State of Tennessee
Health Services and Development Agency
Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

August 1, 2013

Corey Ridgway, Market President
United Surgical Partners International, Inc.
8 Cadillac Drive, Suite 200
Brentwood, TN 37027

RE: Certificate of Need Application -- Baptist Plaza Surgicare - CN1307-029

Dear Mr. Ridgeway:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need for the relocation of an existing ASTC with nine (9) outpatient surgery operating rooms, and one (1) surgical procedure suite from 2011 Church Street, Medical Plaza I lower level, Nashville (Davidson County), TN 37203 to the northeast corner of the intersection of Church Street and 20th Avenue North, Nashville (Davidson County), TN. The estimated project cost is $29,836,377.00.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on August 1, 2013. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on October 23, 2013.

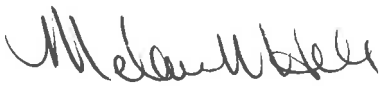
Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

MMH:mab

cc: Dan Henderson, Director, Division of Health Statistics

State of Tennessee
Health Services and Development Agency
Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

MEMORANDUM

TO: Dan Henderson, Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Cordell Hull Building, 6th Floor
425 Fifth Avenue North
Nashville, Tennessee 37247

FROM: Melanie M. Hill
Executive Director

DATE: August 1, 2013

RE: Certificate of Need Application
Baptist Plaza Surgicare - CN1307-029

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on August 1, 2013 and end on October 1, 2013.

Should there be any questions regarding this application or the review cycle, please contact this office.

MMH:mab

Enclosure

cc: Corey Ridgway, Market President

JUL 10 AM 11 08

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean (Name of Newspaper) which is a newspaper of general circulation in Davidson (County), Tennessee, on or before July 10 (Month / day), 2013 (Year) for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency,

Baptist Plaza Surgicare (Name of Applicant) an existing Ambulatory Surgical Treatment Center (ASTC) (Facility Type-Existing)

owned by: Baptist Plaza Surgicare, L.P. with an ownership type of limited partnership

and to be managed by: United Surgical Partners International, Inc. intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]:

the relocation of the existing ASTC with nine (9) outpatient surgery operating rooms, and one (1) surgical procedure suite. Construction of approximately 28,500 rentable square feet of space in a new medical office building will be required. The existing facility is located at 2011 Church Street, Medical Plaza I Lower Level, Nashville, TN 37203 (Davidson County). The proposed facility will be located at the northeast corner of the intersection of Church Street and 20th Avenue North, Nashville, TN, 37203 (Davidson County). The total cost of the project is estimated to be $29,836,377 (based upon sum of lease payments for initial 20 year term).

The anticipated date of filing the application is: July 15, 2013

The contact person for this project is Corey Ridgway (Contact Name) Market President (Title)

who may be reached at: United Surgical Partners International, Inc. (Company Name) 8 Cadillac Drive, Suite 200 (Address)

Brentwood (City) TN (State) 37027 (Zip Code) 615-376-7300 (Area Code / Phone Number)

(Signature) 7/8/13 (Date) CRidgway@uspi.com (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

COPY-Application

Baptist Plaza Surgicare

CN1307-029

2013 JUL 15 PM 3 45

BAPTIST PLAZA SURGICARE, LP

ASTC RELOCATION

CERTIFICATE OF NEED APPLICATION
JULY 2013

SECTION A:

APPLICANT PROFILE

Please enter all Section A responses on this form. All questions must be answered. If an item does not apply, please indicate *"N/A."* ***Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment.***

For Section A, Item 1, *Facility Name* ***must be*** *applicant facility's name and address* ***must be*** *the site of the proposed project.*

For Section A, Item 3, *Attach a copy of the partnership agreement, or corporate charter* ***and*** *certificate of corporate existence, if applicable, from the Tennessee Secretary of State.*

For Section A, Item 4, *Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% or more ownership interest. In addition, please document the financial interest of the applicant, and the applicant's parent company/owner in any other health care institution as defined in* Tennessee Code Annotated, §68-11-1602 *in Tennessee. At a minimum, please provide the name, address, current status of licensure/certification, and percentage of ownership for each health care institution identified.*

For Section A, Item 5, *For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.*

Please describe the management entity's experience in providing management services for the type of the facility, which is the same or similar to the applicant facility. Please describe the ownership structure of the management entity.

For Section A, Item 6, *For applicants or applicant's parent company/owner that currently own the building/land for the project location; attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements* ***must include*** *anticipated purchase price. Lease/Option to Lease Agreements* ***must include*** *the actual/anticipated term of the agreement* ***and*** *actual/anticipated lease expense. The legal interests described herein* ***must be valid*** on the date of the Agency's consideration of the certificate of need application.

1. ***Name of Facility, Agency, or Institution***

Baptist Plaza Surgicare (now at 2011 Church Street, Plaza I, Lower Level, Nashville, TN 37203)
Name

Northeast Corner of 20th Avenue N and Church Street — Davidson
Street or Route — County

Nashville — TN — 37203
City — State — Zip Code

2. ***Contact Person Available for Responses to Questions***

M. Corey Ridgeway — Market President
Name — Title

United Surgical Partners International, Inc. — cridgway@uspi.com
Company Name — email address

8 Cadillac Drive, Suite 200 — Brentwood — TN — 37027
Street or Route — City — State — Zip Code

Manager — 615-376-7300 — 615-825-0024
Association with Owner — Phone Number — Fax Number

3. ***Owner of the Facility, Agency or Institution***

Baptist Plaza Surgicare, L.P. — 615-515-4000
Name — Phone Number

2011 Church Street, Plaza I, Lower Level — Davidson
Street or Route — County

Nashville — TN — 37236
City — ST — Zip Code

See Attachment A, 3 (Tab 1) – Corporate Charter documentation

4. ***Type of Ownership of Control (Check One)***

A. Sole Proprietorship ____
B. Partnership ____
C. Limited Partnership X
D. Corporation (For Profit) ____
E. Corporation (Not-for-Profit) ____
F. Governmental (State of TN or Political Subdivision) ____
G. Joint Venture ____
H. Limited Liability Company ____
I. Other (Specify)____ ____

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS

See Attachment A, 3 (Tab 1) – Corporate Charter documentation
See Attachment A, 4 (Tab 2) – Organizational/Ownership Charts
See Attachment A, 4 (Tab 3) – Related Healthcare Institutions

5. ***Name of Management/Operating Entity (If Applicable)***

United Surgical Partners International, Inc.
Name

8 Cadillac Drive, Suite 200 — Williamson
Street or Route — County

Brentwood — TN — 37027
City — ST — Zip Code

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

See Attachment A, 5 (Tab 4) – Management Agreement. The management company serves the facilities listed in Tab 3 as part of the Saint Thomas Surgery Center Network.

6. ***Legal Interest in the Site of the Institution (Check One)***

A.	Ownership	____	D.	Option to Lease	X
B.	Option to Purchase	____	E.	Other (Specify) _____	____
C.	Lease of ____ Years	____			

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

See Attachment A, 6 (Tab 5) – Site Entitlement

7. ***Type of Institution (Check as appropriate--more than one response may apply)***

A.	Hospital (Specify) Acute Care	____	I.	Nursing Home	____
B.	Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty	X	J.	Outpatient Diagnostic Center	____
C.	ASTC, Single Specialty	____	K.	Recuperation Center	____
D.	Home Health Agency	____	L.	Rehabilitation Facility	____
E.	Hospice	____	M.	Residential Hospice	____
F.	Mental Health Hospital	____	N.	Non-Residential Methadone Facility	____
G.	Mental Health Residential Treatment Facility	____	O.	Birthing Center	____
H.	Mental Retardation Institutional Habilitation Facility (ICF/MR)	____	P.	Other Outpatient Facility (Specify)	____
			Q.	Other (Specify) _____	____

8. **Purpose of Review *(Check as appropriate--more than one response may apply)***

A.	New Institution	____	G.	Change in Bed Complement [*Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation*]	____
B.	Replacement/Existing Facility	X			
C.	Modification/Existing Facility	____			
D.	Initiation of Significant Health Care Service as defined in TCA § 68-11-1607(4) (Spec)	____			
E.	Discontinuance of OB Services	____	H.	Change of Location	X
F	Acquisition of Equipment	____	I.	Other (Specify)_____	____

9. **Bed Complement Data**

Please indicate current and proposed distribution and certification of facility beds.

		Current Beds Licensed	Current Beds *CON	Staffed Beds	Beds Proposed	TOTAL Beds at Completion
A.	Medical					
B.	Surgical (General Med/Surg)					
C.	Long-Term Care Hospital					
D.	Obstetrical					
E.	ICU/CCU					
F.	Neonatal					
G.	Pediatric					
H.	Adult Psychiatric					
I.	Geriatric Psychiatric					
J.	Child/Adolescent Psychiatric					
K.	Rehabilitation					
L.	Nursing Facility (non-Medicaid Certified)					
M.	Nursing Facility Level 1 (Medicaid only)					
N.	Nursing Facility Level 2 (Medicare only)					
O.	Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P.	ICF/MR					
Q.	Adult Chemical Dependency					
R.	Child and Adolescent Chemical Dependency					
S.	Swing Beds					
T.	Mental Health Residential Treatment					
U.	Residential Hospice					
	TOTAL					

*approved but not yet in service

RESPONSE: Not applicable.

10. **Medicare Provider Number** 3288827

Certification Type Outpatient Surgery Center

11. **Medicaid Provider Number** 3288827

Certification Type Outpatient Surgery Center

12. **If this is a new facility, will certification be sought for Medicare and/or Medicaid?** N/A

13. ***Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area.*** **Will this project involve the treatment of TennCare participants? Yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or *plans to contract.***

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

RESPONSE: Baptist Plaza participates in the major TennCare MCOs serving the majority of the patients in the area: Americhoice and Amerigroup. In total, Baptist Plaza participates in approximately 44 managed care organizations/behavioral health organizations. Please see **Attachment A,13 (Tab 6)** for a list of managed care contracts in which Baptist Plaza participates.

NOTE: ***Section B*** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. ***Section C*** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

RESPONSE: Please see the following executive summary.

BAPTIST PLAZA SURGICARE, LP
ASTC RELOCATION

EXECUTIVE SUMMARY

Ownership. Baptist Plaza Surgicare, LP (Baptist Plaza) is a joint venture between Saint Thomas Health, United Surgical Partners International, Inc. and area physicians. The joint venture owns and operates 14 surgery and endoscopy centers in the greater Nashville area, including 6 in Davidson County, 3 in Rutherford County, 2 in Wilson County and 1 each in Coffee, Sumner and Williamson Counties.

On November 30, 2011, Baptist Plaza Surgicare acquired Nashville Endoscopy Center (NEC). NEC remains both a separate facility and a separately licensed facility from the Baptist Plaza facility. All data and references here to Baptist Plaza refer to the original single entity only, rather than the combined legal entity with NEC.

Services and Equipment. This project proposes the relocation of the existing Baptist Plaza ASTC to a new medical office building approximately one-half block from the current location. There will be no change in the existing complement of nine operating rooms and one procedure room. No major equipment is proposed. The existing space will revert back to Healthcare Realty Trust, presumably for medical-related uses.

Construction of approximately 25,141 square feet of usable space (28,500 rentable) will be required. An inefficient linear ("bowling alley") design will be replaced with a more efficient and more rectangular design. Four of the nine operating rooms will be expanded to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years. Pre-op cubicles will be increased from 12 to 13. The post anesthesia care unit (PACU) cubicles will be increased from 10 to 18, and private rooms from 2 to 3.

Service Area. Baptist Plaza is currently located across the street from Baptist Hospital along Church Street. The proposed facility also will be located across the street from Baptist Hospital, but along 20th Avenue North. The proposed service area population will not change due to the close proximity of the relocation – approximately one-half block. Baptist Plaza has served and is projected to continue to serve residents of seven counties: Davidson, Cheatham, Robertson, Rutherford, Sumner, Williamson and Wilson.

Need. Approval of the Baptist Plaza relocation project will improve access to and the quality of cost-effective outpatient surgery services. The existing space is approximately 10 years old and was used previously as a hospital outpatient department.

- The facility project will improve patient accessibility by relocating from a congested lower level (basement) location to a new first floor location.
- Mechanical systems (HVAC and electrical) will be upgraded.
- An inefficient linear ("bowling alley") design will be replaced with a more efficient and more rectangular design.
- Four of the nine operating rooms will be expanded to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years. Support areas will be expanded as well.

Whether counting operating rooms or patients served, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area.[1] These types of extensive renovations to the existing space simply cannot be accomplished without shutting down the entire ASTC for several months. Thus, relocation to a new site is the only viable option for Baptist Plaza.

Existing Resources. The benefits above are intended for the existing physicians and patients of Baptist Plaza. The project can be achieved without negative effects on the existing health care system. Projected population growth will continue to support the need for Baptist Plaza and existing providers.

Project Cost. The total cost of the project will be $29,836,377 for CON purposes and includes $21,288,796 in undiscounted projected lease payments over the initial 20 year term. Of the remaining $8,547,581, equipment costs amount to $3,234,105. Construction costs, excluding the building shell, amount to $4,396,580 (approximately 25,141 usable square feet at $174.88 per square foot).

Funding, Financial Feasibility. Baptist Plaza has secured funding for the project from the building owner, First Tennessee Bank and its own on-going operations. The relocation will produce a positive financial return. The project will not have an adverse impact on patient charges.

Staffing. There are approximately 90 full-time equivalent employees (FTEs) already at Baptist Plaza, including 49 nursing FTEs and 26 operating room tech FTEs. No staffing changes are anticipated due to the relocation.

[1] 2012 Joint Annual Reports of Ambulatory Surgical Treatment Centers, summarized at Tab 11.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of $5 million) and other facility projects (construction cost in excess of $2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

RESPONSE: This project proposes the relocation of the existing Baptist Plaza ASTC to a new medical office building approximately one-half block from the current location. There will be no change in the existing complement of nine operating rooms and one procedure room. Construction of approximately 25,141 square feet of usable space (28,500 rentable) will be required. No major equipment is proposed. Pre-op cubicles will be increased from 12 to 13. The post anesthesia care unit (PACU) cubicles will be increased from 10 to 18, and private rooms from 2 to 3. Construction costs, excluding the building shell, amount to $4,396,580 (approximately 25,141 usable square feet at $174.88 per square foot).

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

RESPONSE: Not applicable. This outpatient surgery center project does not involve beds.

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

Unit/Dept.	Existing Location	Existing Sq. Ft.	Temporary Location	Proposed Final Location	Proposed Final Sq. Footage			Proposed Final Cost/Sq. Ft.		
					Renovated	New	Total	Renovated	New	Total
OR #1 - Class C, General	Ground FL 20th & Church	470	N/A	1st FL 20th & Church	0	475	475	$0	$525	$525
OR #2 - Class C, General	Ground FL 20th & Church	460	N/A	1st FL 20th & Church	0	480	480	$0	$525	$525
OR #3 - Class C, General	Ground FL 20th & Church	400	N/A	1st FL 20th & Church	0	480	480	$0	$525	$525
OR #4 - Class C, General	Ground FL 20th & Church	400	N/A	1st FL 20th & Church	0	480	480	$0	$525	$525
OR #6 - Class C, General	Ground FL 20th & Church	400	N/A	1st FL 20th & Church	0	400	400	$0	$525	$525
OR #7 - Class C, General	Ground FL 20th & Church	400	N/A	1st FL 20th & Church	0	400	400	$0	$525	$525
OR #8 - Class C, General	Ground FL 20th & Church	400	N/A	1st FL 20th & Church	0	400	400	$0	$525	$525
OR #9 - Class C, General	Ground FL 20th & Church	400	N/A	1st FL 20th & Church	0	400	400	$0	$525	$525
OR #10- Class C, General	Ground FL 20th & Church	400	N/A	1st FL 20th & Church	0	480	480	$0	$525	$525
OR #5 - Class B, minor	Ground FL 20th & Church	400	N/A	1st FL 20th & Church	0	400	400	$0	$350	$350
Processing / storage				1st FL 20th & Church		4,558	4,558		$135	$135
Pre Op / support				1st FL 20th & Church		2,578	2,578		$150	$150
Recovery / support				1st FL 20th & Church		4,495	4,495		$150	$150
Waiting/Business/Staff				1st FL 20th & Church		3,960	3,960		$80	$80
Unit/Dept GSF Sub-Total	N/A	N/A	N/A	1st FL 20th & Church	0	19,986	19,986			$0
Mechanical/Electrical GSF				Ground FL 20th & Church		1,385	1,385		$35	$35
Circulation/Structure GSF	N/A	N/A	N/A	1st FL 20th & Church	0	3,770	3,770	$0	$45	$45
Total GSF	N/A	N/A	N/A	20th & Church	0	25,141	25,141	$0	N/A	$174.88

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

RESPONSE: Not applicable. Baptist Plaza is an existing Ambulatory Surgical Treatment Center (ASTC). This project proposes the relocation of the existing ASTC to a new medical office building approximately one-half block from the current location. There will be no change in the existing complement of nine operating rooms and one procedure room.

D. Describe the need to change location or replace an existing facility.

RESPONSE: Approval of the Baptist Plaza relocation project will improve access to and the quality of cost-effective outpatient surgery services. The existing space is approximately 10 years old and was used previously as a hospital outpatient department.

- The facility project will improve patient accessibility by relocating from a congested lower level (basement) location to a new first floor location.

- Mechanical systems (HVAC and electrical) will be upgraded at the new site. At the existing site, fumes from trucks idling in the loading dock sometimes foul the air intakes. The HVAC shut down once in the past year, causing surgery cases to be cancelled for the day. Another time, power was lost and the center was cited by the state.

- An inefficient linear ("bowling alley") design will be replaced with a more efficient and more rectangular design.
- Four of the nine operating rooms will be expanded to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years.

- The new site is located approximately one-half block away from the existing site.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of $1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed-site major medical equipment (not replacing existing equipment):

   a. Describe the new equipment, including:
      1. Total cost; (As defined by Agency Rule).
      2. Expected useful life;
      3. List of clinical applications to be provided; and
      4. Documentation of FDA approval.

   b. Provide current and proposed schedules of operations.

   RESPONSE: Not applicable. No major medical equipment purchases are proposed. (Current and proposed schedules of operations at the ASTC are Monday through Friday, from 6:00 a.m. to 5:00 p.m.)

2. For mobile major medical equipment:

   a. List all sites that will be served;
   b. Provide current and/or proposed schedule of operations;
   c. Provide the lease or contract cost.
   d. Provide the fair market value of the equipment; and
   e. List the owner for the equipment.

RESPONSE: Not applicable. No mobile major medical equipment purchases are proposed.

3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.). In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

   RESPONSE: Not applicable. As described above, no major medical equipment purchases are proposed.

III. **(A)** Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must include**:

1. Size of site (***in acres***);
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

RESPONSE: Please see **Attachment B, III.(A) (Tab 7)** for a copy of the plot plan. The building site, excluding the parking deck, is 1.12 acres. The proposed facility will occupy leased space primarily on the first floor of a newly constructed medical office building. Some space will be leased on the ground floor for medical gasses, vacuum pumps and related mechanical systems.

(B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

RESPONSE: Baptist Plaza is conveniently located in Nashville just off State Route 70 near two Interstate Highways, I-40/65 and I-440, and will remain so after the relocation. The ASTC is accessible via public transportation services offered by the Nashville Metro Transit Authority, providing direct access to the facility.

Please see **Attachment B, III.(B).1 (Tab 8)** for maps depicting the relocation distance and the thoroughfares that connect the service area to the site, as well a map of Nashville MTA service.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: ***DO NOT SUBMIT BLUEPRINTS***. Simple line drawings should be submitted and need not be drawn to scale.

RESPONSE: Please see **Attachment B, IV (Tab 9)** for the first floor plan schematics. The exact placement of the 1,385 square foot mechanical space on the ground floor has not been finalized at this time.

V. For a Home Health Agency or Hospice, identify:

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

RESPONSE: Not applicable. The project does not involve a Home Health Agency or Hospice.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the *State Health Plan* and *Tennessee's Health: Guidelines for Growth*.

   a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

   RESPONSE: Under the *Guidelines for Growth: Criteria and Standards for Certificate of Need, Edition 2000* and the *2012 Update to the Tennessee State Health Plan*, there are three sets of criteria to be considered for the proposed project:
   - Ambulatory Surgical Treatment Centers
   - Construction, Renovation, Expansion, and Replacement of Health Care Institutions
   - Five Principles for Achieving Better Health

AMBULATORY SURGICAL TREATMENT CENTERS
2012 UPDATE TO THE TENNESSEE STATE HEALTH PLAN

Adopted and effective immediately as of May 23, 2013, these standards and criteria are not applicable to the proposed Baptist Plaza relocation project. As stated in the first paragraph of the newly adopted ASTC rules, "Existing ASTCs are not affected by these standards and criteria unless they take an action that requires a new certificate of need (CON) for the establishment or expansion of an ASTC."

- Baptist Plaza is an existing ASTC.
- Baptist Plaza does not seek the establishment of an ASTC.
- Baptist Plaza does not seek expansion of an ASTC.

Therefore, Baptist Plaza is not affected by the ASTC standards and criteria.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

   RESPONSE: Not applicable. The Baptist Plaza relocation and replacement project (approximately a one-half block move) does not include the addition of beds, services or medical equipment.

2. For relocation or replacement of an existing licensed health care institution:

   a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

      RESPONSE: A number of deficiencies with the existing site have been described. Only renovations to the mechanical systems (HVAC and electrical) can be accomplished at the existing site. This could possibly reduce fouled air intakes from fumes caused by trucks idling in the adjacent loading dock area. Or, electrical upgrades could possibly enhance power supply reliability. However, Baptist Plaza cannot escape from the lower level (basement) and loading dock areas without a complete rebuild of the entire facility.

      Additionally, a near complete or complete rebuild of the entire facility is the only way possible to replace the current, inefficient linear ("bowling alley") design with a more efficient and more rectangular design. Similarly, a near complete or complete rebuild of the entire facility is the only way possible to expand four of the nine operating rooms to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years.

      Whether counting operating rooms or patients served, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area.[2] These types of extensive renovations to the existing space simply cannot be accomplished without shutting down the entire ASTC for several months. Thus, relocation to a new site is the only viable option for Baptist Plaza. Although costs for this proposed relocation compare favorably to other similar ACTC projects, costs are not the determining factor in this relocation request. The new site is located approximately one-half block away from the existing site and will thus minimize any access concerns for physicians and patients.

   b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

      RESPONSE: Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area, whether counting operating rooms or patients served. Historically, Baptist Plaza has been highly utilized by patients residing in the seven county service area comprised of Davidson, Williamson, Sumner, Wilson, Rutherford, Robertson and Cheatham counties.

[2] 2012 Joint Annual Reports of Ambulatory Surgical Treatment Centers, summarized at Tab 11.

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BAPTIST PLAZA
HISTORICAL PATIENT ORIGIN DATA
2010 – 2012 UNDUPLICATED PATIENTS

	2010	2011	2012	Pct 2012
Primary Service Area				
Davidson	2,715	3,025	2,751	37.6%
Williamson	548	1,073	959	13.1%
Subtotal PSA	**3,263**	**4,098**	**3,710**	**50.8%**
Secondary Service Area				
Sumner	522	418	416	5.7%
Wilson	205	334	351	4.8%
Rutherford	352	418	346	4.7%
Robertson	327	222	258	3.5%
Cheatham	331	240	226	3.1%
Subtotal SSA	**1,737**	**1,632**	**1,597**	**21.8%**
All Other Counties/States	**1,711**	**2,309**	**2,003**	**27.4%**
Total Service Area	**6,711**	**8,039**	**7,310**	**100.0%**

Source: ASTC JARs

Please refer to the service area map in **Attachment C, Need – 1 (Tab 10)**.

The proposed relocation of the existing ASTC approximately one-half block away is not expected to have a material impact on patient referral patterns. The projected patient origin is expected to follow the 2012 percentage distribution above.

Whereas the patient origin data in the JARs is based upon unduplicated patients, volume and capacity calculations are based upon duplicated patients to more accurately quantify operating room and procedure room utilization.

BAPTIST PLAZA
HISTORICAL PATIENT UTILIZATION DATA
2010 – 2012 DUPLICATED PATIENTS

	2010	2011	2012	Ann Chng
Operating Rooms (9)	6,395	8,603	7,875	11.0%
Procedure Rooms (1)*	1,077	568	340	-43.8%
Total Rooms (10)	7,472	9,171	8,215	4.9%
OR Capacity (@ 1,263)	11,367	11,367	11,367	
Proc Rm Capac (@ 2,667)	2,667	2,667	2,667	
Total Capacity	14,034	14,034	14,034	
Operating Room Utilization	56.3%	75.7%	69.3%	
Procedure Room Utilization	40.4%	21.3%	12.7%	
Total Utilization	53.2%	65.3%	58.5%	

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)
* Includes pain management patients at Baptist Plaza

Baptist Plaza's operating room and total room volumes have increased an impressive 11.0% and 4.9% annually, respectively. Procedure room volume has lagged. However, a procedure room is a necessary and usual component of virtually every surgery-based ASTC. As indicated by the service area ASTC trend data in **Attachment C, Need – 1 (Tab 11)**, every single surgery-based ASTC with three or more operating rooms had at least one procedure room. As stated previously, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area whether counting operating rooms or patients served.

As indicated in the notes to the table above, the Joint Annual Report of Ambulatory Surgical Treatment Centers does not break out patient (case) data for operating rooms versus procedure rooms. Thus, it is not possible to calculate utilization percentages under the ASTC standards and criteria adopted and effective as of May 23, 2013. Regardless, ASTC trend data in **Attachment C, Need – 1 (Tab 11)** are summarized below.

SERVICE AREA ASTCS
HISTORICAL PATIENT UTILIZATION DATA
2010 – 2012 DUPLICATED PATIENTS

	2010	2011	2012	Ann Chng
Operating Room Patients	N/R	N/R	N/R	N/R
Procedure Room Patients	N/R	N/R	N/R	N/R
Total Room Patients	140,674	137,793	134,147	-2.3%

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)

The 2.3% annual decline in service area ASTC utilization contrasts sharply with the 4.9% annual increase experienced at Baptist Plaza. These differences speak to Baptist Plaza's ability to meet the needs of its physicians and surgeons, even when dealing with the facility constraints described previously.

