Mark, CEO

D. Is the ASC Healthy? Assessing the Vital Signs of Your ASC

Kyle Goldammer, Senior Vice President and CFO, Surgical Management Professionals

11:45 – 12:30 pm

(Concurrent Sessions A, B, C & D)

A. How to Make an ASC or Specialty Hospital Hum - A Talk on Strategy

Mike Lipomi, Founder, CEO of Stanislaus Surgical Center, Administrator Pinehurst Surgical Center

B. Key Tips to Finding Great Leaders and Managers for ASCs

Greg Zoch, Partner, Kaye Bassman International

C. The Economics of Different Real Estate Decisions, Buy or Lease, Sell or Hold, and Single Use or Part of MOB

John Daly, Alex Hlavacek, McShane Construction

D. 2 Key Valuation Issues - (1) The Value of Shares for Physician Buys and (2) Valuing Compensation Relationships in Under Arrangement Models

Greg Koonsman, VMG and Todd Mello, Health Care Appraisers

12:35 – 1:15 pm

(Concurrent Sessions A, B, C & D)

A. Managing in the Red Zone - Key Things to Do in the 60 Days Before Opening an ASC

Fred Ortmann, CEO, Ortmann Healthcare

B. Financing - The Lender's and Borrower's Perspectives

Ken Seip, Vice President, Citicapital, and Bart Walker, McGuireWoods

C. Certificate of Need in the 21st Century - Is It a Good Thing?

Tom Mulhern, Administrator, Limestone Surgical Center, Member Delaware Bureau of Health Planning

D. Understanding the Three C's (Compliance, Convenience and Cash Flow) Related to Medication at an ASC

Dan Connolly, MHS, ARM, Vice President of Operations, Pinnacle III, Medication Dispensing

1:20 – 2:00 pm

(Concurrent Sessions A, B, C & D)

A. What You Need to Know About Facility Regulation Before You Invest in an ASC, and Forever After

Bill Lindeman, CEO, WEL Designs PLC

B. How, When and Why to Separate the Real Estate from the Operating Company and the Keys to the Making Real Estate Deals Work, Including Lease Terms

David Thoene, VP, Titan Healthcare Care

C. Managing Your Portfolio - Indexing Strategies - The Most Effective Approach to Portfolio Management

David Rapport, Founder, Rapport Reiches

D. "The Best of Both Worlds": Hospital Management Contract with Surgeons vs. an Equity JV (An Alternative Collaborative Model - Case Study)

Chuck Owen & John Smalley, Principals & Co-Founders Healthcare Venture Professionals (HVP); Louise DeChesser, RN, CNOR, MS, Administrator West Hartford Surgery Center (WHSC); Jeffrey Morgenstern, MD, Medical Director WHSC, and Kevin J. Kinsella, Vice President Hartford Hospital

2:00 pm

Meeting Adjourn



ASC COMMUNICATIONS, INC. PRESENTS
The 14th Annual Ambulatory Surgery Center Conference & Exhibits
October 18-20, 2007
The Westin Michigan Avenue, Chicago IL



REGISTRATION INFORMATION

First/Last Name: _____
 Degree: As you wish it to appear on your badge _____
 Title: _____
 Facility/Company: _____
 Address: _____
 City/State/Zip: _____
 Phone: _____ Fax: _____
 Email: _____
 Web site: _____

REGISTRATION FEES

ANNUAL CONFERENCE & EXHIBITS

Receive multiple registrant discount(s). The more people you send the greater discount you receive. The prices listed below are per person. Your registration includes all conference sessions, materials, and the meal functions.

MAIN CONFERENCE ONLY

	FEES (Before 9/5/07)	AMOUNT	FEES (After 9/5/07)	AMOUNT
1st Attendee	\$625	\$ _____	\$725	\$ _____
2nd or more Attendee (From same facility)	\$575	\$ _____	\$675	\$ _____

MAIN CONFERENCE + PRE-CONFERENCE

	FEES (Before 9/5/07)	AMOUNT	FEES (After 9/5/07)	AMOUNT
1st Attendee	\$875	\$ _____	\$975	\$ _____
2nd or more Attendee (From same facility)	\$825	\$ _____	\$875	\$ _____

OPTIONAL

<i>Becker's ASC Review</i> (Published six (6) times a year)	\$199 (per year)	\$ _____
<i>\$50 Discount per attendee for FASA Members</i>	\$299 (for 2 years)	\$ _____
	(- \$50)	\$ _____
	TOTAL ENCLOSED	\$ _____

PAYMENT INFORMATION

Enclosed is a check, payable to FASA Fall Conference Check #: _____

I authorize **FASA** to charge my:

Credit Card Number: _____ Expiration Date: _____
 Printed Cardholder Name: _____ Zip Code: _____
 Signature: _____ CVV#/3-digit #: _____

TO REGISTER

COMPLETE REGISTRATION FORM AND MAIL OR FAX AS FOLLOWS:

Mail: **Make checks payable to FASA Fall Conference** and mail to:
 FASA, 1012 Cameron St., Alexandria, VA 22314
 Fax: Fax registration form with credit card information to (703) 836-2090
 Call: Phone (703) 836-5904 and register over the phone.
 Web site: www.BeckersASC.com

Cancellation Policy: Written cancellation requests must be received by September 18, 2007. Refunds are subject to a \$100 precessing fee. Refunds will not be made after this date.

Fax registration form with credit card information to (703) 836-2090

GENERAL INFORMATION

HOTEL RESERVATIONS

The Westin Michigan Avenue has set aside special group rates for conference attendees. Please contact the hotel directly to make your reservation. **Be sure to mention you are attending the ASC Conference in order to receive the discounted group rate of \$239**

THE WESTIN MICHIGAN AVENUE

908 N. Michigan Avenue
 Chicago IL 60611

Phone: (888) 627-8385 or (312) 943-7200
 Group Name: **ASC Conference**
 Group Rate: **\$239 (Sgl/Dbf)**
 Online Reservations:
www.starwoodmeeting.com/Book/asc2007

SUBSCRIBE TO BECKER'S ASC REVIEW

Becker's *ASC Review* is published six (6) times a year. If you would like to subscribe please submit your \$199 or \$299 payment with your conference registration fees.

FASA

To obtain membership information on FASA please call (703) 836-8808, email FASA@fasa.org or visit www.fasa.org.

CONFERENCE QUESTIONS

For additional information or questions regarding the conference please contact:

Exhibitor/Sponsorship Sales – Jessica Cole & Grace Boyles

For Conference Questions Contact:

Maisha Gibson
 Phone: (312) 420-9370
 Fax: (216) 359-0035
 Email: mgibson@beckersasc.com
 -or-

Scott Becker, JD, CPA
 McGuireWoods, LLP
 Phone: (312) 750-6016
 Email: sbecker@mcguirewoods.com
 Web: www.beckersasc.com

For ASC Review & Exhibitor/Sponsorship Questions Contact:

Grace Boyles
 Phone: (202) 337-5739
 Email: grace@bluehouse.us

Jessica Cole
 Phone: (312) 505-9387
 Email: jessica@beckersasc.com

ADA REQUEST

If you require special ADA accommodations, please contact us at (703) 836-8808 or email FASA@fasa.org.

Visit www.beckersasc.com
Visit www.fasa.org



Today I learned...

regional anesthesia
could save my facility
\$1.2 million a year.¹



*Stimuplex® HNS 12
Nerve Stimulator
facilitates nerve blockade*

Start saving now with B. Braun.

Peripheral nerve blocks save time and money compared to general anesthesia.¹

- Fewer pain and PONV symptoms requiring medication
- Less labor-intensive PACU monitoring due to higher bypass or fast track rate
- Reduced anesthesia-controlled OR time
- Reduced nursing labor costs
- Reduced unplanned hospital admissions

B. Braun is the recognized leader in regional anesthesia.

From epidural needles and nerve stimulators to customized trays and training programs, B. Braun provides products and services that can help your facility perform PNBs safely and easily.

Find out how easy PNBs can be.

Call **1-877-949-9529** today to learn more about PNB procedures, our CME-accredited workshops and product training at Aesculap Academy or your facility.

B. Efficient.

B | BRAUN
SHARING EXPERTISE

www.bbraunusa.com

Rx Only. ©2007 B. Braun Medical Inc., Bethlehem, PA. All Rights Reserved.

061A BH 6/07 KFD

¹ Williams BA, Motolenich P, Kentar ML. Hospital Facilities and Resource Management: Economic Impact of a High-Volume Regional Anesthesia Program for Outpatients. *Int Anesthesiol Clin.* 2005 Summer; 43(3):43-51

Sixty-Three People to Know in the Ambulatory Surgical Center Industry continued from page 14

care professionals who deliver health care in ASCs and the patients who seek care in ASCs in policy-making forums across the nation. FASA also assists ASCs in meeting the challenges of operating an ASC through services such as the nation's largest ASC outcomes monitoring project and a national compliance hotline for ASCs. Silberstein contributes to *FASA Update*, a bimonthly journal on ASC issues and she frequently consults with state and Federal policy makers on regulatory and legislative issues of interest to ASCs. Before joining FASA in 1999, Ms. Silberstein worked in the Federal government relations department of the American College of Obstetricians and Gynecologists and the American Public Health Association. Ms. Silberstein received a bachelor's degree from the College of William and Mary in Williamsburg, VA.

47. Jeff Simmons – Jeff Simmons is on the Board of Directors of Regent Surgical Health and is the Western Region President of Regent. He is a leading developer of surgery centers in the country and extremely gifted at trying to keep centers focused on its core goals. He has long term experience in the surgical center industry and hospital industry and is a terrific advocate of physician interests.

48. Sheldon Sones – Sheldon S. Sones, R.Ph. FASCP, is President of Sheldon S. Sones and Associates, a pharmacy and accreditation consulting

firm based in Newington, Connecticut. Established in 1985, the group, serving over 100 sites in 5 states, specializes in safe medication management and pharmacy consulting to free standing and hospital based ambulatory surgical, endoscopy, and renal dialysis centers with expertise in accreditation success. In addition, his service provides nationally recognized educational programs for medical and nursing staffs with a focus on safe medication strategies and quality measure and improvement opportunities. In August of 2006 his firm assumed responsibility for Yale New Haven Hospital's Ambulatory Clinics, Surgical Centers, and Radiology sites at 30 locations.

49. Bill Southwick – Bill Southwick serves as President and CEO of HealthMark Partners, Inc. (HMP) based in Nashville, Tennessee. He is chiefly responsible for the ASC turnaround strategies deployed by HMP and creative joint venture structures that have enabled HMP to partner with both physicians and hospitals in developing new or taking over underperforming facilities. With a background that includes both physician practice management and financial planning, Bill understands the dynamics of physician partnership and helps guide business structuring decisions that effect physician practice interests and hospital mission, while generating ample return on investment for

joint venture parties. It is this experience that has helped HMP gain a reputation for getting things done on physician/hospital joint ventures. Prior to joining HMP Bill formed Southwick Financial Associates, which through merger managed over \$100mm in client assets prior to sale. In 1996 Bill entered the healthcare business by helping start HealthMark Partners, Inc. (formerly Women's Health Partners) the current parent corporation to Surgical Health Partners, (SHP). Bill earned a bachelor's degree in Economics from Rollins College in Winter Park, Florida, as well as certification from the American College as a Certified Life Underwriter and Chartered Financial Consultant.

50. Kenny Spitler – Kenny Spitler serves as Senior Vice President – Development. He is responsible for all aspects of Development including acquisitions, De novo projects and physician syndications. He also serves as head of Marketing and partners in the role of vendor relations as well as physician recruiting. He joined HealthMark Partners in November 2006. Mr. Spitler has 20 + years in healthcare business development. Kenny's past experiences have included the entrepreneurial work of start-ups and the challenges of growing market share with a 300 million dollar company.