As will be documented later, service area population growth (1.1% annually, all ages, 2013 – 2018) will continue to support ASTC utilization both at Baptist Plaza and throughout the service area.

In the table below, this service area population growth rate is applied to Baptist Plaza's historical utilization, allowing for some rounding due to specialty-specific breakouts. Under this reasonable and conservative scenario, the operating rooms and procedure room at Baptist Plaza will continue to be well utilized.

Though not subject to the ASTC methodology adopted and effective as of May 23, 2013, Baptist Plaza is projected will exceed the 70% optimum utilization standard on its 9 existing operating rooms. As documented previously, its single procedure room is a necessary and usual component of virtually every surgery-based ASTC.

BAPTIST PLAZA
HISTORICAL PATIENT UTILIZATION DATA
2010 – 2012 DUPLICATED PATIENTS

	JAR 2012	Interim 2013	Interim 2014	Year 1 2015	Year 2 2016	Ann Chng
Operating Rooms (9)	7,875	7,949	8,024	8,084	8,173	0.9%
Procedure Rooms (1)	340	356	372	404	408	4.7%
Total Rooms (10)	8,215	8,305	8,396	8,488	8,581	1.1%
OR Capacity (@ 1,263)	11,367	11,367	11,367	11,367	11,367	
Proc Rm Capac (@ 2,667)	2,667	2,667	2,667	2,667	2,667	
Total Capacity	14,034	14,034	14,034	14,034	14,034	
Operating Room Utilization*	69.3%	69.9%	70.6%	71.1%	71.9%	
Procedure Room Utilization*	12.7%	13.3%	13.9%	15.1%	15.3%	
Total Utilization	58.5%	59.2%	59.8%	60.5%	61.1%	

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)
* As an existing ASTC undergoing relocation but not expansion, BPS is not subject to these criteria

Projected physician specialty mix for Baptist Plaza is presented in the exhibit below. In no instance does the projected physician count by specialty exceed the actual number of medical staff by specialty reported on the 2012 ASTC JAR.

Baptist Plaza Specialty Mix
Physicians and Duplicated Patients, Year 1 (2015)

Specialty	Physicians	Patients	Pct Pats
Ophthalmology (non cataract)	15	1,291	15.2%
ENT	7	1,012	11.9%
General Surgery	11	1,308	15.4%
Gynecology	2	200	2.4%
Spine	2	123	1.4%
Orthopedics	10	3,270	38.5%
Pain Management	3	404	4.8%
Plastics	9	884	10.4%
Total	59	8,492	100.0%

Source: USPI internal data

Projected patient origin for Baptist Plaza is presented in the exhibit below. Projections are based upon 2012 actual experience. The service area is not projected to change as a result of the proposed relocation of approximately one-half block.

BAPTIST PLAZA
PROJECTED PATIENT ORIGIN
2015 (YEAR 1) DUPLICATED PATIENTS

	Pct 2012	2015	Pct 2015
Primary Service Area			
Davidson	37.6%	3,194	37.6%
Williamson	13.1%	1,114	13.1%
Subtotal PSA	**50.8%**	**4,308**	**50.8%**
Secondary Service Area			
Sumner	5.7%	483	5.7%
Wilson	4.8%	408	4.8%
Rutherford	4.7%	402	4.7%
Robertson	3.5%	300	3.5%
Cheatham	3.1%	262	3.1%
Subtotal SSA	**21.8%**	**1,855**	**21.9%**
All Other Counties/States	**27.4%**	2,326	**27.4%**
Total Service Area	**100.0%**	**8,488**	**100.0%**

Source: 2012 ASTC JARs, 2015 internal projections

These analyses demonstrate that there is an acceptable existing and projected future demand for the Baptist Plaza proposed relocation project.

3. For renovation or expansions of an existing licensed health care institution:

   a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

      RESPONSE: Not applicable. The Baptist Plaza project is for the relocation and replacement of an existing licensed health care institution. Please see the question above, which refers to facility relocations, for the discussion of demand.

   b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

      RESPONSE: Not applicable. The Baptist Plaza project is for the relocation and replacement of an existing licensed health care institution.

FIVE PRINCIPLES FOR ACHIEVING BETTER HEALTH

Each of the Five Principles for Achieving Better Health is addressed below.

Principle 1: Healthy Lives - *"The purpose of the State Health Plan is to improve the health of Tennesseans."*

RESPONSE: Among the top 10 leading causes of death for Tennessee residents are cancer and accidents. Surgical services proposed by Baptist Plaza will help in the treatment of these two leading causes of death plus the morbidity associated with orthopedic and other diseases.

Principle 2: Access to Care - *"Every citizen should have reasonable access to health care."*

RESPONSE: Among the three criteria required to attain good access, as listed in the 2010 National Health Disparities Report, is, "getting access to sites of care where patients can receive needed services." The proposed relocation of Baptist Plaza is designed to, among other goals, increase patient accessibility by moving out of the lower level (basement) of an existing medical office building to a new, more easily accessible first floor location in a new medical office building approximately one-half block away.

Principle 3: Economic Efficiencies - *"The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the state's health care system."*

RESPONSE: Recognizing the benefits of outpatient surgery centers such as the Baptist Plaza, Saint Thomas Health is actively involved in 13 other similar joint ventures with United Surgical Partners International throughout the greater Nashville area. Please see **Attachment A4, Related Healthcare Institutions (Tab 3)**.

This strategy remains vital today more than ever, in response to the Affordable Care Act (ACA) and continued pressure from payors to contain healthcare costs. Saint Thomas Health formed one of the nation's first Accountable Care Organizations (ACOs), MissionPoint Health Partners, in August 2011. Its goal is to assist doctors, employers and patients to work more closely together to trim medical costs and make people healthier under insurance plans. The concept behind the physician-led program is to help stakeholders in a patient's care – including doctors, hospitals, pharmacies and payers – to get in sync at a time when insurers are pushing for better coordination of care and linking payment amounts to health outcomes. MissionPoint works closely with patients, both when they are well and when they are sick.

ASTCs such as Baptist Plaza play an important role within the ACA and ACO care delivery model for containing costs, promoting quality and increasing accessibility. As documented in the Medicare pricing differential rates in **Attachment C, Need – 1 (Tab 12)**, freestanding ASCs typically were reimbursed 44% less than hospital-based facilities in 2013. This has a direct impact on patient deductibles and co-payments as well. Since Medicare rates often form a basis for third-party reimbursement, the impact of this differential on the service area population is even more widespread.

Principle 4: Quality of Care - *"Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers."*

RESPONSE: As an existing licensed and accredited provider of quality patient services, without regard to patient gender, ethnicity, geographic location or socioeconomic status, Saint Thomas Health and Baptist Plaza are equitable healthcare providers. This same level of commitment will continue with the proposed ASTC relocation.

Principle 5: Health Care Workforce - *"The state should support the development, recruitment, and retention of a sufficient and quality health care workforce."*

RESPONSE: While "the state" appears to be the party charged with supporting the development, recruitment, and retention of a sufficient and quality health care workforce, Baptist Plaza is an existing healthcare facility with a history of successful staff recruitment and retention.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

RESPONSE: As a joint venture with Saint Thomas Health, Baptist Plaza's long-range plan is to assure the availability in Middle Tennessee of high quality, cost-effective and accessible outpatient services. A network of such facilities operated and managed in a coordinated fashion, especially when part of the ACO described above, will result in the optimum use of resources and will be a key component in future models of health care that contemplate broad provider integration.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

RESPONSE: Baptist Plaza's service area for this project is based on historical experience and is comprised of seven counties. Its primary service area includes Williamson and Davidson Counties, with its secondary service area includes Cheatham, Robertson, Sumner, Wilson, and Rutherford Counties. Please see **Attachment C, Need – 1 (Tab 10)** for a map of the service area.

4. A. Describe the demographics of the population to be served by this proposal.

RESPONSE: As mentioned above, Baptist Plaza's primary service area is comprised of two counties, Davidson and Williamson. The secondary service area is five counties, Cheatham, Robertson, Sumner, Wilson, and Rutherford Counties.

Between 2013 and 2018, the population of the service area is projected to increase by 5.8%, or by 87,757 residents. This represents an annual growth rate of 1.1% and is greater than the projected growth rate of the state as a whole within that same five-year period, which is 0.6% annually or 3.2% total growth. Please see the table below, which illustrates the projected changes in population of the service area between 2013 and 2018 and denotes population growth within the Nashville MSA, the state of Tennessee, and the United States.

TOTAL POPULATION PROJECTIONS

	Total Population				
	2013	2018	Abs Chg	Ann % Chg	Abs % Chg
Primary Service Area					
Davidson	645,722	675,767	30,045	0.9%	4.7%
Williamson	194,928	211,426	16,498	1.6%	8.5%
Subtotal PSA	**840,650**	**887,193**	**46,543**	**1.1%**	**5.5%**
Secondary Service Area					
Cheatham	39,028	39,204	176	0.1%	0.5%
Robertson	68,061	70,933	2,872	0.8%	4.2%
Rutherford	276,375	296,297	19,922	1.4%	7.2%
Sumner	167,264	177,178	9,914	1.2%	5.9%
Wilson	119,707	128,037	8,330	1.4%	7.0%
Subtotal SSA	**670,435**	**711,649**	**41,214**	**1.2%**	**6.1%**
Total Service Area	**1,511,085**	**1,598,842**	**87,757**	**1.1%**	**5.8%**
Nashville MSA	1,649,030	1,738,464	89,434	1.1%	5.4%
Tennessee	6,469,063	6,678,670	209,607	0.6%	3.2%
United States	314,861,807	325,322,277	10,460,470	0.7%	3.3%

SOURCE: NIELSEN, INC.

The anticipated growth in the 65 and older population within the service area is much greater, more than four times that of the total growth. Between 2013 and 2018, the elderly population is expected to increase 24.0%, or by 41,353 residents. For Tennessee, the total five-year growth within this age cohort is projected to be 17.5%, for the United States, 16.3%. Because the elderly are among the highest users of healthcare services, such an explosive growth rate foretells the need for Baptist Plaza to anticipate increasing demand for services as result of this growth as well as that of the general population. Please see the table below.

65 AND OLDER POPULATION PROJECTIONS

	65+ Population				
	2013	2018	Abs Chg	Ann % Chg	Abs % Chg
Primary Service Area					
Davidson	72,519	87,305	14,786	3.8%	20.4%
Williamson	21,540	28,841	7,301	6.0%	33.9%
Subtotal PSA	**94,059**	**116,146**	**22,087**	**4.3%**	**23.5%**
Secondary Service Area					
Cheatham	4,865	5,998	1,133	4.3%	23.3%
Robertson	8,771	10,599	1,828	3.9%	20.8%
Rutherford	25,176	32,152	6,976	5.0%	27.7%
Sumner	23,114	28,257	5,143	4.1%	22.3%
Wilson	16,235	20,421	4,186	4.7%	25.8%
Subtotal SSA	**78,161**	**97,427**	**19,266**	**4.5%**	**24.6%**
Total Service Area	**172,220**	**213,573**	**41,353**	**4.4%**	**24.0%**
Nashville MSA	192,949	237,358	44,409	4.2%	23.0%
Tennessee	939,436	1,104,190	164,754	3.3%	17.5%
United States	43,861,920	50,997,686	7,135,766	3.1%	16.3%

SOURCE: NIELSEN, INC.

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE: Baptist Plaza provides services without regard to gender, race, socio-economic status, or ability to pay, and participates in the Medicare and TennCare programs.

In 2013, the 65 and older population accounted for 11.4% of the total population in the service area. As a major demographic subgroup of Baptist Plaza's patient base, the elderly will continue to expect of Baptist Plaza the same level of service while becoming an increasingly larger segment of the total service area population, with 2018 projections placing the 65 and older population at 13.4% of the total service area population.

The female population will represent 51.1% of the total population in the service area by 2018. As shown in the table below, the female population is expected to grow at the same annual rate as both sexes in service area, 1.1% per year.

FEMALE POPULATION PROJECTIONS

	Female Population				
	2013	2018	Abs Chg	Ann % Chg	Abs % Chg
Primary Service Area					
Davidson	332,471	347,094	14,623	0.9%	4.4%
Williamson	99,887	108,420	8,533	1.7%	8.5%
Subtotal PSA	**432,358**	**455,514**	**23,156**	**1.0%**	**5.4%**
Secondary Service Area					
Cheatham	19,562	19,711	149	0.2%	0.8%
Robertson	34,563	36,056	1,493	0.8%	4.3%
Rutherford	139,862	149,992	10,130	1.4%	7.2%
Sumner	85,639	90,728	5,089	1.2%	5.9%
Wilson	61,117	65,466	4,349	1.4%	7.1%
Subtotal SSA	**340,743**	**361,953**	**21,210**	**1.2%**	**6.2%**
Total Service Area	**773,101**	**817,467**	**44,366**	**1.1%**	**5.7%**
Nashville MSA	842,361	887,657	45,296	1.1%	5.4%
Tennessee	3,314,336	3,419,717	105,381	0.6%	3.2%
United States	160,042,072	165,322,056	5,279,984	0.7%	3.3%

SOURCE: NIELSEN, INC.

Three additional tables presented below illustrate the racial composition of the Baptist Plaza service area. By 2018, the white population will comprise 72.8% of the total population of the service area, while the black population will account for 16.8% and other races, 10.3%.

WHITE POPULATION PROJECTIONS

	White Population				
	2013	2018	Abs Chg	Ann % Chg	Abs % Chg
Primary Service Area					
Davidson	388,461	393,651	5,190	0.3%	1.3%
Williamson	173,213	186,428	13,215	1.5%	7.6%
Subtotal PSA	**561,674**	**580,079**	**18,405**	**0.6%**	**3.3%**
Secondary Service Area					
Cheatham	37,198	37,227	29	0.0%	0.1%
Robertson	59,290	61,602	2,312	0.8%	3.9%
Rutherford	211,267	218,359	7,092	0.7%	3.4%
Sumner	147,730	154,998	7,268	1.0%	4.9%
Wilson	105,794	112,169	6,375	1.2%	6.0%
Subtotal SSA	**561,279**	**584,355**	**23,076**	**0.8%**	**4.1%**
Total Service Area	**1,122,953**	**1,164,434**	**41,481**	**0.7%**	**3.7%**
Nashville MSA	1,251,359	1,294,001	42,642	0.7%	3.4%
Tennessee	4,969,914	5,060,288	90,374	0.4%	1.8%
United States	225,086,154	228,212,180	3,126,026	0.3%	1.4%

SOURCE: NIELSEN, INC.

BLACK POPULATION PROJECTIONS

	Black Population				
	2013	2018	Abs Chg	Ann % Chg	Abs % Chg
Primary Service Area					
Davidson	181,357	193,553	12,196	1.3%	6.7%
Williamson	7,959	7,670	-289	-0.7%	-3.6%
Subtotal PSA	**189,316**	**201,223**	**11,907**	**1.2%**	**6.3%**
Secondary Service Area					
Cheatham	557	544	-13	-0.5%	-2.3%
Robertson	4,839	4,609	-230	-1.0%	-4.8%
Rutherford	36,596	42,655	6,059	3.1%	16.6%
Sumner	10,949	11,890	941	1.7%	8.6%
Wilson	7,654	8,109	455	1.2%	5.9%
Subtotal SSA	**60,595**	**67,807**	**7,212**	**2.3%**	**11.9%**
Total Service Area	**249,911**	**269,030**	**19,119**	**1.5%**	**7.7%**
Nashville MSA	254,373	273,245	18,872	1.4%	7.4%
Tennessee	1,087,546	1,136,208	48,662	0.9%	4.5%
United States	40,007,260	41,797,400	1,790,140	0.9%	4.5%

SOURCE: NIELSEN, INC.

"OTHER" POPULATION PROJECTIONS

	"Other" Population				
	2013	2018	Abs Chg	Ann % Chg	Abs % Chg
Primary Service Area					
Davidson	75,904	88,563	12,659	3.1%	16.7%
Williamson	13,756	17,328	3,572	4.7%	26.0%
Subtotal PSA	**89,660**	**105,891**	**16,231**	**3.4%**	**18.1%**
Secondary Service Area					
Cheatham	1,273	1,433	160	2.4%	12.6%
Robertson	3,932	4,722	790	3.7%	20.1%
Rutherford	28,512	35,283	6,771	4.4%	23.7%
Sumner	8,585	10,290	1,705	3.7%	19.9%
Wilson	6,259	7,759	1,500	4.4%	24.0%
Subtotal SSA	**48,561**	**59,487**	**10,926**	**4.1%**	**22.5%**
Total Service Area	**138,221**	**165,378**	**27,157**	**3.7%**	**19.6%**
Nashville MSA	143,298	171,218	27,920	3.6%	19.5%
Tennessee	411,603	482,174	70,571	3.2%	17.1%
United States	49,768,393	55,312,697	5,544,304	2.1%	11.1%

SOURCE: NIELSEN, INC.

The service area counties as a whole have a Median Household Income higher than that of the state of Tennessee, the Nashville MSA and the United States as a whole. Income growth has begun to slow, and in some cases shrink over the period. The annual change in median household income in the service area is comparable to that of the MSA, state, and U.S. overall—-0.1% versus -1.1%, -0.3%, and 0.2% respectively. Please see the table below.

SERVICE AREA MEDIAN HOUSEHOLD INCOME

	Median Household Income				
	2013	2018	Abs Chg	Ann % Chg	Abs % Chg
Primary Service Area					
Davidson	$40,754	$37,987	-$2,767	-1.4%	-6.8%
Williamson	$83,220	$85,190	$1,970	0.5%	2.4%
Subtotal PSA	**$61,987**	**$61,589**	**-$399**	**-0.1%**	**-0.6%**
Secondary Service Area					
Cheatham	$48,200	$45,659	-$2,541	-1.1%	-5.3%
Robertson	$50,102	$49,715	-$387	-0.2%	-0.8%
Rutherford	$47,640	$44,297	-$3,343	-1.4%	-7.0%
Sumner	$44,938	$40,602	-$4,336	-2.0%	-9.6%
Wilson	$51,271	$47,328	-$3,943	-1.6%	-7.7%
Subtotal SSA	**$48,430**	**$45,520**	**-$2,910**	**-1.2%**	**-6.0%**
Total Service Area	**$52,304**	**$50,111**	**-$2,192**	**-0.9%**	**-4.2%**
Nashville MSA	$45,778	$43,270	-$2,508	-1.1%	-5.5%
Tennessee	$40,760	$40,157	-$603	-0.3%	-1.5%
United States	$49,297	$49,815	$518	0.2%	1.1%

SOURCE: NIELSEN, INC.

In terms of the TennCare population, 14.5% of the service area population is enrolled compared to 18.5% for the state overall. Please see **Attachment C, Need – 4 (Tab 13)**.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

RESPONSE: Three year ASTC trend data for the facilities in the Baptist Plaza service area are provided in **Attachment C, Need – 1 (Tab 11)**. A summary is provided in the table below.

SERVICE AREA ASTCS
HISTORICAL PATIENT UTILIZATION DATA
2010 – 2012 DUPLICATED PATIENTS

	2010	2011	2012	Ann Chng
Operating Room Patients	N/R	N/R	N/R	N/R
Procedure Room Patients	N/R	N/R	N/R	N/R
Total Room Patients	140,674	137,793	134,147	-2.3%

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)

The Joint Annual Report of Ambulatory Surgical Treatment Centers does not break out patient (case) data for operating rooms versus procedure rooms. Thus, it is not possible to calculate utilization percentages under the ASTC standards and criteria adopted and effective as of May 23, 2013. Regardless, ASTC trend data in

However, the 2.3% annual decline in service area ASTC utilization contrasts sharply with the 4.9% annual increase experienced at Baptist Plaza. These differences speak to Baptist Plaza's ability to meet the needs of its physicians and surgeons, even when dealing with the facility constraints described previously.

As documented previously, service area population growth (1.1% annually, all ages, 2013 – 2018) will continue to support ASTC utilization both at Baptist Plaza and throughout the service area.

Regardless of these area-wide utilization trends, the proposed project is designed to remediate facility deficiencies at Baptist Plaza without adding capacity to the healthcare delivery system. Only renovations to the mechanical systems (HVAC and electrical) can be accomplished at the existing site. This could possibly reduce fouled air intakes from fumes caused by trucks idling in the adjacent loading dock area. Or, electrical upgrades could possibly enhance power supply reliability. However, Baptist Plaza cannot escape from the lower level (basement) and loading dock areas without a complete rebuild of the entire facility.

Additionally, a near complete or complete rebuild of the entire facility is the only way possible to replace the current, inefficient linear ("bowling alley") design with a more efficient and more rectangular design. Similarly, a near complete or complete rebuild of the entire facility is the only way possible to expand four of the nine operating rooms to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years.

Whether counting operating rooms or patients served, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area.[3] These types of extensive renovations to the existing space simply cannot be accomplished without shutting down the entire ASTC for several months. Thus, relocation to a new site is the only viable option for Baptist Plaza. Although costs for this proposed relocation compare favorably to other similar ACTC projects, costs are not the determining factor in this relocation request. The new site is located approximately one-half block away from the existing site and will thus minimize any access concerns for physicians and patients.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE: Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area, whether counting operating rooms or patients served. Historically, Baptist Plaza has been highly utilized by patients residing in the seven county service area comprised of Davidson, Williamson, Sumner, Wilson, Rutherford, Robertson and Cheatham counties.

BAPTIST PLAZA
HISTORICAL PATIENT ORIGIN DATA
2010 – 2012 UNDUPLICATED PATIENTS

	2010	2011	2012	Pct 2012
Primary Service Area				
Davidson	2,715	3,025	2,751	37.6%
Williamson	548	1,073	959	13.1%
Subtotal PSA	**3,263**	**4,098**	**3,710**	**50.8%**
Secondary Service Area				
Sumner	522	418	416	5.7%
Wilson	205	334	351	4.8%
Rutherford	352	418	346	4.7%
Robertson	327	222	258	3.5%
Cheatham	331	240	226	3.1%
Subtotal SSA	**1,737**	**1,632**	**1,597**	**21.8%**
All Other Counties/States	**1,711**	**2,309**	**2,003**	**27.4%**
Total Service Area	**6,711**	**8,039**	**7,310**	**100.0%**

Source: ASTC JARs

Please refer to the service area map in **Attachment C, Need – 1 (Tab 10)**.

The proposed relocation of the existing ASTC approximately one-half block away is not expected to have a material impact on patient referral patterns. The projected patient origin is expected to follow the 2012 percentage distribution above.

[3] 2012 Joint Annual Reports of Ambulatory Surgical Treatment Centers, summarized at Tab 11.

Whereas the patient origin data in the JARs is based upon unduplicated patients, volume and capacity calculations are based upon duplicated patients to more accurately quantify operating room and procedure room utilization.

BAPTIST PLAZA
HISTORICAL PATIENT UTILIZATION DATA
2010 – 2012 DUPLICATED PATIENTS

	2010	2011	2012	Ann Chng
Operating Rooms (9)	6,395	8,603	7,875	11.0%
Procedure Rooms (1)*	1,077	568	340	-43.8%
Total Rooms (10)	7,472	9,171	8,215	4.9%
OR Capacity (@ 1,263)	11,367	11,367	11,367	
Proc Rm Capac (@ 2,667)	2,667	2,667	2,667	
Total Capacity	14,034	14,034	14,034	
Operating Room Utilization	56.3%	75.7%	69.3%	
Procedure Room Utilization	40.4%	21.3%	12.7%	
Total Utilization	53.2%	65.3%	58.5%	

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)
* Includes pain management patients at Baptist Plaza

Baptist Plaza's operating room and total room volumes have increased an impressive 11.0% and 4.9% annually, respectively. Procedure room volume has lagged. However, a procedure room is a necessary and usual component of virtually every surgery-based ASTC. As indicated by the service area ASTC trend data in **Attachment C, Need – 1 (Tab 11)**, every single surgery-based ASTC with three or more operating rooms had at least one procedure room. As stated previously, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area whether counting operating rooms or patients served.

As documented previously, service area population growth (1.1% annually, all ages, 2013 – 2018) will continue to support ASTC utilization both at Baptist Plaza and throughout the service area.

In the table below, this service area population growth rate is applied to Baptist Plaza's historical utilization, allowing for some rounding due to specialty-specific breakouts. Under this reasonable and conservative scenario, the operating rooms and procedure room at Baptist Plaza will continue to be well utilized.

Though not subject to the ASTC methodology adopted and effective as of May 23, 2013, Baptist Plaza is projected will exceed the 70% optimum utilization standard on its 9 existing operating rooms. As documented previously, its single procedure room is a necessary and usual component of virtually every surgery-based ASTC.

BAPTIST PLAZA
HISTORICAL PATIENT UTILIZATION DATA
2010 – 2012 DUPLICATED PATIENTS

	JAR 2012	Interim 2013	Interim 2014	Year 1 2015	Year 2 2016	Ann Chng
Operating Rooms (9)	7,875	7,949	8,024	8,084	8,173	0.9%
Procedure Rooms (1)	340	356	372	404	408	4.7%
Total Rooms (10)	8,215	8,305	8,396	8,488	8,581	1.1%
OR Capacity (@ 1,263)	11,367	11,367	11,367	11,367	11,367	
Proc Rm Capac (@ 2,667)	2,667	2,667	2,667	2,667	2,667	
Total Capacity	14,034	14,034	14,034	14,034	14,034	
Operating Room Utilization*	69.3%	69.9%	70.6%	71.1%	71.9%	
Procedure Room Utilization*	12.7%	13.3%	13.9%	15.1%	15.3%	
Total Utilization	58.5%	59.2%	59.8%	60.5%	61.1%	

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)
* As an existing ASTC undergoing relocation but not expansion, BPS is not subject to these criteria

Projected physician specialty mix for Baptist Plaza is presented in the exhibit below. In no instance does the projected physician count by specialty exceed the actual number of medical staff by specialty reported on the 2012 ASTC JAR.

Baptist Plaza Specialty Mix
Physicians and Duplicated Patients, Year 1 (2015)

Specialty	Physicians	Patients	Pct Pats
Ophthalmology (non cataract)	15	1,291	15.2%
ENT	7	1,012	11.9%
General Surgery	11	1,308	15.4%
Gynecology	2	200	2.4%
Spine	2	123	1.4%
Orthopedics	10	3,270	38.5%
Pain Management	3	404	4.8%
Plastics	9	884	10.4%
Total	59	8,492	100.0%

Source: USPI internal data

Projected patient origin for Baptist Plaza is presented in the exhibit below. Projections are based upon 2012 actual experience. The service area is not projected to change as a result of the proposed relocation of approximately one-half block.

BAPTIST PLAZA
PROJECTED PATIENT ORIGIN
2015 (YEAR 1) DUPLICATED PATIENTS

	Pct 2012	2015	Pct 2015
Primary Service Area			
Davidson	37.6%	3,194	37.6%
Williamson	13.1%	1,114	13.1%
Subtotal PSA	**50.8%**	**4,308**	**50.8%**
Secondary Service Area			
Sumner	5.7%	483	5.7%
Wilson	4.8%	408	4.8%
Rutherford	4.7%	402	4.7%
Robertson	3.5%	300	3.5%
Cheatham	3.1%	262	3.1%
Subtotal SSA	**21.8%**	**1,855**	**21.9%**
All Other Counties/States	**27.4%**	2,326	**27.4%**
Total Service Area	**100.0%**	**8,488**	**100.0%**

Source: 2012 ASTC JARs, 2015 internal projections

These analyses demonstrate that there is an acceptable existing and projected future demand for the Baptist Plaza proposed relocation project.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

   - All projects should have a project cost of at least $3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
   - The cost of any lease (building, land and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. NOTE: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
   - The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
   - For projects that include new construction, modification, and/or renovation; **documentation must be** provided from a contractor and/or architect that support the estimated construction costs.

   RESPONSE: The space lease for the surgery center relocation is valued over the 20-year initial term including base rent and additional rent, inflated 3 percent per year. Please refer to the table following this question.

   The cost of the space lease is based on the greater total amount of the lease payments over the initial term of the lease ($746.98 per rentable square foot) as opposed to fair market value experienced by United Surgical Partners for similar projects.

   In the projected data chart, space lease expense is presented as a straight line rent adjustment. This is an accounting entry based on Generally Accepted Accounting Principles (GAAP). If the rent escalation is not tied to the Consumer Price Index (CPI), as is the case here, then according to GAAP, the rent must be expensed using the straight line method.

   There are no major equipment purchases associated with this project. A single c-arm unit will be purchased for $140,000.

   Please see **Attachment C, Need – 1 (Tab 14)** for documentation supporting the construction costs.

Baptist Plaza
Space Lease Analysis

	Base Rent	Add Rent	Total
	$21.25	$8.41	$29.66
RSF:	28,500	28,500	
Escalation:	3%	3%	
Year			
1	605,625	239,685	845,310
2	623,794	246,876	870,669
3	642,508	254,282	896,789
4	661,783	261,910	923,693
5	681,636	269,768	951,404
6	702,085	277,861	979,946
7	723,148	286,196	1,009,344
8	744,842	294,782	1,039,625
9	767,188	303,626	1,070,813
10	790,203	312,735	1,102,938
11	813,909	322,117	1,136,026
12	838,327	331,780	1,170,107
13	863,476	341,733	1,205,210
14	889,381	351,986	1,241,366
15	916,062	362,545	1,278,607
16	943,544	373,421	1,316,965
17	971,850	384,624	1,356,474
18	1,001,006	396,163	1,397,169
19	1,031,036	408,048	1,439,084
20	1,061,967	420,289	1,482,256
	16,273,371	6,440,426	22,713,796
Less TI	$50.00	28,500	1,425,000
			21,288,796
		per sf	746.98

PROJECT COSTS CHART

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A. Construction and equipment acquired by purchase:

1.	Architectural and Engineering Fees	$ 254,427
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$ 125,000
3.	Acquisition of Site	
4.	Preparation of Site	
5.	Construction Costs	$ 4,396,580
6.	Contingency Fund	$ 439,658
7.	Fixed Equipment (Not included in Construction Contract)	$ 457,979
8.	Moveable Equipment (List all equipment over $50,000)	$ 2,776,126
9.	Other (specify)	$ -

B. Acquisition by gift, donation, or lease (20 Years):

1.	Facility (inclusive of building and land)	$ 21,288,796
2.	Building only	
3.	Land only	
4.	Equipment (Specify)	
5.	Other (Specify)	

C. Financing Costs and Fees:

1.	Interim Financing	$ 52,811
2.	Underwriting Costs	
3.	Reserve for One Year's Debt Service	
4.	Other (Specify)	

D. Estimated Project Cost (A+B+C)	$ 29,791,377
E. CON Filing Fee	$ 45,000
F. Total Estimated Project Cost (D+E)	$ 29,836,377
TOTAL	$ 29,836,377

2. Identify the funding sources for this project.

Please check the applicable item(s) below and briefly summarize how the project will be financed. ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)***

_X_ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions; **(Tab 15 – First Tennessee Bank)**

___ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

___ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting;

___ D. Grants--Notification of intent form for grant application or notice of grant award; or

_X_ E. Cash Reserves **(Tab 15, cash reserves from on-going operations of Baptist Plaza Surgicare)**

_X_ F. Other—Identify and document funding from all other sources. **(Tab 5 – Landlord's Letter of Intent, specifically tenant improvement allowance and excess financing)**

RESPONSE: Please see **Attachment C, Economic Feasibility – 2 (Tab 15)** for documentation of funding sources.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

RESPONSE: The table below lists the construction cost ranges for Ambulatory Surgical Treatment Centers that submitted CON applications between 2010 and 2012 and were approved.

As a tenant in a newly constructed building, the applicant is not responsible for the costs associated with constructing the building shell. Therefore, historical cost per square foot data pertaining to new construction is not comparable to this project's construction costs. Comparing historical renovation costs to this project's build out costs is more appropriate, as the applicant is only responsible for the build out costs of the shell space. The build out costs proposed by Baptist Plaza are projected at $174.88 per square foot and are not unreasonable compared to the $166.28 (3rd quartile) experienced for renovation projects between 2010 and 2012.

COST PER SQUARE FOOT COMPARISON

	Cost per sq/ft		
	Renovation	New Construction	Total
1st Quartile	$50.00	$200.00	$78.42
Median	$100.47	$252.74	$166.28
3rd Quartile	$166.28	$292.61	$244.26

Source: Tennessee Health Services Development Agency

4. Complete Historical and Projected Data Charts on the following two pages--***Do not modify the Charts provided or submit Chart substitutions!*** Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the ***Proposal Only*** (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

   RESPONSE: Please refer to the completed charts on the following pages.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

   RESPONSE: Average gross patient charge per case, as reported in the Historical Data Chart for 2012, was $9,067. The average deduction from gross patient charges was $6,730, resulting in an average net charge per case of $2,337.

   Average gross patient charge per procedure, as reported in the Projected Data Chart and based on Year 2 projections, is $9,067. The average deduction from gross patient charges was $6,612, resulting in an average net charge per case of $2,455.

HISTORICAL DATA CHART

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Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in January.

		Year 2010	Year 2011	Year 2012
A.	Utilization Data (ASC cases)	9,247	8,739	8,251
B.	Revenue from Services to Patients			
1.	Inpatient Services			
2.	Outpatient Services	$86,684,853	$79,257,213	$74,812,430
3.	Emergency Services			
4.	Other Operating Revenue (Specify)	45,359	45,448	380
	Gross Operating Revenue	$86,730,212	$79,302,661	$74,812,810
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	$64,694,743	$58,816,318	$55,279,538
2.	Provision for Charity Care			
3.	Provisions for Bad Debt	378,657	226,233	253,490
	Total Deductions	$65,073,400	$59,042,551	$55,533,028
NET OPERATING REVENUE		$21,656,812	$20,260,110	$19,279,782
D.	Operating Expenses			
1.	Salaries and Wages	$4,762,834	$4,883,087	$4,633,661
2.	Physician's Salaries and Wages			
3.	Supplies	6,930,615	6,881,208	6,547,020
4.	Taxes	77,674	80,440	90,062
5.	Depreciation	616,548	717,638	702,552
6.	Rent	616,312	629,005	644,698

7. Interest, other than Capital	113,282	110,427	104,720
8. Management Fees:			
a. Fees to Affiliates	1,515,977	1,418,208	1,349,585
b. Fees to Non-Affiliates			
9. Other Expenses (Specify)			
Insurance	116,277	126,522	93,912
Purchased Services	338,062	317,169	320,443
Utilities and Maintenance	305,813	348,352	411,865
Other Miscellaneous	26,162	21,429	26,221
Total Operating Expenses	$15,419,556	$15,533,485	$14,924,739
E. Other Revenue (Expenses) - Net (Specify)	$0	$3,500	$15,055
NET OPERATING INCOME (LOSS)	$6,237,256	$4,730,125	$4,370,098
F. Capital Expenditures			
1. Retirement of Principal	$183,406	$651,506	$827,630
2. Interest	103,972	113,906	114,353
Total Capital Expenditures	$287,378	$765,412	$941,983
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	$5,949,878	$3,964,713	$3,428,115

PROJECTED DATA CHART

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Give us information for the two (2) years following the completion of this proposal. The fiscal year begins in January.

		Year 2015	Year 2016
A.	Utilization Data (Cases)	8,493	8,578
B.	Revenue from Services to Patients		
	1. Inpatient Services		
	2. Outpatient Services	$77,009,859	$77,779,958
	3. Emergency Services		
	4. Other Operating Revenue (Specify)		
	Gross Operating Revenue	$77,009,859	$77,779,958
C.	Deductions from Gross Operating Revenue		
	1. Contractual Adjustments	$55,998,136	$56,345,899
	2. Provision for Charity Care		
	3. Provisions for Bad Debt	369,569	376,998
	Total Deductions	$56,367,706	$56,722,897
NET OPERATING REVENUE		$20,642,153	$21,057,061
D.	Operating Expenses		
	1. Salaries and Wages	$4,825,297	$4,970,714
	2. Physician's Salaries and Wages		
	3. Supplies	6,775,945	6,946,320
	4. Taxes	368,004	372,379
	5. Depreciation	822,605	843,545
	6. Rent	1,504,397	1,504,397

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7.	Interest, other than Capital	80,977	61,631
8.	Management Fees:		
	a. Fees to Affiliates	1,444,951	1,473,994
	b. Fees to Non-Affiliates		
9.	Other Expenses (Specify)		
	Insurance	104,312	108,516
	Purchased Services	684,892	700,853
	Utilities and Maintenance	595,226	612,190
	Other Miscellaneous	26,791	27,461
	Total Operating Expenses	$17,233,397	$17,621,999
Other Revenue (Expenses) – Net (Specify)			
OPERATING INCOME (LOSS)		$3,408,756	$3,435,062
Capital Expenditures			
1.	Retirement of Principal	$200,012	$166,686
2.	Interest	13,748	3,817
	Total Capital Expenditures	$213,760	$170,503
OPERATING INCOME (LOSS) ; CAPITAL EXPENDITURES		$3,194,996	$3,264,559

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

RESPONSE: Average gross patient charge per case, as reported in the Historical Data Chart for 2012, was $9,067. The average deduction from gross patient charges was $6,730, resulting in an average net charge per case of $2,337.

Average gross patient charge per procedure, as reported in the Projected Data Chart and based on Year 2 projections, is $9,067. The average deduction from gross patient charges was $6,612, resulting in an average net charge per case of $2,455.

Representative charges for surgery services at Baptist Plaza are presented in the Medicare charge comparison table found in **Attachment C, Need – 1 (Tab 12)**. Charges at the Baptist Plaza ASTC are projected to be 44% less than those in a hospital-based setting.

Approval of the Baptist Plaza relocation project will not impact existing patient charges.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE: As documented in the exhibit below, these charges are competitive with other large ASTCs in Baptist Plaza's service area.

Service Area ASTC Facilities
(annual patients > 7,000)
Average Charge per Patient, 2012

		Charge per Patient	
Facility	Patients	Gross	Net
Baptist Plaza Surgicare	8,215	$9,146	$2,436
Centennial Surgery Center	7,491	$10,926	$1,913
Baptist Ambulatory Surgery Center	7,443	$10,251	$3,422
Saint Thomas Campus Surgicare	7,446	$7,115	$1,696
Cool Springs Surgery Center	7,292	$8,215	$1,833
Surgicenter of Murfreesboro Med Clinic	7,984	$1,280	$755

Source: ASTC JARs

Representative charges by CPT code for surgery services at Baptist Plaza are presented in the Medicare charge comparison table found in **Attachment C, Need – 1 (Tab 12)**. Charges at the Baptist Plaza ASTC are projected to be 44% less than those similar outpatient surgery services provided in a hospital-based setting. This outpatient rate cost advantage extends to patient co-payments and deductibles.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

RESPONSE: Baptist Plaza's proposed relocation project is financially feasible and represents a cost-effective alternative to hospital-based outpatient surgery services. As indicated in the Projected Data Chart, projected utilization will be sufficient to allow Baptist Plaza to continue to operate efficiently and effectively.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

RESPONSE: Baptist Plaza is already financially viable. As indicated in the Projected Data Chart, projected cash flow will ensure continued financial viability within two years and over the long-term.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

RESPONSE: Baptist Plaza currently participates in two of the three TennCare MCOs operating in Middle Tennessee and has a history of providing care regardless of payor source. Historically, Baptist Plaza has provided care to charity/medically indigent patients at a rate of approximately 0.5% of net revenue.

Projected payor mix is not expected to change from 2012 actual payor mix. During the first year of operation of the relocation project, Baptist Plaza's payor mix is anticipated to be 21.9% Medicare, 1.5% TennCare, and 7.3% self pay. This amounts to a projected $16,865,159 in Medicare gross charges in Year 1 and $1,155,148 in TennCare gross charges in Year 1.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

RESPONSE: Please see **Attachment C, Economic Feasibility – 10 (Tab 16)**.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

    a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

    RESPONSE: Recognizing the benefits of outpatient surgery centers such as the Baptist Plaza ASTC, Saint Thomas Health is actively involved in 13 other similar joint ventures with United Surgical Partners International throughout the greater Nashville area. Please see **Attachment A4, Related Healthcare Institutions (Tab 3)**.

This strategy remains vital today more than ever, in response to the Affordable Care Act (ACA) and continued pressure from payors to contain healthcare costs. Saint Thomas Health formed one of the nation's first Accountable Care Organizations (ACOs), MissionPoint Health Partners, in August 2011. Its goal is to assist doctors, employers and patients to work more closely together to trim medical costs and make people healthier under insurance plans. The concept behind the physician-led program is to help stakeholders in a patient's care – including doctors, hospitals, pharmacies and payers – to get in sync at a time when insurers are pushing for better coordination of care and linking payment amounts to health outcomes. MissionPoint works closely with patients, both when they are well and when they are sick.

ASTCs such as Baptist Plaza play an important role within the ACA and ACO care delivery model for containing costs, promoting quality and increasing accessibility. As documented in the Medicare pricing differential rates in **Attachment C, Need – 1 (Tab 12)**, freestanding ASCs were reimbursed 44% less than hospital-based facilities in 2013. This has a direct impact on patient deductibles and co-payments as well. Since Medicare rates often form a basis for third-party reimbursement, the impact of this differential on the service area population is even more widespread.

Approval of the Baptist Plaza relocation will meet a number facility deficiencies related to accessibility, efficiency and quality. Only renovations to the mechanical systems (HVAC and electrical) can be accomplished at the existing site. This could possibly reduce fouled air intakes from fumes caused by trucks idling in the adjacent loading dock area. Or, electrical upgrades could possibly enhance power supply reliability. However, Baptist Plaza cannot escape from the lower level (basement) and loading dock areas without a complete rebuild of the entire facility.

Additionally, a near complete or complete rebuild of the entire facility is the only way possible to replace the current, inefficient linear ("bowling alley") design with a more efficient and more rectangular design. Similarly, a near complete or complete rebuild of the entire facility is the only way possible to expand four of the nine operating rooms to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years.

Whether counting operating rooms or patients served, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area. These types of extensive renovations to the existing space simply cannot be accomplished without shutting down the entire ASTC for several months. Thus, relocation to a new site is the only viable option for Baptist Plaza. Although costs for this proposed relocation compare favorably to other similar ACTC projects, costs are not the determining factor in this relocation request. The new site is located approximately one-half block away from the existing site and will thus minimize any access concerns for physicians and patients.

Relocating the facility became the most cost effective and efficient operational decision.

b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

RESPONSE: Approval of the Baptist Plaza relocation will meet a number facility deficiencies related to accessibility, efficiency and quality. Only renovations to the mechanical systems (HVAC and electrical) can be accomplished at the existing site. This could possibly reduce fouled air intakes from fumes caused by trucks idling in the adjacent loading dock area. Or,

electrical upgrades could possibly enhance power supply reliability. However, Baptist Plaza cannot escape from the lower level (basement) and loading dock areas without a complete rebuild of the entire facility.

Additionally, a near complete or complete rebuild of the entire facility is the only way possible to replace the current, inefficient linear ("bowling alley") design with a more efficient and more rectangular design. Similarly, a near complete or complete rebuild of the entire facility is the only way possible to expand four of the nine operating rooms to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years.

Whether counting operating rooms or patients served, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area. These types of extensive renovations to the existing space simply cannot be accomplished without shutting down the entire ASTC for several months. Thus, relocation to a new site is the only viable option for Baptist Plaza. Although costs for this proposed relocation compare favorably to other similar ACTC projects, costs are not the determining factor in this relocation request. The new site is located approximately one-half block away from the existing site and will thus minimize any access concerns for physicians and patients.

Relocating the facility became the most cost effective and efficient operational decision.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

   RESPONSE: Baptist Plaza has many active managed care contracts in place to provide for seamless care of its patients, including:

   Managed Care Contracts

   - Aetna / US Healthcare
   - Aetna Institutes of Quality Bariatric Surgery Facility
   - Aetna Institutes of Quality Orthopedic Care
   - Alive Hospice
   - Americhoice
   - AMERIGROUP Community Care
   - Avalon Hospice
   - Beech
   - BC/BS of TN
   - CCN
   - Blue Distinction Center for Bariatric Surgery
   - Blue Distinction Center for Knee and Hip Replacement
   - Blue Distinction Center for Spine Surgery
   - Bluegrass Family Health
   - CenterCare Managed Care Programs
   - Cigna Healthplan
   - CorVel Corporation
   - Coventry Health Care
   - Division of Rehabilitation Services
   - First Health
   - FOCUS Healthcare Management
   - Great West
   - HealthMarkets Care Assured
   - Health Payors Organization, Ltd. / Interplan Healthgroup
   - HealthSpring
   - Humana Health Care Plans
   - KY Medicaid
   - MultiPlan
   - NovaNet
   - OccuComp
   - Odyssey Healthcare
   - Prime Health
   - Private Healthcare Systems, Ltd.
   - Pyramid Life - Today's Options
   - Signature Health Alliance
   - Southern Benefit Administrators, Inc.
   - Starbridge Choice
   - Sterling Healthcare
   - TriCare for Life
   - TRICARE North

- TRICARE South
- United Healthcare
- USA Managed Care Organization
- Windsor HealthCare

Transfer Agreements

- Baptist Plaza maintains a transfer agreement with Baptist Hospital in Nashville. Baptist Hospital is across the street from both Baptist Plaza's existing and proposed sites.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

RESPONSE: This project proposes the relocation of the existing Baptist Plaza ASTC to a new medical office building approximately one-half block from the current location.

Positive Effects. There will be no change in the existing complement of nine operating rooms and one procedure room. No major equipment is proposed. The existing space will revert back to Healthcare Realty Trust, presumably for medical-related uses.

Construction of approximately 25,141 square feet of usable space (28,500 rentable) will be required. An inefficient linear ("bowling alley") design will be replaced with a more efficient and more rectangular design. Four of the nine operating rooms will be expanded to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years. Pre-op cubicles will be increased from 12 to 13. The post anesthesia care unit (PACU) cubicles will be increased from 10 to 18, and private rooms from 2 to 3.

Approval of the Baptist Plaza relocation project will improve access to and the quality of cost-effective outpatient surgery services. The existing space is approximately 10 years old and was used previously as a hospital outpatient department.

- The facility project will improve patient accessibility by relocating from a congested lower level (basement) location to a new first floor location.
- Mechanical systems (HVAC and electrical) will be upgraded.
- An inefficient linear ("bowling alley") design will be replaced with a more efficient and more rectangular design.
- Four of the nine operating rooms will be expanded to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years. Support areas will be expanded as well.

Whether counting operating rooms or patients served, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area. These types of extensive renovations to the existing space simply cannot be accomplished without shutting down the entire ASTC for several months. Thus, relocation to a new site is the only viable option for Baptist Plaza.

Negative Effects. The benefits above are intended for the existing physicians and patients of Baptist Plaza. The project can be achieved without negative effects on the existing health care system. As documented previously, service area population growth (1.1% annually, all ages, 2013 – 2018) will continue to support ASTC utilization both at Baptist Plaza and throughout the service area.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

RESPONSE: There are approximately 90 full-time equivalent employees (FTEs) already at Baptist Plaza, including 49 nursing FTEs and 26 operating room tech FTEs. No staffing changes are anticipated due to the relocation.

Additional candidates are readily available from within the existing surgery center network or in the marketplace in general. Baptist Plaza will utilize a number of channels to secure needed staff, including in-house listings of available positions, advertisements in local and regional newspapers, advertisements in professional publications, and recruiting firms. Saint Thomas Health, United Surgical Partners International and Baptist Plaza all have a history of successfully retaining and recruiting professional and administrative staff because they provide competitive compensation and benefits and are committed to the retention of existing personnel.

The exhibit below illustrates current and proposed staffing levels of the proposed project.

CURRENT AND PROPOSED STAFFING LEVELS
(FULL TIME EQUIVALENTS)

Position	Current	Proposed	FTE Variance
RN	49.0	49.0	0.0
Surg Tech	26.0	26.0	0.0
Med Assist/Ofc	15.0	15.0	0.0
Total FTEs	**90.0**	**90.0**	0.0

The table below, profiles comparable positions and salaries for the Nashville-Davidson-Murfreesboro MSA. Baptist Plaza's salaries and wages (excluding benefits and bonuses) are not only competitive with the market, but are often above average. Proposed hourly salaries for key positions are presented below.

NASHVILLE-DAVIDSON-MURFREESBORO MSA
MAY 2012 HOURLY WAGE RATES

		Nashville MSA			
Position	Projected Compensation	25th Pctile	Mean	Median	75th Pctile
RN	$30.00	$23.65	$31.00	$28.90	$34.75
Surg Tech	$20 - $25	$16.49	$20.24	$19.21	$23.61
Med Assist/Ofc	$15 - $22	$12.40	$14.75	$14.25	$17.00

Source: Tennessee Department of Labor & Workforce Development

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

RESPONSE: A number of channels are utilized to retain and replace staff, including in-house listings of available positions, advertisements in local and regional newspapers, advertisements in

professional publications, and recruiting firms. Saint Thomas Health, United Surgical Partners International and Baptist Plaza all have a history of successfully retaining and recruiting professional and administrative staff. They provide competitive compensation and benefits and are committed to the retention of existing personnel.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

   RESPONSE: Baptist Plaza has reviewed and understands the licensure and certification requirements for medical and clinical staff. As an existing licensed and accredited facility, Baptist Plaza has administrative policies and procedures in place to ensure that licensure and certification requirements are followed. Furthermore, Baptist Plaza maintains quality standards that are focused on continual improvement.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (*e.g.,* internships, residencies, etc.).

   RESPONSE: The applicant is not currently involved in any training programs, but is willing to consider this under the auspices of an appropriate educated institution.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

   RESPONSE: Baptist Plaza is licensed by the Tennessee Department of Health. The current license expires May 25, 2014. Baptist Plaza has reviewed and understands the licensure requirements.

   (b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

   RESPONSE: Licensure: Board of Licensing Health Care Facilities, State of Tennessee, Department of Health. The current license expires May 25, 2014. Please see **Attachment C, Contribution to the Orderly Development of Health Care – 7.(b) (Tab 17).**

   Accreditation: Baptist Plaza is accredited by The Joint Commission and was last surveyed on June 5, 2013. Please see **Attachment C, Contribution to the Orderly Development of Health Care – 7.(b) (Tab 18).**

   (c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

   RESPONSE: Please see **Attachment C, Contribution to the Orderly Development of Health Care – 7.(b) (Tab 17).** The current license is valid until May 25, 2014.

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

RESPONSE: There are no outstanding deficiencies.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

   RESPONSE: There have been no final orders or judgments placed against Baptist Plaza or any entity or person with more than 5% ownership.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

   RESPONSE: There have been no civil or criminal judgments against Baptist Plaza or any entity or person with more than 5% ownership.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number, and type of procedures performed, and other data as required.

    RESPONSE: Yes, Baptist Plaza will continue to provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number, and type of procedures performed, and other data as required. Additionally, Baptist Plaza submits a Joint Annual Report (JAR) to the Department of Health and will continue to do so.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

RESPONSE: Please see **Attachment D – Proof of Publication (Tabs 19-20).**

DEVELOPMENT SCHEDULE

Tennessee Code Annotated §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

2. **If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.**

   RESPONSE: Please see the project forecast completion chart below.

Form HF0004
Revised 02/01/06
Previous Forms are obsolete

PROJECT FORECAST COMPLETION CHART

2013 JUL 15 PM 3:46

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-160 10/24/2013

Assuming the CON approval becomes the final agency action on that date; indicate the number of days **from the above agency decision date** to each phase of the completion forecast.

	DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1. Architectural and engineering contract signed	15	Oct-13
2. Construction documents approved by the Tennessee Department of Health	165	Apr-13
3. Construction contract signed	30	May-14
4. Building permit secured	15	May-14
5. Site preparation completed	30	Jun-14
6. Building construction commenced	30	Jul-14
7. Construction 40% complete	90	Sep-14
8. Construction 80% complete	60	Nov-14
9. Construction 100% complete (approved for occupancy)	60	Jan-15
10. *Issuance of license	30	Feb-15
11. *Initiation of service	15	Feb-15
12. Final Architectural Certification of Payment	15	Mar-15
13. Final Project Report Form (HF0055)	15	Apr-15

* **For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

2013 JUL 15 PM 3 46

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Williamson

M. Corey Ridgway being first duly sworn, says that he/she is the applicant named in this application or his/her lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

VP

SIGNATURE/TITLE

Sworn to and subscribed before me this 12th day of July (Month) 2013 (Year) a Notary Public in and for the County/State of Williamson, TN

NOTARY PUBLIC

My commission expires 11/2 (Month/Day) 2013 (Year).

GAIL D. PRATT
STATE OF TENNESSEE NOTARY PUBLIC
WILLIAMSON COUNTY
My Commission Expires November 2, 2013

THIS CHECK IS VOID WITHOUT A PURPLE & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK . HOLD AT ANGLE TO VIEW

United Surgical Partners
INTERNATIONAL

15305 Dallas Parkway
Suite 1600, LB-28
Addison, TX 75001
972-713-3500

Controlled Disbursement
Bank of America, N.A.
Atlanta, Dekalb County, Georgia

64-1278
611 GA

CHECK DATE	CHECK NUMBER	AMOUNT
11-JUL-13	48020	$45,000.00

PAY: FORTY-FIVE THOUSAND DOLLARS AND 00 CENTS**********

TO THE ORDER OF HEALTH SERVICES AND DEVELOPMENT AGENCY
STATE OF TENNESSEE

VOID AFTER 60 DAYS

By:

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Attachment A

Corporate Charter
Organizational/Ownership Chart
Related Healthcare Institutions
Management Agreement
Site Entitlement
MCO/BHO Participation

Tab 1

Attachment A, 3

Corporate Charter

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 02/01/02
REQUEST NUMBER: 4409-2782
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 01/31/02 1225
EFFECTIVE DATE/TIME: 01/31/02 1225
CONTROL NUMBER: 0421255

TO:
CFS INC
8161 HWY 100-172

NASHVILLE, TN 37221

RE:
BAPTIST PLAZA SURGICARE, L.P.
CERTIFICATE OF DOMESTIC LIMITED PARTNERSHIP

CONGRATULATIONS UPON THE FILING OF THE ATTACHED LIMITED PARTNERSHIP, PURSUANT TO THE TENNESSEE REVISED UNIFORM PARTNERSHIP ACT, WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CONTROL NUMBER GIVEN ABOVE.

PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A LIMITED PARTNERSHIP HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: CERTIFICATE OF DOMESTIC LIMITED PARTNERSHIP ON DATE: 02/01/02

	FEES	
RECEIVED:	$100.00	$0.00
TOTAL PAYMENT RECEIVED:		$100.00

FROM:
CFS
8161 HIGHWAY 100
#172
NASHVILLE, TN 37221-0000

RECEIPT NUMBER: 00002999288
ACCOUNT NUMBER: 00101230

Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

SS-4458

38

FILED

RECEIVED
STATE OF TENNESSEE

02 JAN 31 PM 12: 25

RILEY DARNELL
SECRETARY OF STATE

CERTIFICATE OF LIMITED PARTNERSHIP

OF

BAPTIST PLAZA SURGICARE, L.P.
A Tennessee limited partnership

Pursuant to the Tennessee Revised Uniform Limited Partnership Act (the "Act"), the undersigned general partner hereby certifies as follows:

1. The name of the limited partnership is Baptist Plaza Surgicare, L.P., a Tennessee limited partnership.

2. The address of the registered office is 530 Gay Street, Knoxville, Knox County, TN 37902.

3. The name of the registered agent at the above address is CT Corporation System.

4. The address of the principal office where the records of the limited partnership are to be kept or made available is 15305 Dallas Parkway, Suite 1600, LB 28, Addison, TX 75001.

5. The name, mailing address and street address of the business or residence of each general partner is as follows:

   Saint Thomas/USP Surgery Centers, L.L.C.
   15305 Dallas Parkway, Suite 1600, LB 28
   Addison, TX 75001

6. This Certificate of Limited Partnership shall be effective upon its filing with the Secretary of State of Tennessee.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Limited Partnership as of January 30, 2002.

Saint Thomas/USP Surgery Centers, L.L.C.
General Partner

By: John J. Wellik
Vice President and Secretary

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 03/13/03
REQUEST NUMBER: 4750-1098
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 03/12/03 1142
EFFECTIVE DATE/TIME: 03/12/03 1630
CONTROL NUMBER: 0421255

TO:
CFS
8161 HWY 100, 172

NASHVILLE, TN 37221

RE:
BAPTIST PLAZA SURGICARE, L.P.
CERTIFICATE OF AMENDMENT - DOMESTIC
LIMITED PARTNERSHIP

THIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED DOCUMENT WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CONTROL NUMBER GIVEN ABOVE.

PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A LIMITED PARTNERSHIP HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: CERTIFICATE OF AMENDMENT - DOMESTIC LIMITED PARTNERSHIP

ON DATE: 03/13/03

FROM:
CFS
8161 HIGHWAY 100
#172
NASHVILLE, TN 37221-0000

	FEES	
RECEIVED:	$20.00	$0.00
TOTAL PAYMENT RECEIVED:		$20.00

RECEIPT NUMBER: 00003237690
ACCOUNT NUMBER: 00101230

Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

SS-4458

38

State of Tennessee

Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

For Office Use Only

AMENDMENT TO THE CERTIFICATE OF LIMITED PARTNERSHIP

FILED
TENNESSEE
2003 MAR 12 AM 11:42
RILEY DARNELL
SECRETARY OF STATE

Pursuant to the Tennessee Revised Uniform Limited Partnership Act, Section 61-2-202, the undersigned general partner(s) hereby execute(s) the following certificate of amendment:

1. The name of the limited partnership is: Baptist Plaza Surgicare, L.P.

2. The amendment to the certificate is as follows:

The current general partner of the partnership, Saint Thomas/USP Surgery Centers, L.L.C. hereby withdraws. Saint Thomas/USP- Baptist Plaza, L.L.C. is hereby admitted as the general partner of the partnership. The mailing address and street address of the general partner is 15305 Dallas Parkway, Suite 1600, Addision, TX 75001.

3. If the amendment is not to be effective upon filing by the Secretary of State, the delayed effective date/time is:

DATE: _____ , _____ TIME: _____

[NOTE: A delayed effective date may not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: Must be signed by at least one general partner and any new general partners added by this amendment.]

March 6, 2003 Signature Date	Signature
Vice President of withdrawing general partner Signer's Capacity	John J. Wellik Name (typed or printed)
March 6, 2003 Signature Date	Signature
Vice President of general partner Signer's Capacity	John J. Wellik Name (typed or printed)

SS-4471 (Rev. 11/99) RDA 2135

TN035 - 8/008/2001 C T System Online

0421255

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

of

BAPTIST PLAZA SURGICARE, L.P.

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SCHEDULE A	List of Partners
SCHEDULE B	Annual Eligibility Affirmation Statement
SCHEDULE C	Development and Management Agreement

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. WITHOUT SUCH REGISTRATION, SUCH SECURITIES MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE ISSUER OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER OR SUCH OTHER EVIDENCE AS MAY BE REASONABLY SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY SUCH TRANSFER SHALL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER.

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF BAPTIST PLAZA SURGICARE, L.P.

This Amended and Restated Limited Partnership Agreement of Baptist Plaza Surgicare, L.P., a Tennessee limited partnership, is an amendment and restatement in full of that certain Limited Partnership Agreement, dated as of October 1, 2002 (the "Prior Partnership Agreement"), and is made effective as of Dec 23, 2003, by and among (i) Saint Thomas/USP-Baptist Plaza, L.L.C., a Tennessee limited liability company (the "General Partner") that is wholly owned by Saint Thomas/USP Surgery Centers, L.L.C., a Tennessee limited liability company (the "Joint Venture"), which is a joint venture of Saint Thomas Network, a Tennessee not-for-profit corporation ("STN") formerly known as Saint Thomas Health Services, and USP Tennessee, Inc., a Tennessee corporation (the "Manager"), which is an affiliate of United Surgical Partners International, Inc., a Delaware corporation ("USPI"), (ii) Seton Corporation, a Tennessee not-for-profit corporation doing business as Baptist Hospital (the "Hospital"), and (iii) each of the entities and individuals whose names and addresses are set forth under the heading "Limited Partners" on *Schedule A* attached hereto. Hereafter, the Hospital and the other Limited Partners named in *Schedule A*, together with any Persons hereafter becoming Limited Partners hereof and excluding any Persons hereafter withdrawing from the Partnership as Limited Partners, from and after the time of such withdrawal, are hereinafter collectively referred to as the "Limited Partners" and, together with the General Partner, shall be referred to collectively as the "Partners." The interests of the Manager and STN (together, the "Initial Limited Partners"), and the interests of the Joint Venture as the initial general partner of the Partnership, have been transferred to the General Partner and its Affiliates concurrently with the effectiveness of this Agreement.

DEFINITIONS

The following definitions shall be applicable to the terms set forth below as used in this Agreement:

"1933 Act" shall be as defined in Section 15.7 hereof.

"Affiliate" of any entity means any corporation, partnership, trust or other entity that directly or indirectly controls, is controlled by, or is under common control with such entity. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

"Agreed Value" shall be as defined in Section 15.11 hereof.

"Agreement" means this Amended and Restated Limited Partnership Agreement of Baptist Plaza Surgicare, L.P., a Tennessee limited partnership, as the same may be amended or modified from time to time in accordance with Article XIX hereof.

"Agreed Value" shall be as defined in Section 15.11 hereof.

"Annual Eligibility Affirmation Statement" means the form of statement attached hereto as *Schedule B*.

"Available Cash" means, at the time of determination, all partnership cash, demand deposits and short-term marketable securities received from the conduct of the Partnership's business or from capital transactions (including without limitation net insurance proceeds from the sale, exchange, condemnation or other disposition of all or any part of Partnership property or any interest therein), less any sums or amounts reinvested or otherwise expended in the conduct of the Partnership's business, including reserves for working capital, replacements and capital improvements, reserves for repayments of debts owed to the Partners and additions to such amounts as the General Partner shall determine in its sole but reasonable discretion are necessary or appropriate.

"Capital Account" means an account established and maintained for each Partner in accordance with Section 7.4 hereof.

"Capital Contributions" means all cash sums and the Gross Asset Value of all other assets which the Partners or their predecessors have contributed or hereafter do contribute to the capital of the Partnership.

"Code" means the Internal Revenue Code of 1986, as amended and in effect on the effective date hereof and, to the extent applicable, as subsequently amended or replaced.

"Development and Management Agreement" means that certain Development and Management Agreement, in the form attached hereto as *Schedule C*, entered into or to be entered into between Manager and the Partnership.

"General Partner" shall be as defined in the preamble of this Agreement.

"General Partner Units" shall be as defined in the definition of the term "Units."

"Gross Asset Value" means, with respect to any asset of the Partnership, the asset's adjusted basis for federal income tax purposes; provided, however, that:

(a) the Gross Asset Value of any asset contributed by a Partner to the Partnership or distributed to a Partner by the Partnership shall be the gross fair market value of such asset (without taking into account Section 7701(g) of the Code), as reasonably determined by the contributing or distributee Partner and the General Partner provided that, if the contributing or distributee Partner is the General Partner, the deferment of gross fair market value shall require the consent of the Partnership;

(b) the Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values as determined by the General Partner and the Partnership (without taking into account Section 7701(g) of the Code), upon the termination of the Partnership for federal income tax purposes pursuant to Section 708(b)(1)(B) of the Code; and

(c) the Gross Asset Values of all Partnership assets shall, if reasonably necessary or appropriate reflect the relative economic interests of the Partners, be adjusted by the General Partner to equal their respective gross fair market values (without taking into account Section 7701(g) of the Code), as of (i) the date of the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis contribution to the capital of the Partnership or (ii) upon the distribution by the Partnership to a retiring or continuing Partner of more than a de minimis amount of Partnership property including money in reduction of such Partner's interest in the Partnership.

"Hospital" shall be as defined in the preamble of this Agreement.

"Initial Limited Partners" shall be as defined in the preamble of this Agreement.

"Joint Venture" shall be as defined in the preamble of this Agreement.

"Limited Partner Units" shall be as defined in the definition of the term "Units."

"Limited Partners" shall be as defined in the preamble of this Agreement.

"Liquidator" means the party or parties actually conducting the liquidation of the Partnership in accordance with the first sentence of Section 17.1 hereof, whether the General Partner, a liquidator or a liquidating committee.

"Majority in Interest of the Limited Partners" means such Limited Partners as shall own, at the time of any determination, a majority of all Units then owned by Limited Partners, including the General Partner and its Affiliates with respect to any Limited Partner Units then held by the General Partner or any of its Affiliates.

"Manager" shall be as defined in the preamble of this Agreement.

"Net Income" or "Net Loss" means, for each fiscal year, an amount equal to the Partnership's taxable income or loss, as the case may be, for such year determined in accordance

with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), as adjusted as follows for purposes of computing Net Income or Net Loss:

(a) any deductions for depreciation, cost recovery or amortization attributable to any assets of the Partnership shall be determined by reference to their Gross Asset Value, except that if the Gross Asset Value of an asset differs from its adjusted tax basis for federal income tax purposes at any time during such year or other period, the deductions for depreciation, cost recovery or amortization attributable to such asset from and after the date during such year or period in which such difference first occurs shall bear the same ratio to the Gross Asset Value as of such date as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period from and after such date bears to the adjusted tax basis as of such date;

(b) any gain or loss attributable to the taxable disposition of any property shall be determined by the Partnership as if the adjusted tax basis of such property as of such date of disposition was such Gross Asset Value reduced by all amortization, depreciation and cost recovery deductions (determined in accordance with clause (a) above) which are attributable to said property;

(c) the computation of all items of income, gain, loss and deduction shall be made without regard to any basis adjustment under Section 743 of the Code which may be made by the Partnership;

(d) any income of the Partnership that is exempt from federal income tax and is not otherwise included in taxable income or loss shall be added to such taxable income or loss; and

(e) any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as expenditures described in Section 705(a)(2)(B) of the Code pursuant to Regulations Section 1.704-1(b) shall be subtracted from such taxable income or loss.

(f) in the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subsection (a) or subsection (c) of the definition of "Gross Asset Value" above, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss.

"Noncompete Area" shall be as defined in Section 15.12.

"Nonrecourse Deductions" shall be as defined in Section 9.6(a)(i).

"Offering Memorandum" shall be as defined in Section 14.8.

"Partner Advance" shall be as defined in Section 8.3 hereof.

"Partner Nonrecourse Debt Minimum Gain" shall be as defined in Section 9.6(a)(ii) hereof.

"Partner Nonrecourse Deductions" shall be as defined in Section 9.6(a)(iii) hereof.

"Partner Nonrecourse Liability" shall be as defined in Section 9.6(a)(iv) hereof.

"Partners" shall be as defined in the preamble hereof.

"Partnership" means the limited partnership entered into and formed by the parties hereto pursuant to this Agreement and the Partnership Act.

"Partnership Act" means the Tennessee Revised Uniform Limited Partnership Act, Tennessee Code §61-2-101 *et. seq.*, as the same may be amended from time to time.

"Partnership Minimum Gain" shall be as defined in Section 9.6(a)(v).

"Person" means any individual, corporation, partnership, limited liability company, trust or other entity.

"Physician Eligibility Requirements" shall mean the requirement that a Qualified Practitioner must affirm in writing, in connection with the initial acquisition of Limited Partner Units and, thereafter, by the execution and delivery to the Partnership within 30 days after each anniversary of the opening of the Surgery Center as a freestanding facility (or such other 12 month period as the General Partner may determine) of an Annual Eligibility Affirmation Statement in the form attached hereto as ***Schedule B***, representing that:

(a) the Limited Partner agrees to fully inform each patient referred to the Surgery Center by the Limited Partner of his or her investment interest in the Partnership;

(b) a Substantial Portion (as defined below) of the Limited Partner's medical practice income for the prior 12 month period was derived from the performance of outpatient surgical procedures (defined for purposes hereof to be those surgical procedures that are on the list of Medicare covered procedures authorized to be performed in ambulatory surgical centers under the applicable Medicare regulations);

(c) the Limited Partner performed a Substantial Portion of his or her outpatient surgical procedures (defined as described in clause (b) above) at the Surgery Center during the prior 12 month period (or, if a new Limited Partner, he or she expects to perform a Substantial Portion of such procedures at the Surgery Center each year);

(d) the Limited Partner agrees to treat patients receiving medical benefits or assistance under any federal health care program (including Medicare and Medicaid) in a nondiscriminatory manner;

(e) the Limited Partner has not been excluded from participation in the Medicare, Medicaid or any other federal health care program;

(f) the Limited Partner must be personally involved with the provision of care or health services at the Surgery Center; and

(g) the Limited Partner must provide each patient referred to the Surgery Center by the Limited Partner with a list of effective alternative entities and must clearly inform the patient that he or she has the option to use one of the alternative entities with the assurance that the Limited Partner will not treat the patient differently if they do not choose the Surgery Center.

"Prime Rate" shall be as defined in Section 8.3 hereof.

"Prior Partnership Agreement" shall be as defined in the preamble of this Agreement.

"Qualified Limited Partner" means (1) the Hospital, (2) the Limited Partners named in ***Schedule A*** attached hereto, (3) each other individual or entity who (a) meets the Physician Eligibility Requirements (or as to whom the General Partner, in its sole discretion, has waived the Physician Eligibility Requirements), (b) is a Qualified Practitioner who is credentialed (or has applied for credentials) to provide medical services at the Surgery Center, (c) meets certain net worth and income standards established by the General Partner from time to time and (d) is approved by the General Partner, (4) each trust and corporation controlled and owned solely by one or more individuals who would otherwise be Qualified Limited Partners, and (5) the General Partner and its Affiliates with respect to any Limited Partner Units held by the General Partner or its Affiliates.

"Qualified Practitioner" means an individual who holds one of the following degrees: "M.D.," "D.O.," "D.P.M.," "D.M.D.," "D.D.S." or other degrees relating to health care designated by the General Partner, and is currently licensed by the State of Tennessee to practice such health care profession for which the individual was trained, is capable of providing medical services at the Surgery Center, and has not been excluded from the Medicare, Medicaid or any other federal health care program and has not been assessed a civil monetary penalty in relation to false claims or an anti-kickback statute violation.

"Regulations" means the income tax regulations promulgated by the Treasury Department, pursuant to the Code.

"State Securities Laws" shall be as defined in Section 15.7 hereof.

"STN" shall be as defined in the preamble of this Agreement.

"Substantial Portion" means, for purposes of the Physician Eligibility Requirements, at least one-third; provided however that the General Partner in its sole discretion may establish a lower percent for an individual Limited Partner based on a case-by-case analysis to the extent such lower percent is in compliance with federal and state laws and regulations. If the General Partner establishes a lower percent, the Limited Partner must consistently meet the lower percent.

"Surgery Center" mean the outpatient freestanding surgery center to be known as "Baptist Plaza Surgicare," which is on the lower (basement) level of a medical office building known as Baptist Plaza One, located at 2011-2021 Church Street, Nashville, Tennessee 37236.

"Surgery Center Property" means the real property owned or leased by the Partnership and all furniture, fixtures and equipment and other assets used in connection with the Surgery Center.

"Units" mean the Partnership interests of the Partners, which have been divided into 400 units, with each such unit being referred to herein as a "Unit"; 160 of such Units (the "General Partner Units") shall represent the interest of the General Partner in the Partnership and shall be held by the General Partner in its capacity as such; and 240 of such Units (the "Limited Partner Units") shall represent the interests of the Limited Partners in the Partnership and shall initially be held by the Limited Partners as indicated in *Schedule A* attached hereto.

"USPI" shall be as defined in the preamble of this Agreement.

ARTICLE I

Formation of Limited Partnership

The Joint Venture and the Initial Limited Partners heretofore entered into and formed a limited partnership pursuant to the Partnership Act. This Agreement amends and restates the Prior Partnership Agreement initially executed by the Joint Venture and the Initial Limited Partners at the time of formation of the Partnership. The interests of the Joint Venture and the Initial Limited Partners in the Partnership has been transferred to the General Partner concurrently with the effectiveness of this Agreement. The rights and liabilities of the Partners shall be as provided in the Partnership Act, except as otherwise expressly provided herein.

ARTICLE II

Name

The name of the Partnership shall be "Baptist Plaza Surgicare, L.P., a Tennessee limited partnership." The business of the Partnership shall be conducted under the name "Baptist Plaza Surgicare," "Baptist Plaza Surgery Center" or such other name or names as may be designated from time to time by the General Partner. The General Partner shall take the actions required to comply with the Partnership Act and any assumed name act, fictitious name act or similar statute in effect in each jurisdiction or political subdivision in which the Partnership proposes to do business, and the Limited Partners agree to execute (although the General Partner is empowered to execute, on behalf of all Partners, pursuant to Article XX below) any document requested by the General Partner in connection with that action.

ARTICLE III

Purpose

Section 3.1 Primary Business. The business of the Partnership is (1) to acquire the assets of the Surgery Center, (2) to renovate the Surgery Center and obtain licensure as a freestanding outpatient surgical center, (3) to operate the Surgery Center, (4) to own or lease, operate, improve, repair, maintain, manage, sublease, replace, rebuild, alter, remodel, restore, sell, lease, mortgage, hypothecate and otherwise use and deal with the Surgery Center, including the Surgery Center Property and other property, and (5) to engage in any and all activities related or incident thereto, including without limitation the acquisition, ownership, improvement, operation, sale, lease, sublease, mortgage or other use of or dealing with real, personal or mixed property, all in a manner consistent with and subject to Section 3.2 hereof.

Section 3.2 Tax Exempt Status of Affiliate. For so long as the General Partner or a direct or indirect owner of the General Partner, including STN, is tax exempt under Section 501(c)(3) of the Code, the Partnership's health care facilities, including the Surgery Center, will be operated and managed in a manner that complies with the ethical and religious directives applicable to Catholic healthcare facilities and that furthers the charitable purposes of STN by promoting health for a broad cross-section of the community, especially those who are poor. Specifically, the Partnership, the Surgery Center and the business will be operated and managed in a manner:

(a) that provides access to patient care services based on medical necessity, without regard to the patient's race, creed, national origin, gender, payor service or ability to pay;

(b) that provides access to patient care services to individuals covered by Medicare or Medicaid;

(c) that offers care to indigents without expectation of payment;

(d) that will not, in the reasonable opinion on advice of the tax exempt organization's legal and/or tax counsel, cause such affiliated tax exempt organization or any of its tax exempt affiliates to act other than exclusively in furtherance of their respective tax exempt purposes or adversely affect their tax exempt status under section 501(c)(3) of the Code; and

(e) that complies with the Ethical and Religious Directives for Catholic Health Facilities.

All Partners are aware of the limitations on the actions of the Partnership due to the tax exempt status and charitable purpose of STN, and each Partner agrees that any decision of the General Partner to forego an action which would be inconsistent with the tax exempt status of STN, or any decision of the General Partner to take an action which furthers the charitable purposes of STN over any profit making motives of the Partnership, shall not be a breach of the duty of loyalty or a breach of any fiduciary duty to the Partnership, notwithstanding that any such decision is not in the best interest of the Partnership.

ARTICLE IV

Names and Addresses of Partners

The name of the General Partner is Saint Thomas/USP-Baptist Plaza, L.L.C., a Tennessee limited liability company, whose principal business address is 2011-2021 Church Street, Nashville, Tennessee 37236. The names and places of business or residence of the Limited Partners are as set forth on *Schedule A* attached hereto, as amended from time to time.

ARTICLE V

Principal Place of Business

The principal place of business of the Partnership shall be at the Surgery Center. The General Partner may in its sole discretion establish additional places of business of the Partnership.

ARTICLE VI

Term

The term of the Partnership shall be from the date of the initial filing of the Partnership's Certificate of Limited Partnership as required under the Partnership Act until December 31, 2050, unless extended or sooner liquidated or dissolved in accordance with this Agreement or applicable law.

ARTICLE VII

Capital Contributions

Section 7.1. Concurrently with the execution hereof, (a) the Hospital shall contribute to the capital of the Partnership certain equipment and other fixed and intangible assets (other than cash), including its goodwill, held by the Hospital relating to the Surgery Center in consideration for (i) the issuance to the Hospital of 80 Limited Partner Units, (ii) $2,800,000 in cash and (iii) the assumption by the Partnership of all outstanding contractual and employee benefit obligations of the Hospital associated with the Surgery Center that arise or accrue on or after the date of this Agreement; (b) each other Limited Partner has made a contribution to the capital of the Partnership in cash in the respective amounts set forth opposite his or her name as his or her Capital Contribution on *Schedule A* attached hereto; and (c) the General Partner has made a contribution to the capital of the Partnership in cash the amount set forth opposite its name on *Schedule A* attached hereto in consideration for the issuance to the General Partner of the 160 General Partner Units and the number of Limited Partner Units set forth opposite its name on *Schedule A* attached hereto. Any transferee of a Unit shall be credited for purposes hereof with any Capital Contribution previously made by the prior owner or owners

of such Unit. No Limited Partner shall have any obligation to make any additional capital contributions to the Partnership.

Section 7.2. The liability of each Limited Partner to the Partnership shall be limited to the amount of his or its Capital Contribution, and no Limited Partner shall have any further personal liability to contribute money to, or in respect of, the liabilities or the obligations of the Partnership, nor shall any Limited Partner be personally liable for any obligations of the Partnership, except as may be provided in the Partnership Act.