51. Barry Tanner – Barry Tanner is the President and CEO of Physicians Endoscopy. Prior

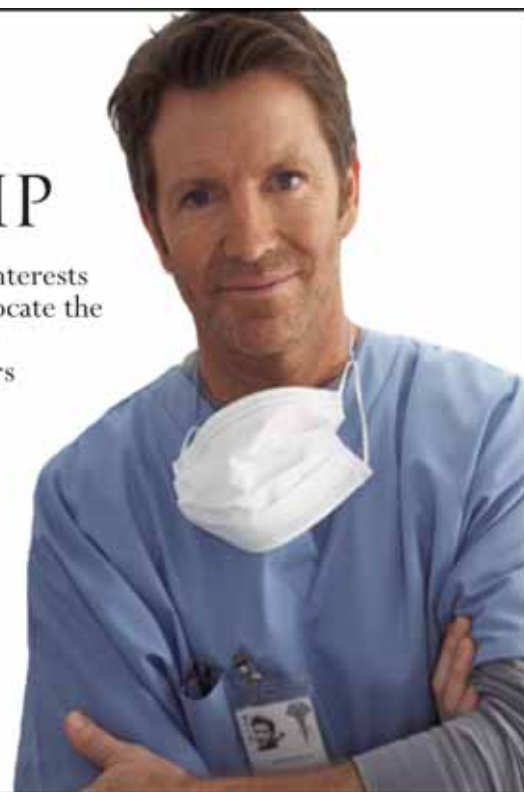
PROTECTING PHYSICIAN OWNERSHIP

Since 1978 AAASC has been a physician led association keeping the interests of physician owners at the forefront. Today AAASC continues to advocate the importance of physician owned ASCs as a vital part of healthcare. By working with ambulatory surgery center leaders and physician owners AAASC is making a difference.

Find out more on how AAASC is protecting physician owned single specialty ambulatory surgery centers.

VISIT www.AAASC.org TODAY!

Contact Us:
P.O. Box 5271 • Johnson City, TN 37602
423.915.1001 (p) • 423.282.9712 (f)
www.AAASC.org



SAVE THE DATE:

AAASC Washington Leadership Conference
September 9-11, 2007, Washington, DC

to joining Physicians Endoscopy, Barry was the co-founder, CFO and COO of Navix Radiology Systems, Inc. of Miami Florida, where he helped build the company into a seventy-five million dollar enterprise. Additionally, Barry has worked for and successfully turned around several other healthcare companies. His knowledge, success and experience are held in high esteem.

52. Daniel R. Tasset – Dan Tasset is the Chairman and CEO of Nueterra Healthcare, a company that manages, develops and owns interest in many ambulatory surgical centers. He founded Nueterra with a goal of empowering physicians to gain more control of their practices. Under his leadership, Nueterra expanded its services to include medical real estate, physical therapy, imaging, financial services and joint venture surgical centers. His long and esteemed career in the ambulatory surgical center business makes him a leader in the industry.

53. Larry Teuber, M.D. – Larry Teuber, a neurosurgeon, is the founder and Physician Executive of Black Hills Surgery Center, LLP, one of the country's most successful small surgical hospitals. Due to his dynamic skills and knowledge, Larry transformed the ownership of that hospital so that now it is a publicly held company that is partially owned by the Medical Facilities Corporation, where he now is President. Larry is also the founder and current managing partner of The Spine Center in Rapid City, South Dakota.

54. John T. Thomas – John Thomas is the President, and Chief Development Officer and of Cirrus Health. Cirrus, under John's leadership, has quickly become one of the country's leading companies in ASC and specialty hospital development. As president and chief development officer, Mr. Thomas is responsible for overseeing all aspects of nationwide development of new surgical facilities for the company. Mr. Thomas joined the management team in early July 2005. He served as the senior vice president-general counsel for Baylor Health Care System, Dallas, Texas from October 2000 to July 1, 2005, with responsibility



Working with MedHQ gets you out of the business office so you can spend more time with patients. Call on us; we're the experts in accounting, billing and collecting, human resources and credentialing for healthcare facilities.

MedHQ

2 Westbrook Corporate Center, Suite 1010
Westchester, Illinois 60154
708.492.0619 | www.medhq.net

New & Refurbished Medical Equipment

- One-Stop shopping for your OR, Pre- and Post-Op areas
- National contract pricing with leading manufacturers
- Refurbishing performed by factory trained and certified technicians
- Savings from 30%-50% on refurbished equipment

Anesthesia Systems

Patient Monitors

Surgical Lights & Tables

Warming Cabinets

Pain Tables

Microscopes

Sterilizers

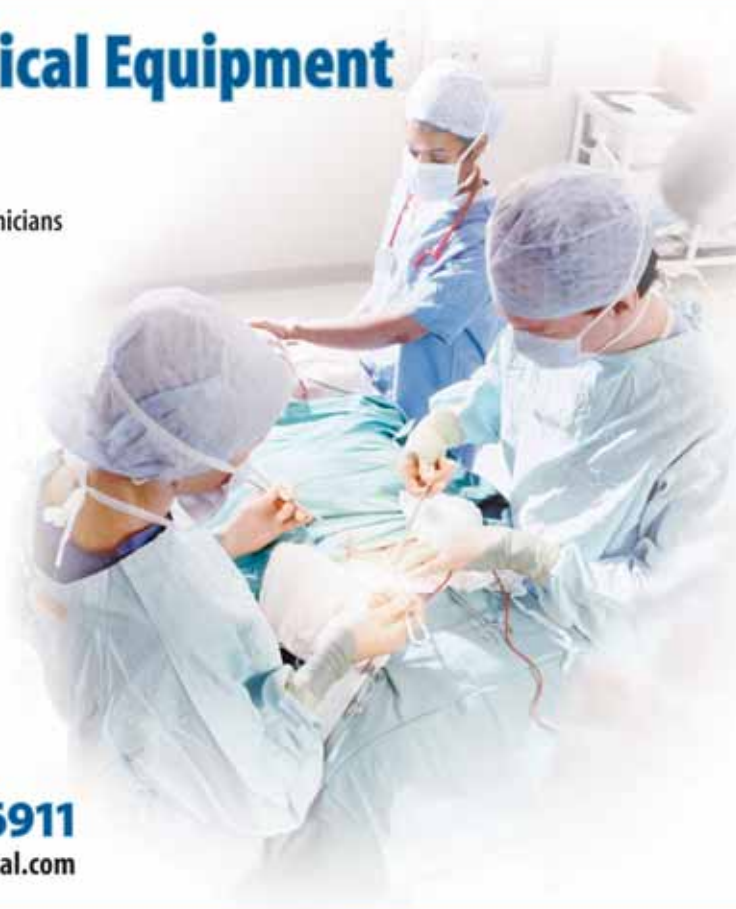
And more

The Alpine Surgical Equipment team is well known throughout the ASC Industry and has worked on well over 1,000 surgery centers nationally. We know your business and will provide you with the products that you need, at the price you want, and the quality you deserve.