Section 7.3. A Capital Account shall be established for each Partner and shall be maintained in accordance with the provisions of Code Section 704 and Regulations Section 1.704-1(b)(2)(iv) or any successor provisions, notwithstanding any other provisions of this Agreement. The Capital Account of each Partner shall consist of and be increased by the cash Capital Contributions and the Gross Asset Value of any other property contributed by such Partner to the capital of the Partnership (net of liabilities secured by such contributed property that the Partnership is considered to assume or take subject to under Section 752 of the Code), and the amount of any Net Income allocated to such Partner, and shall be decreased by the amount of money distributed to such Partner by the Partnership (exclusive of a guaranteed payment within the meaning of Section 707(c) of the Code paid to such Partner), the Gross Asset Value of any portion of any property distributed to such Partner by the Partnership (net of liabilities secured by such distributed property that such Partner is considered to assume or take subject to under Section 752 of the Code), and the amount of any Net Loss charged to such Partner. To the extent an adjustment to the tax basis of any Partnership asset is made pursuant to Code Sections 734(b) and 743(b), and such adjustment is required by Regulations Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts, the Capital Accounts of the Partners shall be adjusted to reflect an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) which is specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations. In the event the Gross Asset Values of Partnership assets are otherwise adjusted pursuant to the terms of this Agreement, the Capital Account of the Partners shall be adjusted simultaneously to reflect the aggregate net adjustment as if the Partnership recognized gain or loss equal to the amount of such aggregate net adjustment and such gain or loss was allocated to the Partners pursuant to the appropriate provisions of this Agreement. The foregoing Capital Account definition and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. The transferee of all or a portion of an interest in the Partnership shall succeed to that portion of the transferor's Capital Account that is allocable to the portion of the interest transferred. The respective Capital Accounts of the Partners shall not bear interest.

Section 7.4. Notwithstanding anything to the contrary in this Agreement, if, after any to occur of (a) the allocations and distributions described in Article XVII hereof, (b) the termination of the Partnership pursuant to Section 708(b)(1)(B) of the Code, or (c) the liquidation of all of the General Partner's interest in the Partnership, the General Partner has a deficit balance in its Capital Account, the General Partner shall fund immediately any such deficit balance in its Capital Account by making a contribution of cash to the Partnership in the amount of such deficit

balance. Notwithstanding the foregoing, the General Partner shall not be obligated to restore such deficit balance to fund nonrecourse obligations of the Partnership.

ARTICLE VIII

Distributions

Section 8.1. Except as otherwise provided herein, Available Cash shall be distributed to the Partners according to the number of Units owned by each Partner as compared to the total number of Units outstanding. The Partnership shall make distributions of Available Cash at such intervals or at such times as the General Partner shall determine, provided that such distributions shall be made at least once a quarter to the extent of the Available Cash (if any) at that date.

Section 8.2. If any Partner does not withdraw the whole or any part of his share of any cash distribution, such Partner shall not be entitled to receive any interest thereon unless such amount is deemed to be a loan in accordance with Section 8.3 hereof. Any such cash that is not withdrawn shall not be deemed an increase in such Partner's share of the Net Income or Net Loss of the Partnership without the express written consent of the General Partner.

Section 8.3. Notwithstanding the foregoing, if the General Partner or, with the consent of the General Partner, any Limited Partner, advances any funds, agrees not to receive any distributions to which such Partner would otherwise be entitled or makes any other payment to or on behalf of the Partnership that is not required pursuant to the provisions hereof, to cover operating or capital expenses of the Partnership which cannot be paid out of the Partnership's operating revenues (such advances or payments being referred to herein as a "Partner Advance"), such Partner Advance shall be deemed a loan to the Partnership by such Partner, bearing interest from the date such Partner Advance is made until such Partner Advance is repaid at a floating rate per annum equal to the lesser of (a) the prime rate (herein called "Prime Rate") as quoted in The Wall Street Journal on the last business day preceding the date of such loan plus 2%, or (b) the maximum rate permitted under applicable law as and when amended from time to time. Notwithstanding Section 8.1 above, unless otherwise agreed by the Partner or Partners making any Partner Advance, all distributions of Available Cash shall first be distributed to the Partners making such Partner Advances until all such Partner Advances have been repaid to such Partners, together with interest thereon as above provided and, thereafter, the balance of such distributions, if any, shall be made in accordance with the terms of Section 8.1 above. If distributions are insufficient to repay all such Partner Advances as provided above, the funds available from time to time shall first be applied pro rata to repay and retire the oldest Partner Advances first and, if any funds thereafter remain available, such funds shall be applied in a similar manner to remaining Partner Advances in accordance with the order of the dates on which they were made. As to Partner Advances made on the same date, each such Partner Advance shall be repaid in the proportion that such Partner Advance bears to the total Partner Advances made on said date.

ARTICLE IX

Allocations of Net Income and Net Loss

Section 9.1. (a) Net Income for any fiscal period shall be allocated as follows:

(i) First, to the General Partner, until the aggregate amount of Net Income allocated to the General Partner for such fiscal period and all prior fiscal periods pursuant to this Section 9.1(a)(i) is equal to the aggregate amount of Net Loss allocated to the General Partner pursuant to Section 9.1(b)(iii) for the prior fiscal periods;

(ii) Second, to the General Partner and the Limited Partners in proportion to their Units, until the aggregate amount of Net Income allocated to the General Partner and the Limited Partners for such fiscal period and all prior fiscal periods pursuant to this Section 9.1(a)(ii) is equal to the aggregate amount of Net Loss allocated to the General Partner and the Limited Partners pursuant to Section 9.1(b)(ii) for all prior fiscal periods; and

(iii) Third, to the Partners in proportion to their Units.

(b) Net Loss for any fiscal period shall be allocated as follows:

(i) First, to the Partners in proportion to their Units, until the aggregate amount of Net Loss allocated to the Partners for such fiscal period and all prior fiscal periods pursuant to this Section 9.1(b)(i) is equal to the excess, if any, of (A) the aggregate amount of Net Income allocated to the Partners pursuant to Section 9.1(a)(iii) for all prior fiscal periods, over (B) the amount of all distributions made to the partners pursuant to Section 8.1 for such fiscal period and all prior fiscal periods;

(ii) Second, to the General Partner and the Limited Partners in proportion to their Units, until the Capital Account balances of the Limited Partners are reduced to zero; and

(iii) Third, to the General Partner.

Section 9.2. Notwithstanding anything contained in this Article IX to the contrary, solely for federal and (if applicable) state income tax purposes and not as a credit or charge to the Capital Account of a Partner, if any Partner contributes any property to the Partnership that has a Gross Asset Value that is in excess of or less than its adjusted basis for federal income tax purposes at the time of such contribution, then all gain, loss and deduction with respect to the contributed property shall be allocated among the Partners so as to take account of the variation between the adjusted basis of such property and its initial Gross Asset Value as required under Code Section 704(c) and the Regulations thereunder. This Section 9.2 is intended to comply with Code Section 704(c) and the Regulations thereunder and shall be interpreted consistently with said Code Section 704(c) and Regulations.

Section 9.3. Upon the transfer of all or any part of a Partner's Units, Net Income and Net Loss shall be allocated between the transferor and transferee as they may agree, provided such method is in conformity with the methods prescribed by Section 706 of the Code and

Regulations Section 1.706-1(c)(2)(ii). Unless otherwise agreed by the transferor, the transferee and the General Partner, distributions shall be made to the holder of record of the Units on the date of distribution. Any transferee of Units shall succeed to the Capital Account of the transferor Partner to the extent it relates to the transferred Units; provided, however, that if such transfer causes a termination of the Partnership pursuant to Section 708(b)(1)(B) of the Code, the Capital Accounts of all Partners, including the transferee, shall be redetermined as of the date of such termination in accordance with Regulations Section 1.704-1(b), adjustments to the adjusted tax basis of Partnership property under Sections 743 and 732(d) of the Code shall not be reflected in the Capital Account of the transferee Partner or on the books of the Partnership, and subsequent Capital Account adjustments for distributions, depreciation, amortization and gain or loss with respect to such property shall disregard the effect of such basis adjustment.

Section 9.4. The General Partner may rely upon, and shall have no liability to the other Partners or the Partnership if it does rely upon, the opinion of accountants retained by the Partnership from time to time with respect to all matters (including disputes with respect thereto) relating to computations and determinations required to be made under this Article IX or other provisions of this Agreement.

Section 9.5. Notwithstanding anything contained in this Article IX to the contrary, if the Partnership is advised by its counsel that the allocations provided by this Article IX are unlikely to be respected for federal income tax purposes, the General Partner is granted the authority, without any approval or consent of the Limited Partners, to amend, in good faith, the allocation provisions of this Agreement, on advice of said counsel, to the minimum extent necessary to comply with the applicable principles of the Code and the Regulations.

Section 9.6. (a) For purposes of this Section 9.6, the following definitions shall apply:

(i) "Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1).

(ii) "Partner Nonrecourse Debt Minimum Gain" shall be determined in the manner set forth in Regulations Section 1.704-2(i)(3).

(iii) "Partner Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i)(1). Partner Nonrecourse Deductions are determined in accordance with Regulations Section 1.704-2(i)(2).

(iv) "Partner Nonrecourse Liability" has the meaning set forth in Regulations Section 1.704-2(b)(4).

(v) "Partnership Minimum Gain" shall be determined in the manner set forth in Regulations Section 1.704-2(d).

(b) Notwithstanding Section 9.1, if there is a net decrease in Partnership Minimum Gain during a Partnership taxable year, each Partner shall be allocated, before any other allocation is made under this Agreement for such taxable year, items of Partnership income

and gain for such year (and, if necessary, subsequent years) in accordance with Regulations Section 1.704-2(f). This Section 9.6(b) is intended to comply with the minimum gain chargeback requirements of Regulations Section 1.704-2(f) and shall be interpreted consistently with such Regulation.

(c) Notwithstanding Section 9.1, except as provided in Section 9.6(b), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Partnership taxable year, each Partner who has a share of Partner Nonrecourse Debt Minimum Gain as of the beginning of such year, determined in accordance with Regulations Section 1.704-2(i)(5), shall be allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in accordance with Regulations Section 1.704-2(i)(4). This Section 9.6(c) is intended to comply with the minimum gain chargeback requirements of Regulations Section 1.704-2(i)(5) and shall be interpreted consistently with such Regulation.

(d) Notwithstanding Section 9.1, any Partner Nonrecourse Deductions for any Partnership taxable year shall be specially allocated to the Partner that bears the economic risk of loss with respect to the Partner Nonrecourse Liability to which such deductions are attributable, as provided in Regulations Section 1.704-2(i)(1).

(e) Notwithstanding Section 9.1, any Nonrecourse Deductions for any Partnership taxable year shall be allocated to the Partners in proportion to their Units.

Section 9.7. Notwithstanding Section 9.1, after the application of Section 9.6, and in the event any Partners unexpectedly receive any adjustments, allocations or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Net Income shall be specially allocated to such Partners in an amount and manner sufficient to eliminate the deficit balances in their Capital Accounts (excluding from such deficit balance amounts which Partners are obligated to restore under this Agreement) created by such adjustments, allocations or distributions as quickly as possible and in a manner which complies with Regulations Section 1.704-1(b)(2)(ii)(d).

Section 9.8. Any special allocations of items of Net Income pursuant to Sections 9.6 and 9.7 shall be taken into account in computing subsequent allocations of Net Income and Net Loss pursuant to this Article IX, so that the net amount of any items so allocated and the Net Income, Net Loss and all other items allocated to each Partner pursuant to this Article IX shall, to the extent possible, be equal to the net amount that would have been allocated to each such Partner pursuant to the provisions of this Article IX if Sections 9.6 and 9.7 had not applied.

ARTICLE X

Books of Account, Records and Reports

Section 10.1. Proper and complete records and books of account shall be kept by the General Partner in which shall be entered fully and accurately all transactions and other matters relative to the Partnership's business as are usually entered into records and books of account maintained by persons engaged in businesses of like character. The Partnership books

and records shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall be kept on the accrual basis. The books and records shall be maintained at the Partnership's principal place of business and/or at the General Partner's headquarters office and shall be open to the reasonable inspection and examination of the Partners or their duly authorized representatives during reasonable business hours upon at least three business days advance notice.

Section 10.2. Within 90 days after the end of each calendar year, the General Partner shall send each person who was a holder of an interest in the Partnership at any time during the calendar year then ended (including any assignee permitted under Article XV below, whether or not a substituted Limited Partner) all Partnership tax information as shall be necessary for the preparation by such holder of his or her federal income tax return. Further, on request by any Partner, the General Partner will furnish such Partner copies of all federal, state and local income tax returns or information returns, if any, which the Partnership is required to file; however, the cost thereof shall be borne by the requesting Partner.

Section 10.3. The General Partner shall be, and is authorized to act as, the "tax matters partner" under the Code and in any similar capacity under state and local laws.

ARTICLE XI

Fiscal Year

The fiscal year of the Partnership shall end on December 31 of each year.

ARTICLE XII

Partnership Funds

The funds of the Partnership shall be deposited in such bank account or accounts, or invested in such interest bearing or non-interest bearing accounts, as shall be designated by the General Partner. All withdrawals from any such bank accounts shall be made by the General Partner or the duly authorized agent or agents of the General Partner.

ARTICLE XIII

Status of Limited Partners

Section 13.1. No Limited Partner shall participate in the management or control of the Partnership's business, transact any business for the Partnership or have the power to act for or bind the Partnership, said powers being vested solely and exclusively in the General Partner.

Section 13.2. No Limited Partner (in its capacity as such) shall have any personal liability whatever, whether to the Partnership, to any of the Partners or to the creditors of the Partnership, for the debts of the Partnership or any of its losses beyond the amount agreed to be contributed by him to the capital of the Partnership as set forth in this Agreement. The preceding

sentence shall not, however, be construed to limit or prohibit, in any respect, the use by the General Partner of any undistributed funds of the Partnership (regardless of whether previously allocated to the account of any Partner) for the payment of Partnership debts. Upon payment of his or her Capital Contribution set forth in Section 7.1 above, each Limited Partner's interest in the Partnership shall be fully paid and nonassessable. Except as expressly required by Section 7.1 hereof and as provided in the Partnership Act, in no event will any Limited Partner (or the successors in interest of a Limited Partner) be required to make any capital or other contribution to the Partnership upon or following the dissolution thereof by reason of the status of the Capital Account of such Limited Partner (or his successors in interest).

Section 13.3. The death, dissolution, bankruptcy, mental incompetency or legal disability of a Limited Partner shall not cause a dissolution of the Partnership, but the rights of such Limited Partner to share in the profits and losses of the Partnership, to receive distributions of Partnership funds and the right and obligation to assign a Partnership interest pursuant to Article XV hereof shall, on the happening of such an event, devolve upon such Limited Partner's legal representative or successors in interest, as the case may be, subject to the terms and conditions of this Agreement, and the Partnership shall continue as a limited partnership. Each Limited Partner's estate or other successor in interest shall be liable for all the obligations of such Limited Partner. In no event, however, shall such estate, legal representative or other successor in interest become a substituted Limited Partner as such term is used in the Partnership Act, except in accordance with Article XV hereof.

ARTICLE XIV

Powers, Rights and Duties of the General Partner

Section 14.1. The General Partner shall have exclusive authority to manage the operations and affairs of the Partnership and to make all decisions regarding the business of the Partnership. Persons dealing with the Partnership are entitled to rely conclusively on the power and authority of the General Partner as set forth in this Section 14.1 and elsewhere in this Agreement. In no event shall any person dealing with the General Partner or the General Partner's representative with respect to any business or property of the Partnership be obligated to ascertain that the terms of this Agreement have been complied with or be obligated to inquire into the necessity or expedience of any act or action of the General Partner or the General Partner's representative. Every contract, agreement, deed, mortgage, security agreement, promissory note or other instrument or document executed by the General Partner or the General Partner's representative with respect to any business or property of the Partnership shall be conclusive evidence in favor of any and every person relying thereon or claiming thereunder that (a) at the time of the execution and/or delivery thereof, this Agreement was in full force and effect, (b) such instrument or document was duly executed in accordance with the terms and provisions of this Agreement and is binding upon the Partnership and (c) the General Partner or the General Partner's representative was duly authorized and empowered to execute and deliver any and every such instrument or document for and on behalf of the Partnership.

Section 14.2. Subject to Section 14.7 below, the General Partner is hereby granted the right, power and authority to do on behalf of the Partnership all things which, in the

General Partner's sole but reasonable judgment, are necessary, proper or desirable to carry out the aforementioned duties and responsibilities, including but not limited to the right, power and authority: to adopt, modify and monitor admission and charity care policies and procedures, quality assurance programs, policies prohibiting political campaign activities and lobbying policies; to admit additional Limited Partners to the Partnership; to incur expenditures; to enter into employment agreements, loan agreements, construction contracts, leases, management and maintenance agreements, and all other types and kinds of contracts or agreements under such terms and conditions as the General Partner may deem necessary, appropriate or desirable; to perform all the obligations of the Partnership and enforce all of the rights of the Partnership under the terms and conditions of all contracts and agreements entered into by the Partnership; to settle, release, compromise or adjust any claims asserted to be owing by or to the Partnership, and the right to file, prosecute or defend lawsuits and legal proceedings in connection with any such matters; to employ and dismiss from employment any and all employees, staff, consultants, agents, independent contractors, brokers, attorneys and accountants; to let or lease all or any portion of any Partnership property for any Partnership purpose; to borrow money on behalf of the Partnership and use as security therefor all or any part of any Partnership property; to acquire, purchase, construct, lease, rent, alter, improve, repair, maintain, manage, operate, replace or rebuild the Surgery Center Property and any other property, real or personal, in connection with the conduct of the Partnership's business; to obtain replacements of debt obligations related in any way to the property owned by the Partnership; to repay in whole or in part, refinance, recast, modify, consolidate or extend any debt obligations affecting any partnership property; to procure and maintain insurance covering all property of the Partnership and its operations; to do any and all of the foregoing at such price, rental or amount, for cash, securities or other property and upon such terms as the General Partner deems proper; and to execute, acknowledge, swear to and deliver any and all instruments to effectuate any and all of the foregoing. Any and all acts heretofore taken by the General Partner which are permitted under this Section 14.2 are hereby ratified and confirmed by the Partners as the acts and deeds of the Partnership.

Section 14.3. Subject to the provisions of Section 14.11 below, the General Partner shall devote such time to the Partnership business as it shall deem to be necessary to manage and supervise the Partnership business and affairs in an efficient manner; but nothing in this Agreement shall preclude the employment of any agent, third party or Affiliate to provide services in respect of the Partnership's properties or business, subject to the control of the General Partner.

Section 14.4. Neither the General Partner nor any owner, Affiliate, officer or director of the General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any Partner for any action taken or failure to act (even if such action or failure to act constituted the simple negligence of the General Partner or such owner, Affiliate, officer or director) on behalf of the Partnership within the scope of the authority conferred on the General Partner by this Agreement or by law, unless such act or omission was performed or omitted fraudulently or in bad faith or constituted gross negligence or willful misconduct.

Section 14.5. The Partnership shall indemnify and hold harmless the General Partner, and each owner, Affiliate, agent, employee, officer and director thereof, from and against

any loss, expense, damage or injury suffered or sustained by it by reason of any acts, omissions or alleged acts or omissions (even if such acts or omissions constituted the simple negligence of the General Partner or such owner, Affiliate, agent, employee, officer or director) arising out of its activities on behalf of the Partnership or in furtherance of the interests of the Partnership, including but not limited to any judgment, award, settlement, attorney's fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim if the acts, omissions or alleged acts or omissions upon which such actual or threatened action, proceeding or claim is based were for a purpose reasonably believed by the General Partner or such owner, Affiliate, agent, employee, officer or director, to be in the best interests of the Partnership and were not performed or omitted fraudulently or in bad faith or as a result of gross negligence by such indemnified party and were not in violation of the fiduciary obligation of any such person or entity to the Partnership as limited herein; provided, however, that the General Partner shall not be required to make any contribution to the Partnership that may be necessary for the Partnership to satisfy its indemnity obligation hereunder.

Section 14.6 The General Partner will cause the Partnership to elect, pursuant to Section 754 of the Code or corresponding provision of subsequent law, to adjust the basis of the Partnership property as provided by Section 743 of the Code in connection with any transfer of Units. All other elections required or permitted to be made by the Partnership under the Code or the Regulations shall be made by the General Partner in such manner as in the General Partner's reasonable judgment will be most advantageous to the Partners. Each of the Partners will upon request supply the information necessary to properly give effect to any such election.

Section 14.7. Anything in this Agreement to the contrary notwithstanding, (a) the General Partner shall not cause or permit the Partnership to permit any person (other than the General Partner and its Affiliates) who holds any nonrecourse debt of the Partnership to acquire, at any time as a result of making the loan, any direct or indirect interest in the profits, capital or property of the Partnership, other than as a secured creditor and (b) without the approval of a Majority in Interest of the Limited Partners, the General Partner shall not cause the Partnership to sell all or substantially all of its assets or to merge or consolidate with any other entity.

Section 14.8. Manager and the Partnership have entered or will enter into the Development and Management Agreement, whereunder Manager manages the Surgery Center for the Partnership. In addition, during the term of the Partnership, Manager and the General Partner shall be reimbursed for all direct costs and expenses of Manager and the General Partner incurred for the benefit of the Partnership and attributable to the operation of the Partnership, including without limitation any expenses incurred by Manager and the General Partner in preparing audited financial statements of the Partnership (if such statements are required) and actual out-of-pocket expenses of an outside accounting firm's review of federal and state income tax returns. The General Partner shall also be reimbursed for all reasonable costs and expenses, including outside legal, accounting and other fees, incurred in connection with the offering of the Limited Partner Units pursuant to that certain Confidential Private Offering Memorandum, dated March 4, 2003 (the "Offering Memorandum"), and any offering or sale of Limited Partner Units made by or with the assistance of the General Partner from time to time; provided, however, that the General Partner shall not be entitled to expense reimbursements in connection with the sale of all or substantially all of its interest in the Partnership. Manager and the General Partner shall

not charge the Partnership or request reimbursement for their indirect expenses or general corporate overhead expenses, which shall include costs associated with administrative and senior executive personnel who have responsibility for facilities or businesses in addition to the Surgery Center, except that reasonable travel expense of such corporate personnel in connection with travel directly related to the business of the Partnership shall be reimbursable by the Partnership.

Section 14.9. There are no annual or other required meetings of the Partners. Meetings of the Partners may be called, however, at any time by the General Partner, STN or USPI (a) upon giving written notice thereof at least 10 days and not more than 60 days prior to such meeting at a place determined by the General Partner to be convenient to a Majority in Interest of Limited Partners or (b) within 10 days after the General Partner receives written notice from a Majority in Interest of the Limited Partners requesting a meeting of the Partners.

Section 14.10. Anything in this Agreement or the Partnership Act to the contrary notwithstanding, the Partners are hereby authorized and empowered to lend money to the Partnership as described in Section 8.3 hereof and to engage in any transaction in which the General Partner, Manager, USPI, STN or any of their respective Affiliates has an actual or potential conflict of interest with the Limited Partners or the Partnership, provided that with respect to any such transaction that involves the General Partner, Manager, USPI, STN or any of their respective Affiliates providing services, equipment or supplies to the Partnership, such transaction is subject to the condition that the consideration for such services, equipment or supplies shall be no greater than the amount for which the Partnership could obtain such services, equipment or supplies from an independent party.

Section 14.11. This Agreement shall not preclude or limit, in any respect, the right of the General Partner, Hospital, the Joint Venture, Manager, USPI, STN, any Affiliate of the General Partner, Hospital, the Joint Venture, Manager, USPI or STN or any partner, owner, member, officer or director of the General Partner, Hospital, the Joint Venture, Manager, USPI or STN or any of their respective Affiliates (collectively, the "Affiliated Persons"), to engage or invest in any business activity of any nature or description, including those which may be the same as or similar to the Partnership's business and in direct competition therewith. Any such activity may be engaged in independently or with others and may include, but are not be limited to, the ownership and/or operation of other surgical facilities, hospitals or related medical facilities for any Affiliated Person's own account or the account of others, including any partnership or other entity organized by any such Affiliated Person. Neither the Partnership nor any Partner shall have any right, by virtue of this Agreement or the partnership relationship created hereby, in or to such other ventures or activities, or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper. Each Affiliated Person shall have the right to take for its own account (individually or as a trustee) or to recommend to others any investment opportunity.

Section 14.12 Neither the General Partner, the Manager nor any owner, Affiliate, officer or director of the General Partner or the Manager shall be liable, responsible or accountable in damages or otherwise to the Partnership or any Partner for any action taken or failure to act (even if such action or failure to act constituted the simple negligence of the

General Partner, the Manager or such owner, Affiliate, officer or director) on behalf of the Partnership within the scope of the authority conferred on the General Partner and the Manager by this Agreement or by law, unless such act or omission was performed or omitted fraudulently or in bad faith or constituted gross negligence.

ARTICLE XV

Transfer of Interests by Partners

Section 15.1. Except as otherwise provided in this Article XV and notwithstanding any provision contained in the Partnership Act to the contrary, no Limited Partner (other than the General Partner and its Affiliates with respect to any Limited Partner Units held by the General Partner or its Affiliates) shall have the right to transfer his or her Units and no Limited Partner shall have the right to have a transferee admitted as a substituted Limited Partner in respect of such Partnership interest, without, in both instances, first obtaining the prior written consent of the General Partner; provided, however, that this limitation (and the provisions of Section 15.2 hereof) shall not apply to (a) any purchase of Limited Partner Units by the General Partner or any of its Affiliates from time to time or (b) any transfer of Limited Partner Units by the Hospital to either its Affiliates or to the General Partner or its Affiliates, subject to compliance with the other requirements of this Article XV. If the General Partner transfers the General Partner Units, the transferee shall automatically become the "General Partner" for purposes of the Agreement and all other purposes.

Section 15.2. A Limited Partner may not, without the prior written consent of the General Partner (which consent may be withheld at the General Partner's sole discretion), sell, assign or transfer the whole or any part of his or her Units to any person or entity. Any transfer permitted hereunder may only be made to a Qualified Limited Partner. Before any such Unit (other than a Unit held by the General Partner or its Affiliate) is assigned, sold or transferred to a Qualified Limited Partner, the assigning Limited Partner shall first offer the General Partner the opportunity to acquire such interest, in whole or in part, on the same terms and for a price equal to the lesser of (a) the same price (fairly apportioned if less than the entire interest is purchased) that the assigning Limited Partner offers or proposes to offer such Units to any such Qualified Limited Partner or (b) the Agreed Value (as defined below). The General Partner or any Qualified Limited Partner designated by the General Partner may acquire the Partnership interest so offered. If the General Partner or its designee does not elect to acquire the entire Partnership interest offered within 20 days after the General Partner's receipt of the offer, the part that they do not acquire will be offered to the Partnership and any portion of the Units offered to the Partnership and not purchased within 15 days after its receipt of such offer may be sold to the Qualified Limited Partner upon the same terms and for the price the assigning Limited Partner had first proposed to offer such Units to the Qualified Limited Partner, prior to offering them to the General Partner, at any time within 90 days after the expiration of the Partnership's option period.