Call us toll-free for your free catalog.

Alpine
SURGICAL EQUIPMENT

800.394.6911
www.alpinesurgical.com



IT'S TIME POTENTIAL BECAME A LINE ON A BALANCE SHEET.

Healthcare finance and M&A Advisory Services are about more than just numbers on a balance sheet. That's why at CIT Healthcare, we look beyond the data and focus on your ideas, people and possibilities. As part of CIT, a company with nearly \$80 billion in assets, we understand the challenges facing today's ambulatory surgery centers such as referral patterns, regulatory issues and competitive pressures. As a result, we can offer our clients a wide range of customized solutions. To find out more, visit cithealthcare.com or call us at 1-800-547-7026.



ASSET-BASED LENDING CASH FLOW FINANCE M&A ADVISORY SERVICES REAL ESTATE SENIOR AND EQUITY FINANCING LARGE & SMALL LEASES/LOANS

©2007 CIT Group Inc., the CIT logo, and "Capital Redefined" are service marks or registered service marks of CIT Group Inc.

22 498 552 785 820 513 750 357 617 224 370 751 686 970 611
90 860 899 452

for all legal affairs, government affairs and public safety for the organization. Prior to his appointment at Baylor, Mr. Thomas served as general counsel/secretary for the Sisters of Mercy Health System, a division of Unity Health System (St. Louis, Missouri) from April 1997 to September 2000. Mr. Thomas was a partner at Sonnenschein, Nath & Rosenthal (Kansas City, Missouri) before moving in-house, and started his career on Wall Street in New York at Milbank, Tweed, Hadley and McCloy. Education: Mr. Thomas received his BS degree with special distinction and honors in economics from Jacksonville State University, Jacksonville, Alabama, where he lettered as a scholarship football player. He received his law degree from Vanderbilt University Law School in May 1990 where he was Order of the Coif and Executive Research Editor of the *Vanderbilt Journal of Transnational Law*. Other: Mr. Thomas published, as a co-author, three articles in the *Journal of Partnership Taxation* (Warren, Gorham Lamont) and has served as an Editor for the Aspen Publications series, *Corporations Law*.

55. John Vick – John Vick is a leading consultant in the ASC industry and is renowned for matching corporate partners with physicians and matching buyers and sellers of surgery centers. John's career in the industry started with his development of an endoscopy chain.

56. Michael Weaver – Michael Weaver is one of the strongest development executives in the ASC industry. He is smart and driven and has helped Symbion to grow into one of the largest ASC chains. He currently serves as an Executive Vice President at Symbion.

57. Robert Westergard – Robert Westergard is the Chief Financial Officer of ASCOA. Prior to joining ASCOA in 2002, he worked as the Controller for Truman Capital Advisors, a mortgage banking firm specializing in the securitization of sub-prime mortgage loan assets. Mr. Westergard has an additional eight years of finance and accounting experience in the healthcare, specialty chemical, and software industries. He has a BS in Accounting from Brigham Young University. Mr. Westergard is a Certified Public Accountant and a member of the AICPA. Rob is one of the principle backgrounds of Ambulatory Surgical Centers of America. He serves as the Chief Financial Officer and does a tremendous job of tracking and keeping the company on course.

58. David Woodrum – David Woodrum is one of the founders and a Partner of Woodrum ASD, an ASC management and development company. In this role, he provides clients with consultations in the areas of planning, management, finance, loss prevention, marketing, physician group practice management, executive recruitment, and JCAHO compliance. David brings a wealth of experience to his position as he previously served as executive vice president and COO of the American Hospital Association.


59. Thomas R. Yerden – Tom Yerden is the founder of TRY Ventures. He was the Founder and CEO of Aspen Healthcare before selling that company to National Surgical Care. He has established and planned more than 40 physician hospital ASC joint ventures. He serves on the FASA Board.

Tom is President and CEO of TRY Health Care Solutions, LLC. TRY Health Care Solutions provides ambulatory surgery consulting services to large healthcare systems, group practices, independent physicians and existing surgery centers throughout the United States.

60. Joe Zasa – Joe Zasa is the co-founder and Managing Partner of Woodrum/Ambulatory Systems Development, a national ambulatory surgery center development and management firm that specializes in developing, managing and operating multi-specialty and single specialty ambulatory surgery centers. Founded in 1986 and based in Dallas, Chicago and Los Angeles, Woodrum/ASD currently manages 21 ambulatory surgery centers throughout the United States and is one of the largest privately held surgery

Woodrum / Ambulatory Systems Development, LLC

CHICAGO • DALLAS • LOS ANGELES



Experts in the Business
of the Business.

- Revitalize business & profitability
- Management to ensure success
- ASC development, redevelopment & turnarounds
- Organizational, legal & financial structuring
- Proprietary audit tools

Existing & New ASCs

Leaders in Ambulatory Surgery
Since 1986
www.woodrumasd.com

center companies. The majority of the Woodrum/ASD surgery centers are hospital physician-joint ventures, or projects with large academic medical centers. As managing partner, responsibilities include oversight of firm personnel, implementation of company mission and identification of new business opportunities for the firm. Duties include overseeing pre-development planning and financing of new surgery center projects, de-novo development of surgery center operational systems and ongoing management of the firm's surgery centers. As an operator of ambulatory surgery centers, particular emphasis is placed on implementing and refining the management program for the firm's centers; accordingly, Mr. Zasa personally oversees the management program.

61. Robert Zasa – Robert Zasa is a founder and Partner at Woodrum/ASD. He is experienced in all phases of business development in multiservice ambulatory care facilities, group practices, ambulatory surgery centers and hospitals. That experience includes management, development, expansion, acquisition, ownership structuring and marketing. He is a founder and former executive of Premier Ambulatory Systems, Inc. and a long time advocate and leader in the ASC business.

62. Greg Zoch – Greg Zoch has been involved with the marketing of health care organizations and services and with the recruitment of health care professionals since 1990. Greg's deep knowledge and healthcare industry experience has given him keen insight into the issues, trends and motivating factors that are fundamental to business development, career growth, satisfaction and retention.

His primary focus is on the strategic growth and staffing initiatives of client companies, who develop, manage, consult with, and/or own and operate ambulatory surgery centers, and specialty hospitals throughout America.

Greg's assignments are primarily for clinical and operational leadership positions. These are typically corporate and facility level Chief Executive Officers, Chief Operations Officers, Chief Nursing Officers, Ambulatory Surgery Center Administrators & Directors of Nursing, as well as Regional to National Directors & Vice Presidents and C-level individuals in Facilities Development and Operations.

63. Bryan Zowin – Bryan graduated from the University of Wisconsin-Stevens Point in 1989 with a Bachelor of Science degree in business

administration/finance and started his career as a healthcare consultant in 1990. Bryan is the president of Physician Advantage Inc., a healthcare management company located in Peoria, Illinois. The company provides management services to a wide range of healthcare specialties including: Surgical Centers, Anesthesia, Orthopedics, Urology, ENT, OB-Gyn, Facial Plastic, Pain Management and Primary Care. P.A. Inc. also provides Medicare/Medicaid compliance plans and audits. A significant portion of Bryan's time is dedicated to assisting clients in maximizing practice operation and financial performance. Bryan provides his clients with financial review, ownership options, budgeting, strategic planning, billing and reimbursement recommendations, managed care contracting, new venture analysis and other organizational issues. ■

To advertise in or subscribe to the ASC Review, please contact Scott Becker at sbecker@mcquirewoods.com

Why HealthMark for your ASC?

- Majority owned by physicians
- Strong operational and financial performance
- Comprehensive development and management services
- Committed to the highest quality patient care
- Excellent patient satisfaction ratings

Contact us now to get started on the road to success.

HEALTHMARK PARTNERS

1-800-250-2452 x 227 | kapt@healthmarkpartners.com | www.healthmarkpartners.com



THE FREEDOM YOU WANT.
THE SUPPORT YOU NEED.
THE QUALITY YOU DEMAND.

If you're looking for a partner with unparalleled experience developing and operating outpatient surgery centers, look no further. Find out how we can put our experience to work for you.

For more information, call (615) 234-5926 or visit www.symbion.com.

SYMBION
HEALTHCARE

THE VISION TO SEE. THE EXPERIENCE TO SUCCEED.

SpineMark Corporation Makes Its Mark in the Evolving Spine Industry

By Dana Kulvin

SpineMark Corporation's President and CEO, Marcy T. Rogers provides an overview of her company's spine center of excellence model that combines high-quality, patient-focused care with state of the art technology and advances in research.

What is SpineMark Corporation?

Established in 2004, SpineMark is developing a national and international network of spine care centers providing research, education and integrated operative/non-operative spinal services in a manner that focuses on high patient and physician satisfaction, customer service and quality. "Our specific business strategy is to brand premier spine care centers in target markets by partnering with physicians, healthcare facilities and research companies and providing a consumer-driven product," explains Rogers. With the first spine care center opening later this year in Denton, TX and eight more centers under development, each center will utilize a multi-disciplinary team of experts to provide a full spectrum of spine services including surgical, imaging, chiropractic, rehabilitation, nutrition, diagnostic, pain relief and other ancillary services. The development of a total of thirty-five centers with associated organizations for conducting research via Food and Drug Administration ("FDA") trials is planned over the next five years.

Who are SpineMark's Partners?

SpineMark seeks partners and equity relationships that are integral to developing spine centers in its target markets. SpineMark's clinical partnering model is used as a reference point to create a unique partnership between the parties for both clinical care and research. Generally, all partners hold an equity interest in the center. Partners can include, but are not limited to:

- Physicians and physician practices that want comprehensive, multidisciplinary spine services for their patients under the umbrella of a center of excellence model;
- Profit and nonprofit hospital systems interested in strategic partnership; and
- Free standing facilities, such as ambulatory surgery centers ("ASCs"), wishing to develop spine as a key product line in their centers. "With an enormous outpatient component and a host of minimally invasive spine surgeries that are performed, ASCs are a good candidate for partnership," adds Rogers.

Currently SpineMark is working with Cirrus Health, Titan Healthcare and is receptive to forming other partnerships.

Is There a Demand for SpineMark?

While there is nothing new about spine centers, the demand for them has never been greater. Research provided to SpineMark by third party advisory



WE GET IT DONE . . . DONE RIGHT!

- PHYSICIAN OWNERSHIP UP TO 90% OF THE FACILITY
- UNIQUE FINANCIAL LENDING TO MINIMIZE RISKS
- SUPERIOR CLINICAL AND FINANCIAL PERFORMANCE
- STRONG HOSPITAL JOINT VENTURE TRACK RECORD

UNPARALLELED SERVICES

Development Services: turnkey, quick and cost effective

Ongoing Management: superior performance at a low cost

Billing Services: maximize your collections and profits



Toll Free (877) 442-3687 | www.endocenters.com

ASC BECKER'S Review

PRACTICAL BUSINESS AND LEGAL GUIDANCE FOR AMBULATORY SURGERY CENTERS

- Yes!** I want to subscribe to *Becker's ASC Review*, 6 issues annually for **ONLY \$199**
- Yes!** I would like a two-year subscription for **ONLY \$299**

ORDER BY FAX OR MAIL: Return this form by fax or mail.