In addition to the foregoing, any Limited Partner who desires to transfer his or her Units to a Qualified Limited Partner shall arrange for such Qualified Limited Partner to be bound by the provisions of this Agreement, as it may then be amended, by having such Qualified Limited Partner execute two counterparts of an instrument of assignment satisfactory in form to the General Partner and by delivering the same to the General Partner together with any such other information that may be required by counsel to the Partnership to determine whether the proposed transfer violates applicable federal or state securities or other laws or regulations. It is understood that the Qualified Limited Partner shall be required to pay any and all reasonable filing and recording fees, legal fees, accounting fees and other charges and fees incurred by the Partnership and its counsel as a result of any such transfer. Each assignment or transfer shall be effective as of the first day of the calendar month during which the General Partner actually receives the aforesaid instrument of assignment executed by both the transferor and the Qualified Limited Partner; however, no attempted assignment or transfer shall be effective or recognized by the Partnership or the Partners until all the requirements of this Article XV have been satisfied. If and when the written consent of the General Partner to the substitution of such Qualified Limited Partner is secured and the other requirements of this Article XV are satisfied, the Qualified Limited Partner shall become a substituted Limited Partner as to the Units thus transferred, and each Partner hereby consents to such substitution. Unless and until any Qualified Limited Partner becomes a substituted Limited Partner as such term is used in the Partnership Act, his or her status and rights shall be limited to the rights of an assignee of a limited partnership interest under the Partnership Act.

Section 15.3. Any Limited Partner may sell his or her Units at any time to the General Partner or the Partnership at a price and upon such terms as may be agreed to by such Limited Partner and the General Partner.

Section 15.4. If the marital relationship of a Limited Partner is terminated by divorce or the death of the Limited Partner's spouse and such Limited Partner does not succeed to his or her spouse's interest (if any) in their Limited Partner Units, such Limited Partner shall have the option to purchase all of his or her spouse's interest in such Limited Partner Units, and such spouse or the executor or administrator of the spouse's estate shall be obligated to sell such Units. The price per Unit at which such Units shall be purchased shall be an amount equal to the Agreed Value (as defined in Section 15.11 below), which shall be payable in cash. Such option must be exercised within 90 days after such death or divorce. If the Limited Partner fails to exercise such option within said 90 day period (including without limitation any such failure resulting from a determination that the preceding provisions of this Section 15.4 are not enforceable against the Limited Partner's spouse), such failure shall constitute an offer by the Limited Partner and his or her spouse to sell all of their interest in the Units at the Agreed Value, and the provisions of Section 15.2 above shall apply to such offer. The date of the offer shall be the 91st day after such death or divorce.

Section 15.5. Prior to or upon any involuntary disposition of Units, the Limited Partner who owns such Units or his or her representative shall send written notice thereof to the General Partner by certified or registered mail, return receipt requested, disclosing in full the nature and details of such involuntary disposition. Failure to send any such notice shall not affect the applicability or operation of the other provisions of this Article XV. The various options to

purchase the Units pursuant to this Article XV shall continue following any transfer or disposition of the Units, whether pursuant to this Agreement or otherwise. This Section 15.5 shall not apply to the Hospital.

Section 15.6. Anything contained herein to the contrary notwithstanding, no Partner may assign the whole or any part of his Units, and no attempted or purported transfer or assignment of a Partnership interest (whether or not such assignee or transferee becomes a substituted Limited Partner) shall be effective, if it prejudices or affects, or would prejudice or affect, the continuity of the Partnership for the purposes of Section 708 of the Code. The General Partner is expressly authorized to enforce this provision by notifying the Partners that all transfers or assignments will be suspended for a period of up to 12 months whenever interests totaling 25% or more in interest of the Partnership shall have been effectively transferred in any 12 month period. Prior to any such transfer or assignment becoming effective, the General Partner may require an opinion of counsel to the effect that, except as may result from any basis adjustment made pursuant to Section 14.6 above, the transfer will not adversely affect the Partnership or any of the nontransferring Partners, and such transferor or assignor shall be responsible for paying said counsel's fee for the opinion.

Section 15.7. All Partners acknowledge that the Units have not been registered under (a) the Securities Act of 1933, as amended (the "1933 Act"), in reliance on the exemptions afforded by Section 3(a)(11) and Section 4(2) of the 1933 Act, or (b) the securities laws of the State of Tennessee (the "State Securities Laws") in reliance on the exemption afforded by the Uniform Limited Offering Exemption or other similar exemption adopted pursuant to the State Securities Laws. Therefore, to preserve said exemptions and notwithstanding anything contained herein to the contrary, the Partners hereby agree that interests of the Limited Partners shall be nontransferable and nonassignable except in compliance with the registration provisions of the 1933 Act and the State Securities Laws, or an exemption or exemptions therefrom, and any attempted or purported transfer or assignment in violation of the foregoing shall be void and of no effect. As an additional condition precedent to any assignment or other transfer of any interest in the Partnership, the General Partner may require an opinion of counsel reasonably satisfactory to the General Partner that such assignment or transfer will be made in compliance with the registration provisions of the 1933 Act and the State Securities Laws or exemption(s) therefrom, and such transferor or assignor shall be responsible for paying said counsel's fee for the opinion. The foregoing shall not limit the restrictive legend set forth at the beginning of this Agreement.

Section 15.8. Upon the effectiveness of an assignment of an interest and the written consent of the General Partner to the substitution of such assignee as a Limited Partner under this Article XV, the General Partner shall execute, file and record with the appropriate governmental agencies such documents (including amendments to this Agreement) as are required to accomplish the substitution of the Qualified Limited Partner as a substituted Limited Partner. The Partnership shall treat a person who becomes substituted pursuant to the provisions of Section 15.2 hereof as the substituted Limited Partner with respect to the interest assigned from the date such assignment is effective under Section 15.2 hereof, notwithstanding the time consumed in preparing and filing the necessary documents (if any) with governmental agencies in order to effectuate the substitution. Any person admitted to the Partnership as a substituted

Limited Partner shall be subject to and bound by all the provisions of this Agreement as if originally a party to this Agreement.

Section 15.9. In the event of the death, dissolution, mental incompetency or legal disability of a Limited Partner (or the assignee of a Partnership interest), the General Partner shall have the option and, if the General Partner does not exercise its option, the Partnership shall have the option to purchase such Limited Partner's Units, at a price equal to the Agreed Value of said Units (as defined in Section 15.11 below) determined as of the date of such event. In addition, (a) if any Limited Partner at any time ceases either (i) to maintain his or her credentials to perform procedures at the Surgery Center for any reason or (ii) to meet the Physician Eligibility Requirements (as evidenced by the Limited Partner's failure or inability to execute and deliver an Annual Eligibility Affirmation Statement in the form attached hereto as *Schedule B* within 30 days after any 12 month period for which it is required), (b) at any time after the fifth anniversary of the date of this Agreement or (c) at any time with the approval of a Majority in Interest of the Limited Partners, the General Partner may elect to purchase any Limited Partner's Units and, in such event, the General Partner and the Partnership shall have the right to purchase such Limited Partner's Units pursuant to the provisions set forth in Section 15.2 hereof as if such Limited Partner had made an offer to sell his or her Units for a purchase price equal to the Agreed Value. The closing shall take place, the purchase price shall be paid and the Limited Partner's Units shall be transferred and assigned in accordance with the terms and provisions of Section 15.10 hereof. This Section 15.9 shall not apply to the Hospital or to the General Partner or its Affiliates.

Section 15.10. Except as provided in Section 15.13 below, the purchase price of any Limited Partner Units to be acquired by the Partnership or any Partner shall be payable in cash or, if there is any remaining balance payable under a promissory note given as part of the purchase price for such Units, such cash payment shall be first made to the holder of such promissory note (whether or not such amounts or any portion thereof is then due) and the balance, if any, shall be paid to the seller of such Units. The closing of the sale shall be held at the principal place of business of the Partnership at a date specified by the General Partner, which shall be within 60 calendar days after the date the Partnership or the Partner exercises such election to purchase such Units. At the closing of the sale, the buyer shall pay the purchase price to the seller and the seller (or his legal representative) shall convey the Units to be sold, free and clear of all encumbrances, by executing and delivering a form of Assignment of Limited Partner Units provided by the General Partner; provided, however, that in the event the seller fails to execute and deliver such an Assignment of Limited Partner Units, the Units to be transferred shall be deemed transferred for all purposes on the date the buyer tenders payment therefor to the General Partner (or, in the event the General Partner is the buyer, the date the General Partner notifies the seller that a check for such purchase price is available upon delivery of an executed Assignment) and the seller shall have no further interest in the Partnership, other than the right to receive such purchase price upon execution and delivery of an appropriate Assignment form as required herein. All costs and expenses of said transfer, including any legal fees of the Partnership, shall be borne and paid by the selling party, and the Partnership is authorized to apply the purchase price and any other obligations payable to the selling party to the payment or reimbursement of such costs and expenses. If the General Partner purchases any Limited Partner Units as herein provided, the General Partner shall be admitted as a substituted Limited Partner in respect of such Limited Partner Units.

Section 15.11. The "Agreed Value" of an interest in the Partnership shall mean the greater of (a) the Limited Partner's Capital Account attributable to the Units being sold as of the end of the calendar month preceding the date of purchase or (b) the Limited Partner's share of an amount equal to two and one-half times the Partnership's net income (before taxes) for the most recent four calendar quarters completed prior to the date of purchase, determined in accordance with generally accepted accounting principles consistently applied. Any questions with respect to accounting procedures or valuation not controlled by this Agreement shall be resolved by the independent accountants employed by the General Partner.

Section 15.12. Each of the Limited Partners (except for the Hospital and the General Partner and any of their respective Affiliates that own any Limited Partner Units) agrees that neither such Limited Partner nor any of its owners (if applicable), immediate family members (if applicable) or other Affiliates will directly or indirectly, during the term of the Partnership and, if such Limited Partner sells his or her Limited Partner Units or otherwise withdraws from the Partnership, for a period of one year following such sale or withdrawal, engage in the development, management or ownership of any ambulatory surgery center or in any other surgical facility (including hospitals, outpatient surgery centers, doctors' offices or any other facility where surgical procedures customarily performed in hospitals or outpatient surgical centers are performed) that is located within a 15 mile radius of the Surgery Center (the "Noncompete Area"), or acquire or retain any financial ownership or beneficial interest in any entity that is engaged in a competitive business located in the Noncompete Area; provided, however, that (a) no Limited Partner who is a physician shall be restricted from performing surgery at any other facility or otherwise practicing medicine in a private practice which may utilize such competing facilities from time to time, (b) nothing in this Section 15.12 shall prevent a Limited Partner from participating on any hospital medical staff committee, office or board so long as no compensation (other than customary fees for membership on general oversight or quality assurance committees) is paid to such Limited Partner for services directly related to any such hospital's outpatient surgery program, (c) this Section 15.12 shall not apply to the continuation of the practice of any Limited Partner who is a surgeon performing surgical procedures in his or her office for which no separate facility is charged and that are the types of procedures that have been performed in such physician's office during the 12 month period prior to such physician's initial acquisition of any Limited Partner Units, (d) this Section 15.12 shall terminate in the event the Partnership no longer operates the Surgery Center (or a replacement facility that is located in the Noncompete Area) and (e) this Section 15.12 shall not apply to a Limited Partner's financial interest in such a surgical facility if such interest was disclosed to and expressly accepted by the General Partner in writing prior to such Limited Partner's acquisition of any Limited Partner Units. For purposes of this Agreement, "financial interest" shall include any financial relationship with a competing entity, whether as an agent, director, security holder (except for investments made through mutual funds or the ownership of outstanding shares of a publicly held corporation purchased through a broker on an established stock exchange at an original cost of not more than $25,000), creditor, consultant or otherwise. If any Limited Partner violates the non-competition covenant set forth in this Section 15.12, such Limited Partner shall thereupon be deemed to have made an offer to sell his Limited Partner Units at a price equal to the Limited Partner's Capital Account balance in the Partnership, which offer shall be governed by the terms of Section 15.2 hereof. Upon breach of any provision of this Section 15.12, the

Partnership will be entitled to injunctive relief, since the remedy at law would be inadequate and insufficient. In addition, the Partnership will be entitled to such damages as it can show it has sustained by reason of such breach. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination will have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form such provision will then be enforceable and will be enforced.

Section 15.13. If any law is passed or regulation adopted after the date of this Agreement which prohibits or has the effect of prohibiting a referring physician (or an entity in which a referring physician has an interest) from owning Limited Partner Units, the General Partner and the affected Limited Partner agree to use their best efforts to restructure such Limited Partner's relationship with the Partnership in such a manner that will avoid such illegality and, to the extent practicable, will preserve the existing financial and business relationships among them. If despite such efforts no such restructuring is agreed upon, the General Partner agrees to purchase, and the affected Partner agrees to sell, all of the Partner's Limited Partner Units for a purchase price equal to the Agreed Value of such Limited Partner Units. The purchase price will be payable in cash or, at the option of the General Partner, in shares of newly issued, unregistered common stock of USPI (or, if such common stock has been converted into or exchanged for the common stock of another corporation before such payment is required to be made hereunder, the common stock of such other corporation), which shall be "restricted shares" for purposes of federal and state securities laws, valued at the average closing sales price for such shares on the principal public market in which they are then traded over the five trading days ending on the fifth trading day prior to the closing of such purchase and sale; provided, however, that the General Partner may not use such common stock unless registered shares of such entity's common stock are then listed for trading on the New York Stock Exchange, the American Stock Exchange or an established stock exchange, and delisting procedures have not been commenced.

Section 15.14. In the case of Limited Partner Units held by an entity (other than the Hospital or the General Partner) or by two or more persons as joint tenants, tenants-in-common or pursuant to any other joint ownership arrangement, the General Partner shall designate the individual who shall be deemed to be the Qualified Limited Partner for purposes of determining the rights of the Partnership, the General Partner and the other Limited Partners under this Article XV and all voting rights attributable to the Limited Partner Units.

ARTICLE XVI

Dissolution of the Partnership

Section 16.1. The happening of any one of the following events shall work an immediate dissolution of the Partnership:

(a) The dissolution (except as a consequence of merger or reorganization), bankruptcy, retirement, resignation, withdrawal or removal (under general legal principles, no contractual right of expulsion being herein granted or to be inferred) of the General Partner;

(b) The sale or other disposition of all or substantially all the assets of the Partnership;

(c) The agreement by the General Partner and a Majority in Interest of the Limited Partners to dissolve (except as a consequence of merger or reorganization); or

(d) The expiration of the term of the Partnership as provided in Article VI of this Agreement, unless all Partners agree to extend the term of the Partnership past the date set forth in Article VI.

Section 16.2. For purposes of this Agreement, the "bankruptcy" of the General Partner shall be deemed to have occurred upon the happening of any of the following:

(a) The filing of an application by the General Partner for, or the General Partner's consent to, the appointment of a trustee in bankruptcy or receiver of all or a substantial portion of its assets;

(b) The filing by the General Partner of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing its inability to pay its debts as they come due;

(c) The making by the General Partner of a general assignment for the benefit of creditors;

(d) The filing by the General Partner of an answer admitting the material allegation of, or its consenting to, or defaulting in answering a bankruptcy petition filed against it in any bankruptcy proceeding; or

(e) The entry by any court of competent jurisdiction of an order for relief of the General Partner under Chapter Seven of 11 U.S.C. (the Bankruptcy Code), the entry of an order, judgment or decree having a similar effect under any other applicable law or the entry of an order, judgment or decree appointing a trustee of the assets of the General Partner, and any such order, judgment or decree continuing unstayed and in effect for a period of 60 days after such entry.

Section 16.3. In the event of the resignation, withdrawal, bankruptcy, retirement or dissolution (other than by merger or reorganization) of the General Partner, the Partnership may be reconstituted and its business continued by the consent of a Majority in Interest of the Limited Partners (excluding, for this purpose, any Limited Partner Units held by the General Partner or its Affiliates) or, if the Partnership Act requires a different threshold of consent for such a reconstitution, then consent of the holders of the minimum number of Units required by the Partnership Act, which consents must be obtained within 120 days after the date of dissolution of the Partnership. If the requisite consents are not obtained within such time period, the Partnership shall be wound up and terminated pursuant to Article XVII below. If, however, the Limited Partners elect timely to reconstitute and continue the Partnership they shall (a) purchase the Units of the General Partner for cash at a price agreed to by the General Partner and the purchasing Limited Partners or, if such parties are unable to agree to a purchase price of such

Units, for the Agreed Value of such Units and (b) elect a new General Partner by vote of a Majority in Interest of the Limited Partners. The Limited Partners shall be obligated (unless otherwise agreed by such purchasing Limited Partners) to purchase such Units in proportion to their respective ownership of Units. Such new General Partner shall be considered appointed upon payment to the Partnership of the capital contribution designated by the Limited Partners and execution of an appropriate amendment to this Agreement.

ARTICLE XVII

Winding Up and Termination of the Partnership

Section 17.1. If the Partnership is dissolved for any reason and is not reconstituted and continued pursuant to Section 16.3 hereof, the General Partner or, in the event there is no General Partner, a liquidator or a liquidating committee selected by a Majority in Interest of the Limited Partners (the "Liquidator"), shall commence to wind up the affairs of the Partnership and to liquidate and sell its assets. The Liquidator shall have sufficient business expertise and competence to conduct the winding up and termination of the Partnership and, in the course thereof, to cause the Partnership to perform any contracts which the Partnership has theretofore or (subject to the limitations hereinafter set forth) may thereafter enter into. The Liquidator shall proceed with such liquidation in as expeditious a manner as is reasonably practicable. The Liquidator shall have full right and unlimited discretion to determine the time, manner and terms of sale or sales of Partnership property pursuant to such liquidation with due regard to the activity and condition of the relevant market and general financial and economic conditions. The Liquidator (if other than the General Partner) appointed as provided herein shall be entitled to receive such compensation for its services as shall be agreed upon by the Liquidator and a Majority in Interest of the Limited Partners. The Liquidator may resign at any time by 15 days prior written notice and (other than the General Partner) may be removed at any time with or without cause, by written notice of removal signed by a Majority in Interest of the Limited Partners. Upon the death, dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all the rights, powers and duties of the original Liquidator) shall be appointed within 30 days thereafter by vote of a Majority in Interest of the Limited Partners, evidenced by written appointment and acceptance. The right to appoint a successor or substitute Liquidator in the manner provided herein shall be recurring and continuing for so long as the functions and services of the "Liquidator" are authorized to continue under the provisions hereof, and every reference herein to the "Liquidator" will be deemed to refer also to any such successor or substitute Liquidator appointed in the manner herein provided. Except as expressly provided in this Article XVII, the Liquidator appointed in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto or their legal representatives or successors in interest, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than any limitation on sales of assets set forth in Section 14.7(b) or elsewhere herein) to the extent necessary or desirable in the good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time, not to exceed two years after the date of dissolution of the Partnership, as shall be reasonably required in the good faith

judgment of the Liquidator to complete the liquidation and dissolution of the Partnership as provided for herein, including without limitation the following specific powers:

(a) The power to continue to manage and operate any business of the Partnership during the period of such liquidation or dissolution proceedings, excluding, however, the power to make and enter into contracts which may extend beyond the period of liquidation.

(b) The power to make sales and incident thereto to execute deeds, bills of sale, assignments and transfers of assets and properties of the Partnership; provided, that the Liquidator may not impose personal liability upon any of the Partners under any such instrument.

(c) The power to borrow funds as may, in the good faith judgment of the Liquidator, be reasonably required to pay debts and obligations of the Partnership or operating expenses, and to execute and/or grant deeds of trust, mortgages, security agreements, pledges and collateral assignments upon and encumbering any of the Partnership properties as security for repayment of such loans or a security for payment of any other indebtedness of the Partnership; provided, however, that the Liquidator shall not have the power to create any personal obligation on any of the Partners to repay such loans or indebtedness other than out of available proceeds of foreclosure or sale of the properties or assets as to which a lien or liens are granted as security for payment thereof.

(d) The power to settle, release, compromise or adjust any claims asserted to be owing by or to the Partnership, and the right to file, prosecute or defend lawsuits and legal proceedings in connection with any such matters.

Section 17.2. If within 30 days following the date of dissolution or other time period provided in Section 17.1 above a Liquidator or successor Liquidator has not been appointed in the manner provided therein, any interested party shall have the right to make application to the appropriate court in the jurisdiction in which the Surgery Center is located for appointment of such Liquidator or successor Liquidator, and the said court shall be fully authorized to appoint and designate such Liquidator or successor Liquidator who shall have all the powers, duties, rights and authorities of the Liquidator herein provided.

Section 17.3. After making payment or provision for payment of all debts and liabilities of the Partnership and all expenses of liquidation, the Liquidator may set up, for a period not to exceed two years after the date of dissolution of the Partnership, such cash reserves as the Liquidator may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership.

Section 17.4. Upon the winding up and termination of the business and affairs of the Partnership, its assets (other than cash) shall be sold and its liabilities and obligations to creditors and all expenses incurred in its liquidation shall be paid. Notwithstanding the provisions of Article VIII, the net proceeds from such sales (after deducting all selling costs and expenses in connection therewith), together with the balance of any reserve account referred to in Section 17.3 above, shall be distributed among the Partners in proportion to, and to the extent of,

their respective positive balances in their Capital Accounts (after taking into account all Capital Account adjustments for the taxable year of liquidation).

Section 17.5. Within a reasonable time following the completion of the liquidation of the Partnership's properties, the Liquidator shall supply to each of the Partners a statement which shall set forth the assets and the liabilities of the Partnership as of the date of complete liquidation, each Partner's pro rata portion of distributions pursuant to Section 17.4, and the amount retained as reserves by the Liquidator pursuant to Section 17.3.

Section 17.6. Each holder of an interest in the Partnership shall look solely to the assets of the Partnership for all distributions with respect to the Partnership and his or her Capital Contribution thereto (including the return thereof) and share of profits or losses thereof and shall have no recourse therefor (upon dissolution or otherwise) against the Partnership, the General Partner or the Liquidator. No holder of an interest in the Partnership shall have any right to demand or receive property other than cash upon dissolution and termination of the Partnership. All Partnership property shall be sold upon liquidation of the Partnership or distributed in kind to the Partners, at the sole discretion of the Liquidator. Any such in kind distribution need not be made on a pro rata basis so long as the value of the assets and cash (if any) distributed to each Partner is in compliance with this Article XVII. In the event any Partnership property is distributed in kind, each Partner shall be deemed to have received his or her proportionate share of each asset so distributed, determined in accordance with his or her positive Capital Account balance, as adjusted to take into account any unrealized gains or losses at the time of distribution, as though such Partnership property had been sold immediately prior to its distribution for an amount equal to its fair market value, as reasonably determined by the Liquidator, and taking into account all distributions of proceeds pursuant to this Article XVII.

Section 17.7. Upon the completion of the liquidation of the Partnership and the distribution of all Partnership funds and assets, the Partnership shall terminate and the General Partner or Liquidator, as the case may be, shall (and is hereby given the power and authority to) execute, acknowledge, swear to and record all documents required to effectuate the dissolution and termination of the Partnership.

Section 17.8. A technical tax termination under any applicable provisions of federal or state income tax laws shall not cause a dissolution of the Partnership. Upon the liquidation of the Partnership caused by the termination of the Partnership under Section 708(b)(1)(B) of the Code, the assets of the Partnership shall be deemed to be distributed in-kind to the Partners as tenants-in-common and immediately thereafter contributed to the capital of a new partnership by and among the Partners governed by a partnership agreement identical to the provisions of this Agreement. The Partners' respective undivided interests in such distributed assets shall equal the ratio that the Capital Account (after taking into account all Capital Account adjustments for the taxable year of such dissolution) of each such Partner bears to the Capital Accounts of all the Partners. Each Partner's Capital Account in such new partnership shall be credited with the Gross Asset Value (without taking into account Section 7701(g) of the Code) of such Partner's undivided interest in such distributed assets (net of the allocable percentage of liabilities securing such undivided interest that the new partnership is considered to assume or take subject to under Section 752 of the Code).

Section 17.9. A Partner's interest in the Partnership shall be deemed liquidated for purposes of this Article XVII upon the liquidation of the Partnership or on the date of liquidation of the Partner's interest in the Partnership under Regulations Section 1.761-1(d). A liquidation for such purposes shall occur upon a termination of the Partnership under Code Section 708(b)(1) or upon the cessation of the Partnership as a going concern as defined in Regulations Section 1.704-1(b)(2)(ii)(g).

ARTICLE XVIII

Notices

To be effective, all notices and demands under this Agreement must be in writing and must be given by (1) depositing same in the United States mail, postage prepaid, certified, registered or express, return receipt requested, (2) prepaid telegram, (3) confirmed facsimile transmission, (4) courier service or (5) delivering same in person and receiving a signed receipt therefor. For purposes of notice, the addresses of the Partners or their respective assigns shall be as set forth on Schedule A attached to this Agreement (as the same may be modified from time to time by the General Partner to reflect transfers of Units and address changes pursuant hereto) and the address of the Partnership shall be as set forth in Article V. Notices mailed in accordance with the foregoing shall be deemed to have been given and made two days following the date so mailed. Any Limited Partner or his assignee may designate a different address to which notices or demands shall thereafter be directed by written notice given in the manner hereinabove required and directed to the Partnership at its offices as hereinabove set forth. The General Partner may designate a different address to which notices or demands shall thereafter be directed by written notice to the Limited Partners given in the manner hereinabove required and directed to the Partnership at its offices as hereinabove set forth.