Mail: 315 Vernon Avenue, Glencoe, IL 60022

Fax: (847) 786-4572

SHIP TO:

Name: _____
 Title: _____
 Company: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____
 Email: _____

PAYMENT:

- Bill Me. PO#: _____
- Check Enclosed (by mail or fax only)
- Credit Card (by mail or fax only)
 Card #: _____ Exp: _____



Signature: _____

Make checks payable to **ASC Communications, Inc.**

ORDER TOTAL: _____

For additional information visit www.beckersasc.com

Jon Vick
 Tel 760-751-0250 (CA)
 e-mail: jonvick2@aol.com
www.ascs-inc.com

ASCs Inc.
 ASC Strategic
 Partnering, Sales,
 Purchases,
 Valuations, Mergers
 & Acquisitions

20 COMPANIES WANT TO INVEST IN YOUR SURGERY CENTER

Which one is right for you?
 How much is your ASC worth?
 How do you get the best terms?
 How do you get the highest price?
 Sell a minority or a majority interest?

WANT ANSWERS? CALL US!

ASCs Inc.



51 Medical Projects, 107 OR's, 28 ASC's and counting

As an ASC Medical Designer and Builder, **Irmscher Construction** is large enough to know the intricate details of designing and building a beautiful and efficient Ambulatory Surgery Center, but we're not too big to care. We will give your project our personal attention and a guaranteed contract price so you can concentrate on what you do best, delivering great health care.

Irmscher Construction has been a trusted commercial builder since 1892. Call or email Steve Goodman today at 260-422-5572 or sgoodman@irmscherinc.com for more information. We're excited about getting you started on a facility that we'll both be proud of.

IRMSCHER
 Since 1892 *Construction*

1030 Osage Street Phone (260) 422-5572 www.irmscherinc.com
 Fort Wayne, IN 46808 Fax (260) 424-1487 Build@irmscherinc.com

groups such as Sg2 and The Advisory Board predict huge growth with more than 1,100,000 spine surgeries for 2014, a fifteen percent annual growth rate and \$2.5 billion in annual major spinal procedure revenue, reports Rogers. "The Internet and patient demand, along with new technologies that translate to shorter surgical and recovery times and procedures that can be performed in an outpatient setting, has fueled a surge in the industry and we are at the forefront of that movement," she adds.

How Will SpineMark Lead the Industry?

In addition to its myriad of spine services, SpineMark centers also incorporate a clinical research arm or spine research organization (SRO™) under SpineMark CRO Management, Inc. By offering medical device manufacturers a network of dedicated sites for FDA trials, SpineMark centers will have access to the latest technological and surgical advances and spine care products. Access to these features will promote high patient and physician satisfaction and improve the quality of care and cost efficiencies. "By utilizing a 'pull strategy' that encourages research, development and FDA approval, we want to get new biomaterials, devices and techniques to market more quickly and into the hands of our physicians and patients," explains Rogers.

How Are SpineMark's Network of Centers Linked?

One of the cornerstones of SpineMark's projected clinical and financial success is the development of advanced information technology systems for clinical centers and research programs. The clinical operating system (COS) will link the network of centers. The system is designed to improve operating efficiencies, patient satisfaction, clinical care, ancillary product development and financial performance. To this end, it can be utilized by each of SpineMark's centers to assist in clinical care, research, cost and clinical outcome collection and reporting, marketing, training, billing and financial services and other applications.

What is the Primary Key to SpineMark's Success?

With a business strategy designed to ensure top-quality care and patient and physician satisfaction, proactive marketing is ultimately the biggest key to success. Marketing efforts are directed at physicians, affiliated providers, healthcare systems and hospitals, medical device and pharmaceutical companies, payors, patients and employers in an effort to educate the major participants about the centers, their services, cost savings and other benefits. "Through diverse marketing techniques, SpineMark can effectively reach its target audience in order to recruit physicians, attract patients and employers, attain primary care physician referrals, contract with payors, obtain medical device and pharmaceutical sponsors, partner with hospitals, ASCs and other healthcare facilities, amongst many other goals," explains Rogers. ■

Source:
 Marcy T. Rogers, M.Ed.: President and Chief Executive Officer, SpineMark Corporation, Management Technology Resources, 8910 University Center Lane, Suite 650, San Diego, California 92122; (858) 623-8412; mrogers@spinemark.com; www.spinemark.com.

If you'd like to receive the complimentary Becker's ASC Review eWeekly, please email Scott Becker at sbecker@mcguirewoods.com or Stephanie Wasek stephanie@beckersasc.com

**You're a Healthcare Specialist.
 We're Specialists In
 Healthcare Architecture.**



There are specialists in healthcare for a reason. There are specialists in healthcare architecture for the same reason. Marasco & Associates is a 30-year old national healthcare architecture and design-consulting firm that specializes in outpatient medical facilities, ambulatory surgery centers, medical office buildings, private physicians groups, hospital and institutional clients. We have completed thousands of projects, representing every specialty, in all 50 states as well as abroad, including over 300 ambulatory surgery centers and 16 specialty hospitals.

- Feasibility Studies
- Facility Analysis
- Development
- Master Planning
- Architecture
- Interior Design



MARASCO & ASSOCIATES, INC.
 HEALTHCARE ARCHITECTS AND CONSULTANTS
 1660 WYNKOOP, STE. 925, DENVER, CO 80202 | TOLL FREE: 877-728-6808
WWW.MARASCO-ASSOCIATES.COM

EMPOWERING PHYSICIANS



TO FOCUS ON THE FUTURE OF HEALTHCARE

Experts in physician owned, multi-specialty surgical facilities

- Development of new centers
- Established centers that are under performing
- Centers converting from single to multi-specialty
- Centers repurchasing equity from a passive investor
- Centers converting to a surgical hospital

No management fees, only a minimal yearly membership fee.

surgical hospital experience.

Experienced, full service management team.