ARTICLE XIX

Amendment of Limited Partnership Agreement

Section 19.1. This Agreement may be modified or amended at any time by a writing signed by the General Partner and by a Majority in Interest of the Limited Partners; provided, however, that, without the express, written consent of each Limited Partner affected thereby, no such modification or amendment shall change the limitation on liability of the Limited Partners.

Section 19.2. The General Partner shall have the authority to amend this Agreement without any vote or other action by the other Partners (a) as provided in Section 9.5, (b) for purposes of reflecting transfers of Units pursuant to Article XV, (c) for purposes of forming, qualifying or continuing the Partnership as a limited partnership in all jurisdictions in which the Partnership conducts or plans to conduct business and (d) to the minimum extent deemed necessary or appropriate by the General Partner to (i) bring the Partnership and this Agreement into compliance with any future federal or state laws or administrative regulations that are duly enacted and that restrict physician investment, or that define the conditions under which physicians may invest, in privately held health care companies (such as the Partnership) to

which they refer patients, except that no such amendment may be adopted without compliance with Section 19.1 if such modification or amendment would change the interest of such Partner in the capital, profits, losses or cash distributions of the Partnership or his rights of contribution or withdrawal with respect thereto, (ii) allow the Partnership to avail itself of any future federal or state laws or administrative regulations that are duly enacted and that relate to the Partnership's status as a Limited Partnership under the Code or the Regulations, or (iii) reduce or eliminate a risk that any provision of this Agreement would cause STN or any of its Affiliates to no longer be recognized as a corporation exempt under Section 501(c)(3) of the Code.

Section 19.3. In the event this Agreement shall be amended pursuant to this Article XIX, the General Partner shall amend the Certificate of Limited Partnership of the Partnership to reflect such change if it deems such amendment of the Certificate to be necessary or appropriate.

ARTICLE XX

Power of Attorney

Each of the Limited Partners and any permitted assignee or transferee of his interest hereunder, does hereby irrevocably constitute and appoint the General Partner, or its successors as General Partner, his true and lawful attorney in fact and agent, to execute, acknowledge, verify, swear to, deliver, record and file, in such Partner's or assignee's name, place and stead, all instruments, documents and certificates which may from time to time be required by the laws of the United States of America, the State of Tennessee, or any political subdivision or agency thereof, to effectuate, implement and continue the valid existence of the Partnership, including without limitation the power and authority to execute, verify, swear to, acknowledge, deliver, record and file (1) all certificates and other instruments (including the certificate of limited partnership, counterparts of this Agreement and amendments thereto) which the General Partner deems appropriate to form, qualify or continue the Partnership as a limited partnership in the State of Tennessee, (2) all instruments which the General Partner deems appropriate to reflect any amendment to this Agreement made in accordance with the terms of this Agreement, (3) all conveyances and other instruments which the General Partner deems appropriate to reflect the dissolution and termination of the Partnership pursuant to the terms of this Agreement, including the writing required by the Partnership Act to cancel the Partnership's certificate filed with the Tennessee Secretary of State and any other governmental agencies, (4) all instruments relating to the admission of any additional or substituted Limited Partner and (5) a certificate of assumed name and such other certificates and instruments as may be necessary under the fictitious or assumed name statutes from time to time in effect in the State of Tennessee and all other jurisdictions in which the Partnership conducts or plans to conduct business. Said agent and attorney in fact shall not, however, have the right, power or authority to amend or modify this Agreement when acting in such capacities, except to the extent authorized herein. The power of attorney granted herein shall be deemed to be coupled with an interest, shall be irrevocable, shall survive the death, dissolution, bankruptcy, incompetency or legal disability of a Limited Partner and shall extend to such Limited Partner's heirs, successors and assigns. The power of attorney granted herein may be exercised by said agent and attorney in fact for all Limited Partners (or any of them) by listing all (or any) of the Limited Partners required to execute any such instrument

and executing such instrument acting as attorney in fact for all (or any one) of them or in such other manner, including by facsimile signature, as said agent and attorney in fact may deem appropriate. Each Limited Partner hereby agrees to be bound by any representations made by the General Partner acting in good faith (consistent with the limitation of liability of a Limited Partner) pursuant to such power of attorney, and each Limited Partner hereby waives any and all defenses which may be available to contest, negate or disaffirm any action of the General Partner taken in good faith under such power of attorney.

ARTICLE XXI

Miscellaneous

Section 21.1. The Partners agree that the Partnership's properties are not and will not be suitable for partition. Accordingly, each of the Partners hereby irrevocably waives any and all rights that he or she may have to maintain any action for partition of any of the Partnership's property.

Section 21.2. This Agreement constitutes the entire agreement among the parties relating to the subject matter hereof and supersedes any prior agreement or understanding among them. This Agreement may not be modified or amended in any manner other than as set forth herein.

Section 21.3. This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Tennessee.

Section 21.4. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the parties and their legal representatives, heirs, administrators, executors, successors and assigns.

Section 21.5. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter.

Section 21.6. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provision hereof.

Section 21.7. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

Section 21.8. Separate copies of this Agreement may be executed by the parties hereto, with the same effect as though all parties had signed the same copy of this Agreement. Signatures transmitted by facsimile shall be accepted as original signatures.

Section 21.9. Each party hereto agrees to execute, with acknowledgment or affidavit, if required, any and all documents and writings which may be necessary or expedient in connection with the creation of the Partnership and the achievement of its purposes, specifically including all such agreements, certificates, tax statements, tax returns and other documents as may be required of the Partnership or its Partners by the laws of the United States of America, the State of Tennessee or any political subdivision or agency thereof.

Section 21.10. In any action at law or equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party to such litigation, as determined by the court in any final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeal or in connection with any bankruptcy proceeding), and if the successful party recovers judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included in and as a part of such judgment.

Section 21.11. If any due date contained herein falls on a Saturday or Bank holiday other than a Monday holiday, the due date shall be deemed to be the preceding business day. If any such due date falls on a Sunday or Monday Bank holiday, the due date shall be deemed to be the following business day.

Section 21.12. The General Partner shall not be required to deliver or mail copies of the certificate of limited partnership of the Partnership, or any amendments thereto, to the Limited Partners, but the General Partner shall provide copies thereof to any Limited Partner upon written request therefor.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Limited Partnership Agreement as of the day and in the year first above written.

GENERAL PARTNER:

SAINT THOMAS/USP-BAPTIST PLAZA, L.L.C.

Wesley O. Littrell
WESLEY O. LITTRELL
VICE PRESIDENT

By Monica Cistado
Name Monica Cistado
Title President and Chief Manager

LIMITED PARTNERS:

SETON CORPORATION DBA BAPTIST HOSPITAL

By Thomas E. Beeman
Name THOMAS E. BEEMAN
Title PRESIDENT / CEO

Other Limited Partner signatures will be set forth on their respective assignment forms, subscription agreements or other similar documents that refer to this Agreement.

The undersigned, as the "Joint Venture" and the "Initial Limited Partners" of the Partnership, acknowledge that they have transferred all of their interest in the Partnership to the General Partner and have withdrawn as partners of the Partnership concurrently with the effectiveness of the foregoing Amended and Restated Limited Partnership Agreement.

JOINT VENTURE:

SAINT THOMAS/USP SURGERY CENTERS, L.LC.

Wesley O. Littrell
WESLEY O. LITTRELL
VICE PRESIDENT

By Monica Cistado
Name Monica Cistado
Title President and Chief Manager

INITIAL LIMITED PARTNERS:

SAINT THOMAS NETWORK

By Thomas E. Beeman
Name THOMAS E. BEEMAN
Title PRESIDENT / CEO

[signatures continued on following page]

USP TENNESSEE, INC.

By Monica Quirado
Name Monica Quirado
Title Vice President.

SCHEDULE A

List of Partners

GENERAL PARTNER			
Name	Address	Number of Units	Capital Contribution ($12,500/Unit)
Saint Thomas/USP-Baptist Plaza, L.L.C.	2011-2021 Church Street Nashville, TN 37236	160	$2,000,000

LIMITED PARTNERS			
Name	Address	Number of Units	Total Capital Contribution ($12,500/Unit)
Seton Corporation dba Baptist Hospital	2000 Church Street Nashville, TN 37236	80	$1,000,000*
Saint Thomas/USP-Baptist Plaza, L.L.C.	2011-2021 Church Street Nashville, TN 37236	____	$_____
Physician Limited Partners _____, M.D.	_____ _____ _____	____	$_____
_____, M.D.	_____ _____ _____	____	$_____
_____, M.D.	_____ _____ _____	____	$_____
	TOTALS		

* Represents a portion of the value of the assets contributed to the Partnership by the Hospital pursuant to Section 7.1(b).

SCHEDULE B

Annual Eligibility Affirmation Statement

The undersigned, who is a Limited Partner of Baptist Plaza Surgicare, L.P., a Tennessee limited partnership (the "Partnership"), hereby represents, warrants and agrees as follows:

1. At all times in which I have had an ownership interest in the Partnership, I have fully informed, and I agree that I will continue to fully inform, each patient referred by me to Baptist Plaza Surgicare (the "Surgery Center") that I have an investment interest in the Surgery Center.

2. During the 12 calendar months immediately preceding the date of this Statement:

(a) I have derived at least one-third of my medical practice income from the performance of outpatient surgical procedures (as defined below); and

(b) I have performed at least one-third of my outpatient surgical procedures at the Surgery Center.

For purposes hereto, the term "outpatient surgical procedures" means those surgical procedures that are on the list of Medicare covered procedures authorized to be performed in ambulatory surgical centers under applicable Medicare regulations.

3. I agree that, with respect to any and all federal health care programs in which I participate, I will treat patients receiving benefits or assistance under such programs in a nondiscriminatory manner.

4. I have not been excluded from participation in the Medicare, Medicaid or any other federal health care program;

5. At all times in which I have had an ownership interest in the Partnership, I have been and I agree that I will continue to be personally involved with the provision of care or health services at the Surgery Center.

6. At all times in which I have had an ownership interest in the Partnership, I have provided, and I agree that I will continue to provide, each patient referred by me to the Surgery Center with a list of effective alternative entities and I have clearly informed the patient that he or she has the option to use one of the alternative entities with the assurance that I will not treat the patient differently if they do not choose the Surgery Center.

[signature on following page]

Agreed to by the undersigned this _____ day of _____, 200_.

_____
(Signature of Limited Partner)

_____
(Type or Print Name of Limited Partner)

Schedule B

SCHEDULE C

Development and Management Agreement

(see attached)

FIRST AMENDMENT
to
AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
of
BAPTIST PLAZA SURGICARE, L.P.

This First Amendment (this "Amendment") to the Amended and Restated Limited Partnership Agreement, dated Dec 23, 2003 (the "Agreement"), of Baptist Plaza Surgicare, Ltd., a Tennessee limited partnership (the "Partnership") is entered into effective as of October ___, 2004 by Saint Thomas/USP-Baptist Plaza, L.L.C., a Tennessee limited liability company and the general partner of the Partnership (the "General Partner"), and the undersigned Limited Partners of the Partnership, with reference to the following facts:

RECITALS

A. The parties hereto, or their predecessors in interest, previously entered into the Agreement. Unless otherwise defined herein, the capitalized terms used in this Amendment shall have the meanings ascribed to them in the Agreement.

B. The parties hereto desire to amend the Agreement as more fully provided herein.

THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. The definition of "Units" in the Agreement is hereby amended and restated in full to read as follows:

> "'Units' mean the Partnership interests of the Partners, which have been divided into 800 units, with each such unit being referred to herein as a 'Unit'; 320 of such Units (the 'General Partner Units') shall be held by the General Partner in its capacity as such and 480 of such Units (the 'Limited Partner Units') shall be held by Limited Partners, including any Limited Partnership Units that are from time to time held by the General Partner or its Affiliates."

Upon the effectiveness of this Amendment, (a) the 160 outstanding General Partner Units (as heretofore defined in the definition of "Units" in the Agreement) are converted into the 320 General Partner Units (as defined in the new definition of "Units" set forth above) and (b) the 240 outstanding Limited Partner Units (as so heretofore defined) are hereby converted into the 480 Limited Partner Units. Accordingly, each currently outstanding "Unit" (as defined

prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By _____
Name Deborah Sherman, MD
Title Medical Doctor

LIMITED PARTNERS:

H:\Sandra\Baptist Plaza Amendment 101904.DOC

prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By Michael J. Pagnani
Name Michael Pagnani, MD
Title Medical Doctor.

LIMITED PARTNERS:

H:\Sandra\Baptist Plaza Amendment 101904.DOC

prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By Melinda Haws

Name Melinda Haws

Title Plastic Surgeon

LIMITED PARTNERS:

H:\Sandra\Baptist Plaza Amendment 101904.DOC

prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By Clark D. Lea
Name CLARK D. LEA
Title Medical Doctor

LIMITED PARTNERS:

H:\Sandra\Baptist Plaza Amendment 101904.DOC

prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By James W. Felch, MD
Name James W. Felch, MD
Title Medical doctor

LIMITED PARTNERS:

H:\Sandra\Baptist Plaza Amendment 101904.DOC

prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By Melinda C Haws
Name Melinda Haws
Title Plastic Surgeon.

LIMITED PARTNERS:

H:\Sandra\Baptist Plaza Amendment 101904.DOC

prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By _____
Name John Maloy, Jr
Title MD

LIMITED PARTNERS:

_____

_____

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prior to the effectiveness of this Amendment) is hereby converted into two Units (as defined in the new definition of "Units" set forth above).

2. In accordance with Section 19.1 of the Agreement, this Amendment shall be effective when it is signed by the General Partner and a Majority in Interest of the Limited Partners.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By Clark D. Lea
Name CLARK D. LEA
Title Medical Doctor

LIMITED PARTNERS:

H:\Sandra\Baptist Plaza Amendment 101904.DOC

IN WITNESS WHEREOF, the undersigned has executed this Amendment of as of the date first above written.

SAINT THOMAS/USP-BAPTIST PLAZA

By Bernie Sharry
Name Bernie Sharry
Title President + CEO

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LIMITED PARTNERS:

G. Lee Bryant, Jr. M.D.

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LIMITED PARTNERS:

11/18/2004

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SECOND AMENDMENT OF
AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
OF
BAPTIST PLAZA SURGICARE, L.P.

This Second Amendment ("Amendment") is entered into effective as of October 1, 2011 (the "Effective Date") by and among Saint Thomas/USP-Baptist Plaza, L.L.C., a Tennessee limited liability company (the "General Partner"), and the Limited Partners of Baptist Plaza Surgicare, L.P., a Tennessee limited partnership (the "Partnership"), with reference to the following facts:

RECITALS

A. The parties hereto, or their predecessors in interest, entered into that certain Amended and Restated Limited Partnership Agreement of the Partnership, dated as of December 23, 2003, as amended in October 2004 (the "Agreement"). Unless otherwise defined herein, the capitalized terms used in this Amendment shall have the meanings ascribed to them in the Agreement.

B. Concurrently with the execution hereof, the Partnership is entering into a Contribution and Purchase Agreement (the "Contribution and Purchase Agreement") with Frist-Scoville Medical Group, G.P., a Tennessee general partnership d/b/a Nashville Endoscopy Center ("NEC"), among others, whereby NEC is contributing to the Partnership the Surgery Center Assets (as defined in the Contribution and Purchase Agreement) associated with the outpatient surgery center owned and operated by NEC known as Nashville Endoscopy Center, located at 300 20th Avenue North, Nashville, Tennessee 37203 (the "NEC Center"), subject to certain designated liabilities, in exchange for $2,000,000 consisting of (i) $1,730,000 in cash and (ii) a 1.23% limited partnership interest in the Partnership (valued at $270,000). In addition, Manager will contribute $300,000 to the Partnership, which the Partnership will use towards payment to NEC of the purchase price for the Surgery Center Assets, in consideration for the right to manage the NEC Center in accordance with the Development and Management Agreement as amended by the Contribution and Purchase Agreement. NEC will concurrently distribute the ownership interest in the Partnership and a portion of the cash to Neil M. Price, M.D. ("Dr. Price"), and the remaining cash to its other partners and certain non-partners in accordance with the Contribution and Purchase Agreement. In addition, Dr. Price and Mark A. Miller, M.D. ("Dr. Miller") will purchase additional limited partnership interests in the Partnership from the General Partner and Manager (specifically, Dr. Price will purchase a 1% limited partnership interest from the General Partner and a 0.27% limited partnership interest from Manager, and Dr. Miller will purchase a 0.5% limited partnership interest from Manager), resulting in them owning an aggregate 3% limited partnership interest in the Partnership (2.5% Dr. Price; and 0.5% Dr. Miller), all as more fully described therein and herein.

C. The parties hereto desire to amend the Agreement as more fully provided herein.

THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. The recitals set forth in this Amendment are hereby incorporated herein and made a part of the terms of this Amendment.

2. The "Definitions" section of the Agreement is hereby revised as follows:

(a) The defined term "Development and Management Agreement" is deleted in its entirety and replaced with the following:

> "Development and Management Agreement" means that certain Development and Management Agreement, dated March 4, 2003, as amended effective October 1, 2011, between Manager and the Partnership relating to management of the BPS Center and the NEC Center, a copy of which is attached hereto as *Schedule C*.

The Amendment to Development and Management Agreement, dated effective October 1, 2011, in the form attached hereto as Attachment 1 shall be attached to the Agreement as part of *Schedule C*.

(b) The defined term "Surgery Center" is deleted in its entirety and replaced with the following:

> "Surgery Centers" means collectively (1) the outpatient freestanding surgery center known as "Baptist Plaza Surgicare," which is on the lower (basement) level of a medical office building known as Baptist Plaza One, located at 2011-2021 Church Street, Nashville, Tennessee 37236 (the 'BPS Center'), and (2) the outpatient surgery center known as "Nashville Endoscopy Center," located at 300 20th Avenue North, Nashville, Tennessee 37203 (the 'NEC Center').

Except as otherwise provided in this Amendment, all references in the Agreement to the term "Surgery Center" shall be revised to read "Surgery Centers."

(c) The defined term "Units" is deleted in its entirety and replaced with the following:

> "Units" mean the Partnership interests of the Partners, which have been divided into 810 units, with each such unit being referred to herein as a "Unit"; 320 of such Units (the "General Partner Units") shall be held by the General Partner in its capacity as such; and 490 of such Units (the "Limited Partner Units") shall be held by the Limited Partners, including any Limited Partnership Units that are from time to time held by the General Partner or its Affiliates.

Upon the effectiveness of this Amendment, the additional 10 Limited Partner Units authorized hereunder shall be issued to NEC (which shall in turn distribute said Units to Dr. Price) pursuant to the Contribution and Purchase Agreement as partial consideration for its

contribution of the Surgery Center Assets (as defined in the Contribution and Purchase Agreement) to the Partnership.

(d) Add the following new defined terms in the appropriate alphabetical order:

> "'BPS Center' shall be as defined in the definition of "Surgery Centers."
>
> "'Contribution and Purchase Agreement' means that certain Contribution and Purchase Agreement, dated as of October __, 2011, among the Partnership, NEC, the NEC Partners, the General Partner and Manager, as described in Recital B of the Second Amendment to this Agreement.
>
> "'NEC' means Frist-Scoville Medical Group, G.P., a Tennessee general partnership d/b/a Nashville Endoscopy Center."
>
> "'NEC Center' shall be as defined in the definition of "Surgery Centers."
>
> "'NEC Partners' means the partners of NEC as of the date of the Contribution and Purchase Agreement."

3. The second sentence of Article II of the Agreement is hereby revised to read as follows:

> "The businesses of the Partnership shall be conducted under the names of 'Baptist Plaza Surgicare,' 'Baptist Plaza Surgery Center,' and 'Nashville Endoscopy Center,' or such other name or names as may be designated from time to time by the General Partner."

4. Clause (1) of Section 3.1 of the Agreement is hereby revised to read as follows: "(1) to acquire the BPS Center assets pursuant to Section 7.1 hereof and the NEC Center assets pursuant to the Contribution and Purchase Agreement."

5. The first sentence of Article V is hereby revised to read as follows: "The principal place of business of the Partnership shall be at 2011-2021 Church Street, Nashville, Tennessee 37236."

6. Article VI of the Agreement is hereby amended and restated to read as follows:

"ARTICLE VI

<u>Term</u>

> The term of the Partnership shall begin on the date of the initial filing of the Partnership's Certificate of Limited Partnership as required under the Partnership Act and the Partnership shall continue in existence

on a perpetual basis unless and until terminated and liquidated in accordance with this Agreement or applicable law."

7. Section 7.1(a) of the Agreement is hereby amended so that all references therein to "Surgery Center" are revised to read "BPS Center."

8. A revised *Schedule B*, in the form attached hereto as Attachment 2, reflecting the Partnership's ownership in both the BPS Center and the NEC Center (as such terms are defined in paragraph 2(b) of this Amendment), shall be attached to the Agreement.

9. By their execution hereof, the Partners hereby authorize and approve of the Partnership entering into the Contribution and Purchase Agreement, and the transactions contemplated thereby.

10. In accordance with Section 19.1 of the Agreement, the Amendment shall be effective when counterparts have been signed by the General Partner and a Majority in Interest of the Limited Partners.

11. Separate copies of this Amendment may be signed by the Partners, with the same effect as though all signing Partners had signed one copy of this Amendment. Signatures transmitted by facsimile or via other electronic transmission system shall be accepted as original signatures.

12. Except as expressly amended by this Amendment, the Agreement shall continue in full force and effect.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the Effective Date.

GENERAL PARTNER: **SAINT THOMAS/USP-BAPTIST PLAZA, L.L.C.**

By [signature]
Name Monica Cintado
Title Vice President

LIMITED PARTNERS:

Jerrall P. Crook, Jr. MD
(Type or Print Name of Limited Partner)

J. Crook Jr MD
(Signature of Limited Partner)

(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

412221_1.DOC

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the Effective Date.

GENERAL PARTNER: **SAINT THOMAS/USP-BAPTIST PLAZA, L.L.C.**

By _____
Name Monica Castrado
Title Vice President

LIMITED PARTNERS:

Melinda J Haws
(Type or Print Name of Limited Partner)

_____
(Signature of Limited Partner)

_____
(Type or Print Name of Limited Partner)

Daniel Viner, MD
(Signature of Limited Partner)

Mary Gingrass
(Type or Print Name of Limited Partner)

_____
(Signature of Limited Partner)

412221_1.DOC

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the Effective Date.

GENERAL PARTNER: **SAINT THOMAS/USP-BAPTIST PLAZA, L.L.C.**

By _____
Name Monica Castado
Title Vice President

LIMITED PARTNERS:

Lynch
(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

412221_1.DOC

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the Effective Date.

GENERAL PARTNER: **SAINT THOMAS/USP-BAPTIST PLAZA, L.L.C.**

By_____
Name _____
Title _____

LIMITED PARTNERS:

Rudolph C. Grafter
(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

Thomas Doran
(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

Jeffrey Millers
(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

David R. Moore
(Type or Print Name of Limited Partner)

(Signature of Limited Partner)

412221_1.DOC

ATTACHMENT 1

AMENDMENT TO DEVELOPMENT AND MANAGEMENT AGREEMENT

(See Attached)

ATTACHMENT 2

SCHEDULE B

Annual Eligibility Affirmation Statement

(Baptist Plaza Surgicare and Nashville Endoscopy Center)

The undersigned, who is a Limited Partner of Baptist Plaza Surgicare, L.P., a Tennessee limited partnership (the "Partnership"), hereby represents, warrants and agrees as follows:

1. At all times in which I have had an ownership interest in the Partnership, I have fully informed, and I agree that I will continue to fully inform, each patient referred by me to Baptist Plaza Surgicare and/or Nashville Endoscopy Center (collectively, the "Surgery Centers") that I have an investment interest in the Surgery Centers.

2. During the 12 calendar months immediately preceding the date of this Statement:

(a) I have derived at least one-third of my medical practice income from the performance of outpatient surgical procedures (as defined below); and

(b) I have performed at least one-third of my outpatient surgical procedures at the Surgery Centers.

For purposes hereto, the term "outpatient surgical procedures" means those surgical procedures that are on the list of Medicare covered procedures authorized to be performed in ambulatory surgical centers under applicable Medicare regulations.

3. I agree that, with respect to any and all federal health care programs in which I participate, I will treat patients receiving benefits or assistance under such programs in a nondiscriminatory manner.

4. I have not been excluded from participation in the Medicare, Medicaid or any other federal health care program;

5. At all times in which I have had an ownership interest in the Partnership, I have been and I agree that I will continue to be personally involved with the provision of care or health services at one or both of the Surgery Centers.

6. At all times in which I have had an ownership interest in the Partnership, I have provided, and I agree that I will continue to provide, each patient referred by me to either of the Surgery Centers with a list of effective alternative entities and I have clearly informed the patient that he or she has the option to use one of the alternative entities with the assurance that I will not treat the patient differently if they do not choose either of the Surgery Centers.

Agreed to by the undersigned this _____ day of _____, 200_.

_____
(Signature of Limited Partner)

_____
(Type or Print Name of Limited Partner)

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STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

ERIK NELSON
71 VICKERY STREET
ROSWELL, GA 30075

July 9, 2013

Request Type: Certificate of Existence/Authorization
Request #: 0102204

Issuance Date: 07/09/2013
Copies Requested: 1

Document Receipt

Receipt # : 1088249 Filing Fee: $22.25

Payment-Credit Card - TennesseeAnytime Online Payment #: 151162419 $22.25

Regarding: BAPTIST PLAZA SURGICARE, L.P.
Filing Type: Limited Partnership - Domestic
Formation/Qualification Date: 01/31/2002
Status: Active
Duration Term: Expires: 01/31/2052
Business County:

Control # : 421255
Date Formed: 01/31/2002
Formation Locale: TENNESSEE
Inactive Date:

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

BAPTIST PLAZA SURGICARE, L.P.