PREXUS
 HEALTH PARTNERS

PREXUS HEALTH PARTNERS
 3145 Hamilton-Mason Road, Suite 100
 Hamilton, Ohio 45011
 513-454-1414
www.pheps.com
info@pheps.com



Advanced Practice, Inc.
Healthcare Reimbursement and Operations Consulting

*Assisting Ambulatory Surgery Centers with
Complex Third Party Payor Regulations
& Operational Procedures*

Billing Review Medicare Billing Compliance
CPT Coding Compliance Operational Performance Review
Managed Care Payment Review and Recovery

17101 Preston Road, Suite 180S • Dallas, Texas
Tel: 877-404-6668 • Fax: 972-931-9343

www.e-advancedpractice.com

Good Hiring Practices Help ASCs Meet Critical Staffing Challenges

By Scott Becker

With the continuing growth of ASCs, competition from hospitals, a national nursing shortage and experienced nurses retiring out of the workforce, ASCs are finding it difficult to find ASC-experienced Directors of Nursing and Administrators (*see* Sidebar). “In the past, ASCs would hire an operating room nurse manager from the local hospital, but in today’s competitive ASC market, a traditional hospital background is generally not sufficient to address shrinking reimbursements, quick surgery turnaround times and complex scheduling,” says Greg Zoch, executive search professional. This is further exacerbated because there are not enough nurses and administrators experienced in outpatient surgery to meet the increasing ASC demand. While ASCs cannot enlarge the pool of qualified applicants, they can improve their chances of hiring top-notch individuals by attracting the right candidates and taking proactive measures to retain them. Here are three steps Zoch suggest ASCs take:

Identify the ASC’s Culture

In a competitive hiring market, attracting qualified candidates can be difficult. “With fierce competition for experienced talent, money is not generally the biggest incentive. Instead an ASC’s culture is the single greatest inducement an ASC has to offer candidates,” advises Zoch. The ASC must convey the intangible factors to the candidate, such as its culture and environment that makes the ASC the best place to work. Often, an ASC must first identify its specific culture. For example: Is it a respectful workplace? Are the staff and owners kind and supportive? Are their opportunities for personal, as well as professional growth? Does it provide exceptional benefits? Does it provide for flexible schedules? Does it provide the quality of care and service an employee can feel good about? Does it have great leaders and physicians? Once the ASC’s culture has been identified, that message must be conveyed strongly and consistently to potential candidates throughout the interview and hiring process.

Use Interview Process to Sell

The interview process is the ASC’s chance to “sell itself” and win over a candidate. “Unfortunately failing to self-promote and failing to make the interview process candidate-friendly are the two most common mistakes an employer makes,” says Zoch. To avoid this, Zoch offers five tips:

1. Review resumes carefully to confirm that candidates meet the position’s basic requirements. “Interviewing unqualified candidates is a big time drain for an ASC’s staff and can result in frustration,” remarks Zoch.
2. Throughout the interview process, provide a clear and

AMERICAN MEDICAL BUILDINGS

a division of AMB Development Group

PLANNING
REAL ESTATE DEVELOPMENT
FINANCING
DESIGN/ENGINEERING
PROJECT MANAGEMENT
EQUIPMENT
OWNERS REPRESENTATION
CONFLICT RESOLUTION

AMBULATORY SURGERY CENTERS
AMBULATORY CARE CENTERS
MEDICAL OFFICE BUILDINGS
IMAGING CENTERS
GROUP PRACTICE CLINICS



800.779.4420

www.americanmedicalbuildings.com

consistent message about the ASC, its culture and why it is the best place to work. "Many employees are unsure of how to promote their centers. For this reason, it is imperative to train employees about how to deliver a succinct message about the ASC's culture and environment," Zoch advises.

3. Develop a hiring committee to create interview questions that elicit information about the candidate, encourage a free-flow discussion and avoid repetition. "Senior level executive and nurse candidates are likely skilled interviewers and they will expect an interview that is conducted professionally and produces an informative conversation," states Zoch. Focused questions and an interactive discussion will also permit the ASC to determine if the candidate is a good cultural fit, adds Zoch.

4. Listen intently to what the candidate says in the interview. "The questions that candidates ask are as, or perhaps more, important than their answers to specific questions. They can reveal what the candidate is really looking for and what he or she values, giving the ASC the chance to explain how its culture and environment fit those needs," explains Zoch.

5. Most importantly, make the interview process comfortable and respectful to the candidate. For example, describe the hiring process, tell them the next steps and timelines, ask if the process works for them and do not prolong the interview process unnecessarily. Make candidates feel that the position for which they are interviewing is vital and valuable to the ASC. "Having owners and senior staff members involved in the interview process shows how the ASC values the candidate and the position," advises Zoch.

Take Proactive Steps to Retain Employees

Follow through with the promises made to the employee in the hiring



From feasibility and business planning,
To facility and operations development,
Through certification and accreditation;
Instantia offers a total support program
for your outpatient surgery center.

**Instantia Health does not require an equity position
or a long-term management contract.**

The right development company at the right time.

Learn more: www.instantiahealth.com
303.554.0046



There's a Reason We Say "The Future Starts Here."



Things are changing and nowhere faster than in the business of outpatient care.

That's why SourceMedical has worked hard to understand your challenges and we've put ourselves in a position to deliver the most advanced generation of IT solutions yet to ambulatory surgical facilities, surgical hospitals, practices, diagnostic imaging centers and rehabilitation clinics.

You challenged us. We responded. Now let's get started.



800.719.1904 info@sourcemed.net www.sourcemed.net

process. "An individual accepts a job because of the employer and conversely generally leaves the job because of the employer. For this reason, it is imperative to avoid giving employees any reason to leave. This is particularly important because with the current increasing demand for experienced Directors of Nursing and Administrators there are ample opportunities for work," says Zoch. For example, if the ASC was promoted as one that is kind and supportive, make sure the staff, owners and physicians are kind and supportive. If the ASC promised career growth, ensure that it provides training, education and other growth opportunities. If flexibility was assured, work diligently with employees to create a schedule that works for them. Ultimately the ASC will benefit from following through with their promised culture and environment because the employees will be happy to be at work and motivated to perform effectively. As Zoch concludes, "If it is good for your people, it is almost always good for you. Happy motivated staff will help you attract more of the same."

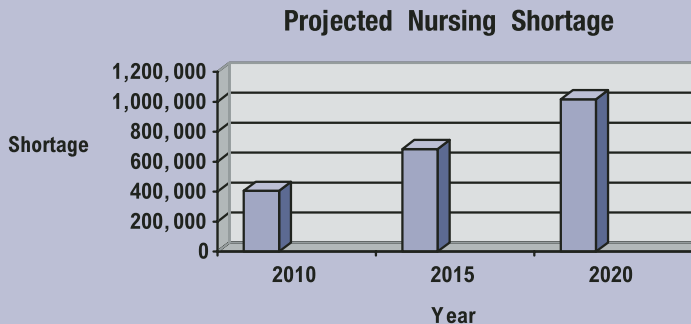
Source:

Greg Zoch: Partner, Kaye/Bassman International Corp., 4965 Preston Park Blvd, Fourth Floor, Plano, TX 75093; (972) 931-5242; gregz@kbic.com; www.kbic.com.

[SIDEBAR]

Nursing Shortage to Reach a Million by 2020

Recent 2006 statistics from the Health Resources and Services Administration, U.S. Department of Health and Human Services project the national nursing shortage to continue to increase up to and through 2020. Specifically, it projects a shortage of 405,800 nurses by 2010, 683,700 by 2015 and 1,016,900 by 2020.



Statistics courtesy of Health Resources and Services Administration from report titled "What is Behind HRSA's Projected Supply, Demand, and Shortage of Registered Nurses?" April 2006

National Surgical Care

National Surgical Care owns, operates and develops ASCs across the country in partnership with physicians and hospitals. We take care of the business so physicians may continue to provide high quality surgical care for their patients.

www.natsurgcare.com
866-866-2116

The right partnership means everything.

Want a corporate partner and keep control of your center?

Regent Surgical Health is both a manager and a partner, sharing risks with you. It is possible to have it all.

Specialists in the turnaround and development of surgery centers and physician-owned hospitals

Regent Surgical Health

2 Westbrook Corporate Center
Suite 1010
Westchester, Illinois 60154
tel: 708.492.0531
www.regentsurgicalhealth.com

Accurate FMV Diagnosis

HealthCare Appraisers is the recognized leader in providing Fair Market Value ("FMV") opinions for the healthcare community.

● Business Valuation

- ASCs ▪ Physician Practices ▪ Hospitals
- Diagnostic and Treatment Facilities
- Long Term Care Facilities and Programs

● FMV Opinions for Compensation and Service Arrangements

- Medical Directorships
- Management Services ▪ Development Services
- Per Use Equipment & Service Leases
(e.g. Brachytherapy)

● Consulting & Advisory Services

● Litigation Support



561.330.3488 Delray Beach, FL
303.688.0700 Denver, CO
503.906.7942 Portland, OR

www.healthcareappraisers.com

For Financing, See a Specialist

For more than 30 years, MarCap Corporation has provided creative, flexible financing for healthcare clients. It's all we do. So next time you're developing an ambulatory surgery center, work with a specialist. Call on MarCap.

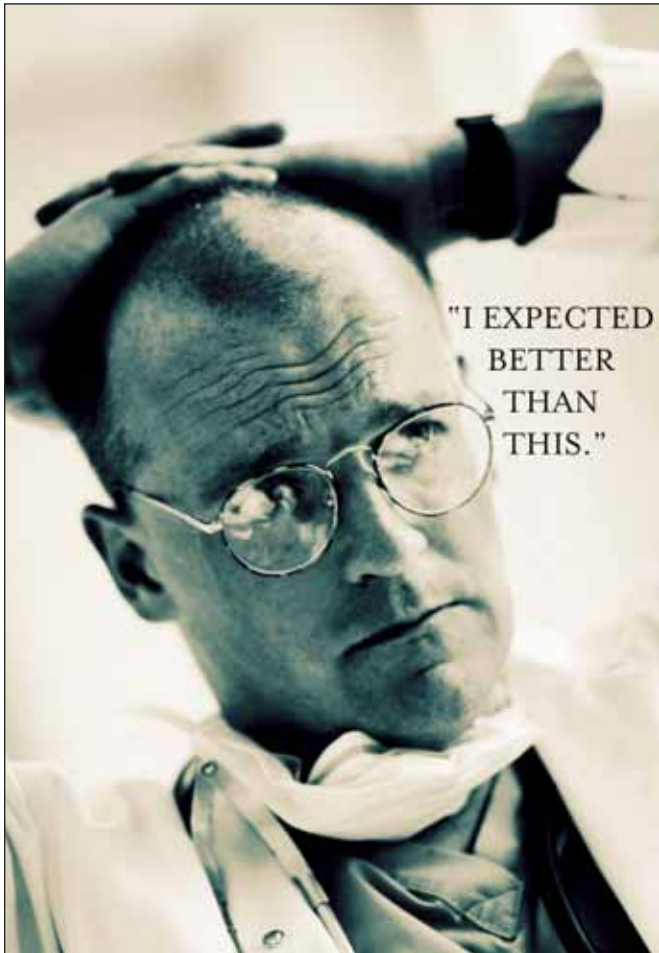
Call us at 800.621.1677 or
visit www.marcapcorp.com

marcap

financing for the health
of your business

ASC Communications, Inc.
77 West Wacker, Ste. 4100
Chicago, Illinois 60601
sbecker@mcguirewoods.com
312-750-6016

PRSR STD
US Postage
PAID
Merrill WI
54452
Permit No 24



YOU BOUGHT INTO AN ASC FOR SPECIFIC REASONS

...more control and efficiency, higher patient satisfaction and a more rewarding professional life.

Your ASC should provide all this plus greater compensation. If your center's profitability isn't meeting expectations, you have options. Ambulatory Surgical Centers of America (ASCOA) acquires, develops and manages ambulatory surgical centers. Three surgeons founded ASCOA because they wanted optimal efficiency, excellent patient care and an attractive return on their investment. Through a unique operating model and equity investment in your center, ASCOA produces industry-leading profits.

For a confidential conversation on how ASCOA delivers these results, call 866-98ASCOA (866-982-7262).

Or, visit www.ascoa.com.