* is a Limited Partnership duly created under the law of this State, whose Certificate of Limited Partnership was filed with this office on the date given above;

* has paid all fees, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

* has appointed a registered agent and registered office in this State;

* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

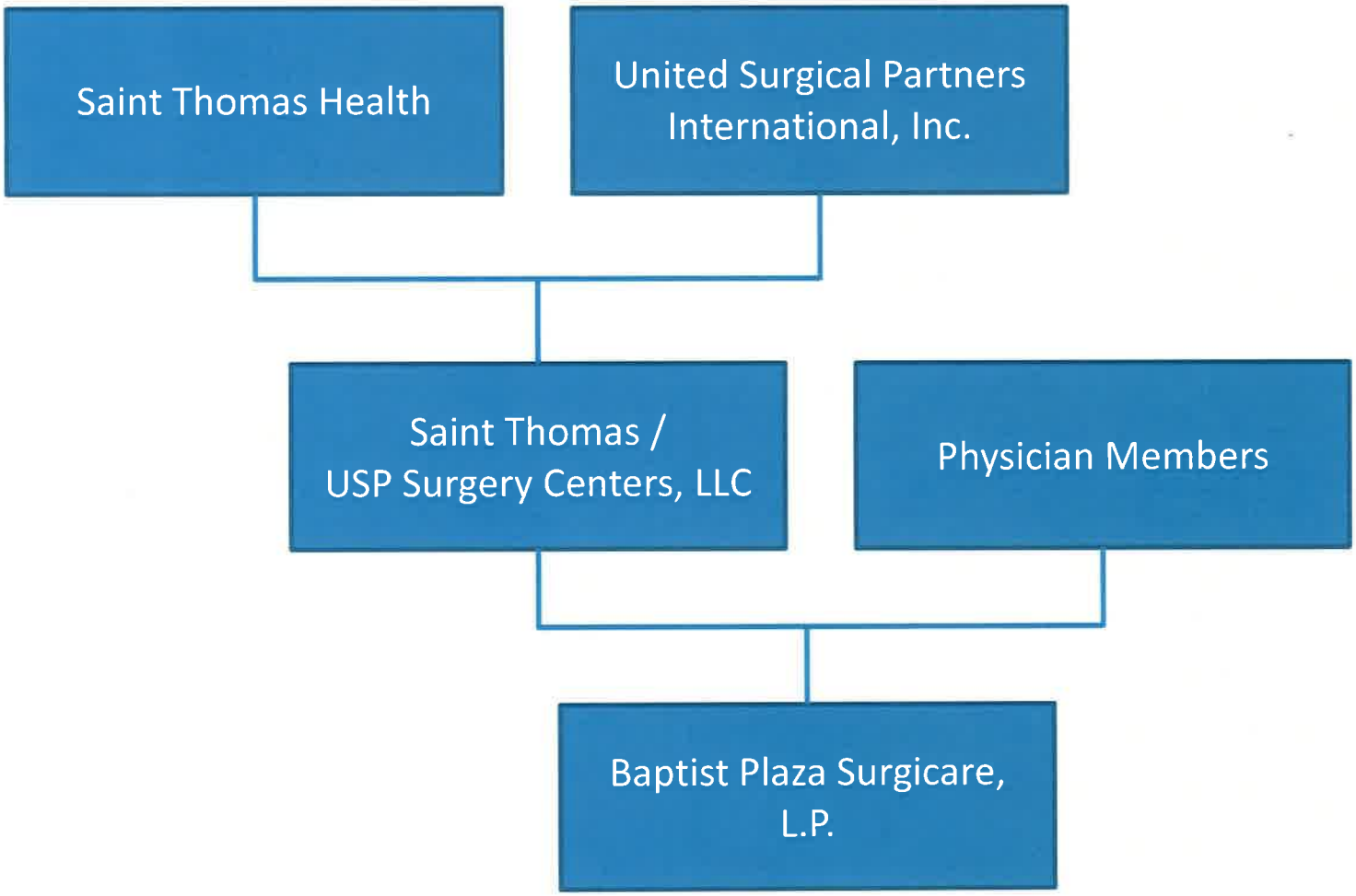
Verification #: 003442524

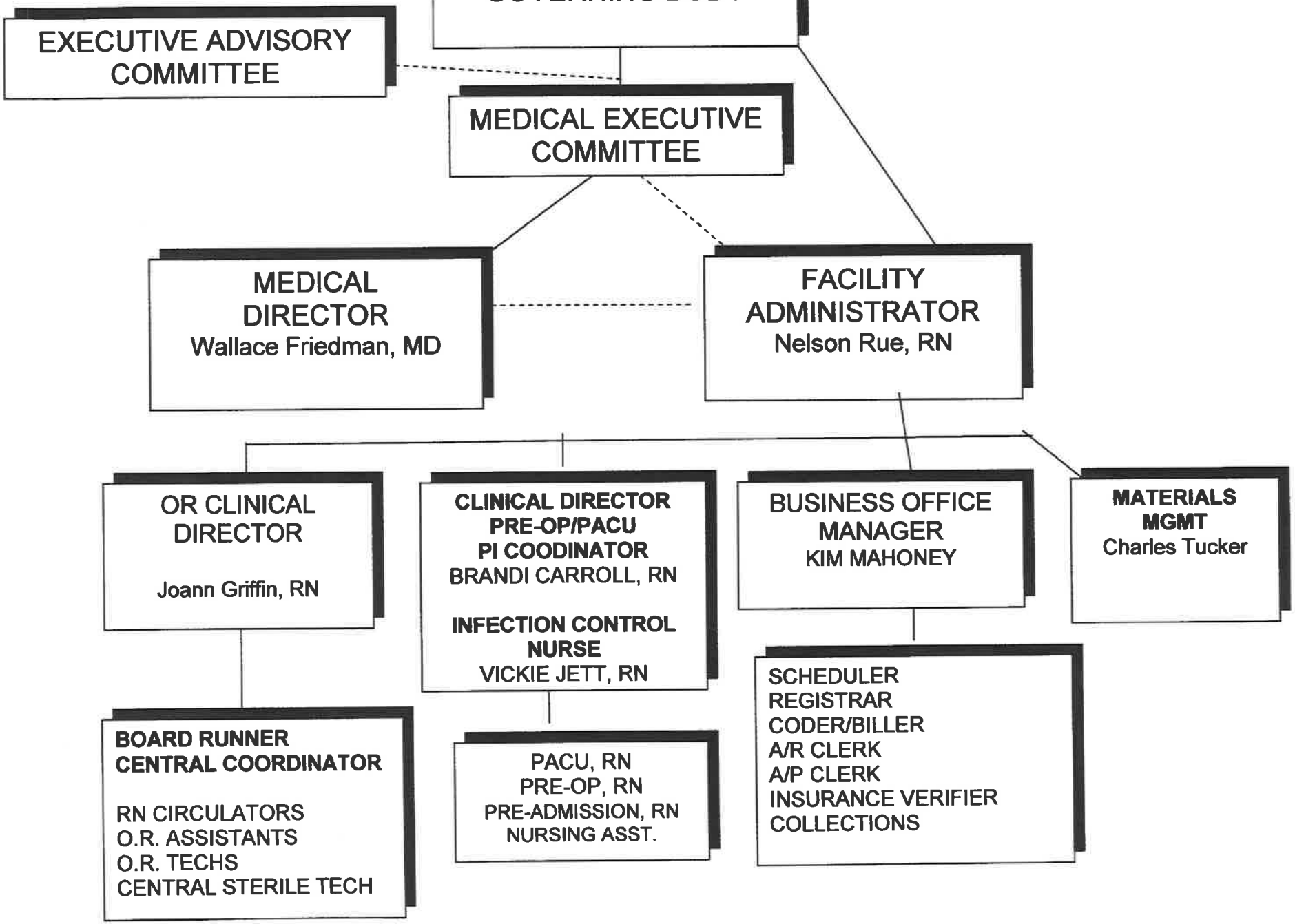
Tab 2

Attachment A, 4

Organizational/Ownership Chart

Organizational Structure




JOINT VENTURE GOVERNING BODY
EXECUTIVE ADVISORY COMMITTEE
MEDICAL EXECUTIVE COMMITTEE
MEDICAL DIRECTOR
Wallace Friedman, MD
FACILITY ADMINISTRATOR
Nelson Rue, RN
OR CLINICAL DIRECTOR
Joann Griffin, RN
CLINICAL DIRECTOR PRE-OP/PACU PI COODINATOR
BRANDI CARROLL, RN
INFECTION CONTROL NURSE
VICKIE JETT, RN
BUSINESS OFFICE MANAGER
KIM MAHONEY
MATERIALS MGMT
Charles Tucker
BOARD RUNNER CENTRAL COORDINATOR
RN CIRCULATORS
O.R. ASSISTANTS
O.R. TECHS
CENTRAL STERILE TECH
PACU, RN
PRE-OP, RN
PRE-ADMISSION, RN
NURSING ASST.
SCHEDULER
REGISTRAR
CODER/BILLER
A/R CLERK
A/P CLERK
INSURANCE VERIFIER
COLLECTIONS

Organizational/Ownership Charts

The applicant, Baptist Plaza Surgicare, L.P., is a joint venture owned by Saint Thomas Health (including affiliate Seton Corporation) and United Surgical Partners International, Inc. (including affiliate USP Tennessee, Inc.) with 61.33% ownership. The remaining 38.67% is owned by member physicians, including Elrod Burton, MD, with 6.91% ownership. No other entities own 5% or more of Baptist Plaza Surgicare, L.P.

Tab 3

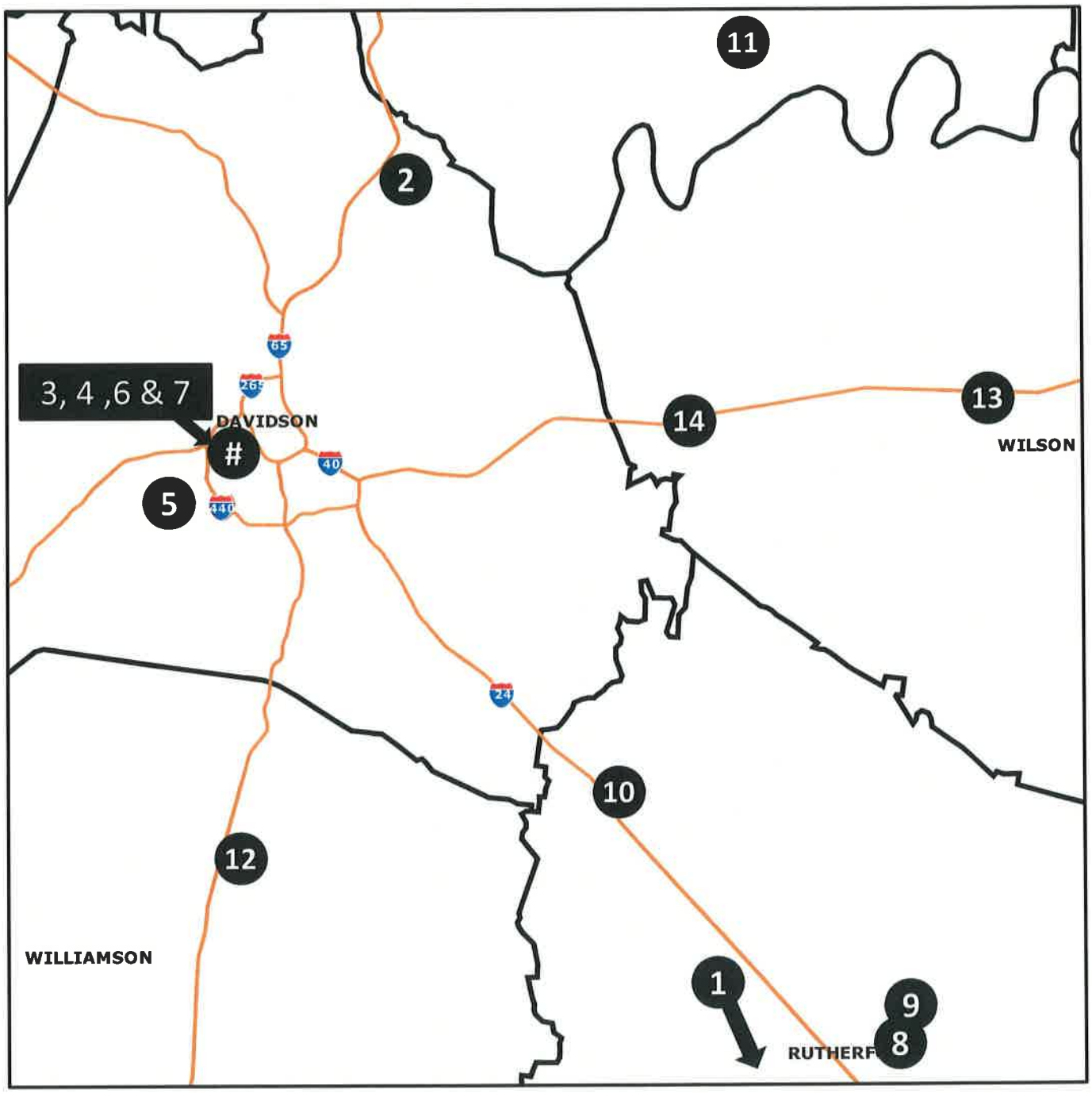
Attachment A, 4

Related Healthcare Institutions

Saint Thomas Joint Venture Ambulatory Surgery Centers

	Name	Address 1	Address 2	City	State	ZIP	County	Sub Type of Facility
1	Tullahoma Surgery Center	725 Kings Lane		Tullahoma	TN	37388	Coffee	Ambulatory Surgery Center
2	Northridge Surgery Center	647 Myatt Drive		Madison	TN	37115	Davidson	Ambulatory Surgery Center
3	Baptist Plaza Surgicare	2011 Church Street		Nashville	TN	37203	Davidson	Ambulatory Surgery Center
4	Baptist Ambulatory Surgery Center	312 21st. Avenue North		Nashville	TN	37203	Davidson	Ambulatory Surgery Center
5	Saint Thomas Surgicare	4230 Harding Pike		Nashville	TN	37205	Davidson	Ambulatory Surgery Center
6	Eye Surgery Center of Nashville, LLC	310 25th Avenue N.	Suite 105	Nashville	TN	37203	Davidson	Ambulatory Surgery Center
7	Nashville Endo Surgery Center	300 20th Avenue North		Nashville	TN	37203	Davidson	Endoscopy Center
8	Middle Tennessee Ambulatory Surgery Center	1800 Medical Center Parkway		Murfreesboro	TN	37129	Rutherford	Ambulatory Surgery Center
9	Mid-State Endoscopy Center, LLC	111 Dow Street	Suite A	Murfreesboro	TN	37130	Rutherford	Endoscopy Center
10	Physicians Pavilion Surgery Center	545 StoneCrest Parkway		Smyrna	TN	37167	Rutherford	Ambulatory Surgery Center
11	Patient Partners, LLC	890 North Blue Jay Way		Gallatin	TN	37066	Sumner	Ambulatory Surgery Center
12	Franklin Endoscopy Center, LLC	740 Cool Springs Blvd.	Suite 210B	Franklin	TN	37067	Williamson	Endoscopy Center
13	Lebanon Endoscopy Center, LLC	100 Physician's Way	Suite 340	Lebanon	TN	37090	Wilson	Endoscopy Center
14	Providence Surgery Center, LLC	5002 Crossings Circle	Suite 110	Mt. Juliet	TN	37122	Wilson	Ambulatory Surgery Center
		use this address to plot						
		2291 Old Murfreesboro Rd						

USPI Ambulatory Surgery Center Locations



ID	Facility	ID	Facility
1	Tullahoma Surgery Center (Not pictured)	8	Middle Tennessee Ambulatory Surgery Center
2	Northridge Surgery Center	9	Mid-State Endoscopy Center, LLC
3	Baptist Plaza Surgicare	10	Physicians Pavilion Surgery Center
4	Baptist Ambulatory Surgery Center	11	Patient Partners, LLC
5	Saint Thomas Surgicare	12	Franklin Endoscopy Center, LLC
6	Eye Surgery Center of Nashville, LLC	13	Lebanon Endoscopy Center, LLC
7	Nashville Endo Surgery Center	14	Providence Surgery Center, LLC

Tab 4

Attachment A, 4

Management Agreement

DEVELOPMENT AND MANAGEMENT AGREEMENT

This Development and Management Agreement ("Agreement") is made and entered into as of this _____ day of _____, 2003, by and between USP Tennessee, Inc., a Tennessee corporation ("Manager"), and Baptist Plaza Surgicare, L.P., a Tennessee limited partnership (the "Partnership"), with reference to the following facts:

RECITALS

A. The Partnership is developing and will operate an ambulatory surgery center to be known as Baptist Plaza Surgicare, located at 2011-2021 Church Street, Nashville, TN 37236 (the "Surgery Center").

B. Manager will assist the Partnership in completing the development of the Surgery Center and the syndication of interests in the Partnership and, when the Surgery Center is completed, Manager will manage the Surgery Center for the Partnership.

THEREFORE, the Partnership and Manager agree as follows:

AGREEMENT

1. **Management of the Surgery Center**. Manager will conduct the day-to-day business of the Partnership, including without limitation the development of the Surgery Center, in accordance with the terms and conditions of this Agreement, and is authorized to expend funds in accordance with the development budget to be approved by the Governing Board (the "Governing Board") of St. Thomas/USP-Baptist Plaza, L.L.C., a Tennessee limited liability company and the General Partner of the Partnership (the "General Partner"), and the capital and operating budgets of the Partnership (each a "Budget"). In providing its services hereunder, Manager shall cause the Surgery Center to be operated and managed in a manner that furthers the charitable purposes of Saint Thomas Network ("STN"), a Tennessee nonprofit corporation formerly known as Saint Thomas Health Services and a member of the entity that wholly owns the General Partner, and the charitable purposes of STN's tax-exempt affiliates. Notwithstanding any contrary provision contained in this Agreement, Manager shall not engage in any activity which, under the governing documents of the Partnership or the General Partner, requires the prior approval of the Governing Board of the General Partner, the members or a member of the General Partner, STN, Ascension Health or any other entity that controls STN without first obtaining such approval.

2. **Development Services**. Manager will provide the following development services in connection with the development, completion and opening of the Surgery Center:

(a) Coordinating the development of the Surgery Center with the project architect and engineers, including reviewing and making recommendations to the Partnership regarding the design of the Surgery Center and any modifications and change orders deemed appropriate by Manager or otherwise requested by the Partnership;

(b) Coordinating the construction of any leasehold improvements in the Surgery Center, including without limitation coordinating with the construction manager and general contractor;

(c) Obtaining all permits and approvals from governmental entities for the construction of such leasehold improvements;

(d) Coordinating the acquisition and installation of medical equipment, equipment and furnishings and recruitment of staff and physicians;

(e) Assisting in establishing preliminary and final plans and specifications for the Surgery Center and preparing financial projections of the costs associated with the development of the Surgery Center for incorporation into a development budget (the "Development Budget") to be submitted for approval by the Governing Board of the General Partner. The Development Budget will include an itemization of all expenditures made prior to the date on which the Surgery Center has all required approvals to commence operations and provide services to patients (the "Effective Date"), including without limitation the costs of obtaining the Surgery Center's certificate of need and license, the development fees payable to Manager, construction and equipment costs and the estimated initial working capital that will be needed to finance the start-up phase of operations at the Surgery Center. The Development Budget also shall set forth in reasonable detail the development activities of the parties and STN, time-lines for completion of such activities and the expected activities to be undertaken by each person or entity;

(f) Negotiating and executing on behalf of the Partnership all contracts with third party architects, engineers, contractors and suppliers in respect of the development of the Surgery Center, provided that the costs and expense of such contracts are set forth in the Development Budget;

(g) Reporting on the status of development of the Surgery Center in writing to the Partnership and the Governing Board of the General Partner at such time and in such detail as the Governing Board may reasonably request;

(h) Securing all licenses, permits, provider numbers and other approvals from governmental and private payers of health care services to be delivered at the Surgery Center, including without limitation scheduling meetings with and inspections by appropriate governmental agencies in order to obtain all licenses and other regulatory approvals for the opening and operation of the Surgery Center and to qualify the Surgery Center as a Medicare provider, and assisting in the preparation, filing and processing of an application for a certificate of need with the appropriate governmental agencies;

(i) Installing all management information systems necessary to operate the Surgery Center;

(j) Resolving all human resources issues prior to opening the Surgery Center, including but not limited to hiring and training all staff required to operate the Surgery Center, preparing operating manuals, establishing necessary support systems for the Surgery

Center, developing appropriate medical staff bylaws and coordinating and directing the formation of the medical staff of the Surgery Center;

(k) If requested by the Partnership, arranging for and taking all appropriate actions for the Surgery Center to be accredited by the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") and/or the Accreditation Association for Ambulatory Health Care ("AAAHC") (as determined by the Partnership);

(l) Assisting in the formation of the Partnership and the syndication of ownership interests in the Partnership to local surgeons who are mutually approved by the Partnership and Manager;

(m) In connection with the commencement of operations of the Surgery Center, consulting with the Partnership regarding all services to be obtained for the Surgery Center from outside contractors, including housekeeping, laundry, maintenance, medical waste disposal and other similar services;

(n) Establishing, subject to the Partnership's approval, a pre-opening promotional program for the Surgery Center; and

(o) Providing other services reasonably requested by the Partnership.

Nothing herein shall prevent Manager (at the expense of the Partnership) from engaging the services of independent contractors to assist in the development of the Surgery Center (including without limitation equipment consultants), as and to the extent provided in the Development Budget. Manager shall perform the services described in this Section 2 for the account of and as agent for the Partnership.

3. **Management Services**.

(a) The Partnership hereby engages Manager, and Manager hereby accepts the engagement, to provide day-to-day management services to and for the Surgery Center, subject to oversight and control by the Partnership as provided in Section 3(f) below. Such services shall include but are not limited to the following services:

(i) Preparing all policies and procedures for the safe, efficient and lawful operation of the Surgery Center;

(ii) Designing, instituting, supervising and from time to time revising and amending management, operational, financial and informational systems in order to conduct the physical and administrative operations of the Surgery Center, including but not limited to those required for billing and collection of charges, accounting and purchasing. Manager shall cause to be prepared and submitted in a proper manner and in a timely fashion all cost reports required to be submitted pursuant to the requirements of third party payors or any authority having jurisdiction over the Surgery Center;

(iii) Hiring, training, supervising and terminating all staff (including the Administrator of the Surgery Center), establishing, revising and maintaining

(xi) Administering and supervising a program of regular maintenance and repair for the Surgery Center, consistent with the Budgets approved by the Governing Board; and ensuring that insurance coverages for the Surgery Center are procured through participation in Manager's insurance programs. The premiums for any such insurance shall be a cost and expense to be borne by the Partnership. All such insurance shall name the General Partner, the Partnership, Manager and such other individual, corporation, partnership, limited liability company, trust or other entity as may be requested by the Governing Board as insureds or loss payees. All policies and certificates of insurance shall, at all times, be available for inspection by the Governing Board. Manager shall promptly notify the Governing Board of all actual or threatened legal claims or actions affecting the Partnership, the Surgery Center or the General Partner and shall coordinate all legal matters and proceedings with counsel for the Partnership and (if applicable) counsel for the General Partner; and

(xii) Doing or causing to be done all acts, procedures, authorizations and any and all other matters necessary, appropriate or related to obtaining and maintaining all necessary licenses, permits and approvals from all regulatory authorities having jurisdiction over the Surgery Center and/or its operations and accreditation by JCAHO and/or AAAHC (as applicable) or other accrediting agencies approved by the Partnership.

(b) In carrying out its duties, Manager shall have authority over cash flow, planning, accounts receivable and third party payor reimbursements.

(c) Manager shall undertake all of its obligations and duties hereunder for the account of the Partnership and not for the account of Manager, and Manager shall have no responsibility or liability for performing any duties that involve making payments or incurring expenses unless the Partnership makes adequate funds available therefor. In carrying out its duties hereunder, Manager shall be an independent contractor and shall not be subject to any right of control, or any control in fact, of the Partnership over the methods by which it carries out its duties. Neither this Agreement nor the exercise of any of the duties of Manager hereunder shall be deemed to create any partnership, joint venture, association or other relationship between the parties hereto other than that of independent contractors each as to the other.

(d) Manager shall have the right to act as the agent of the Partnership and/or the Surgery Center in the procuring of licenses, permits and other approvals, the payment and collection of accounts and in all other activities necessary or useful to Manager in the carrying out of its duties as specified in this Agreement.

(e) Manager will use commercially reasonable efforts to operate within and to implement each Budget that is approved by the Governing Board of the General Partner, and Manager is hereby authorized, without the need for further approval from the Partnership, to make the expenditures and to incur the obligations provided for in any such approved Budget. Any monthly expenses over a threshold to be established by the Governing Board of the General Partner (to be expressed as a percentage of budgeted amounts) that are outside of an approved Budget shall require advance approval by the Governing Board of the General Partner. Manager will use tracking systems to monitor costs and progress towards budgeted goals. If no operating or capital Budget is approved for any year, Manager is hereby authorized to continue expenditures in accordance with its prior business practices and policies,

except that capital expenditures shall not exceed 105% of the capital expenditures authorized in the Budget for the prior year without the Governing Board's prior approval. Notwithstanding the foregoing, Manager is authorized to expend funds not provided for in an approved Budget to the extent such expenditures are necessary as a result of greater than budgeted caseload levels, contractual obligations of the Partnership or regulatory or other legal requirements.

(f) Anything in this Section 3 to the contrary notwithstanding, Manager expressly acknowledges and agrees that the Partnership at all times during the term of this Agreement shall exercise the ultimate control and direction of the operations of the Surgery Center. Manager shall operate within any reasonable parameters, policies and procedures adopted by the Governing Board of the General Partner and communicated to Manager by the Partnership, so long as such parameters, policies and procedures do not, in Manager's reasonable judgment, jeopardize the quality of patient care provided at the Surgery Center or require Manager or the Partnership to engage in any illegal or unethical acts, or acts which do not further the charitable purposes of STN and its tax-exempt affiliates.

4. **Term of Agreement**. The term of this Agreement shall commence on the date first above written and, unless sooner terminated as provided in this Section 4, shall continue in effect until five years after Effective Date. Thereafter, this Agreement shall automatically be renewed for successive five year terms; provided, however, that if as of the end of any such five year term (a) the partners of the Partnership who together own a majority of the partnership interests then owned by the partners of the Partnership (a "Majority in Interest of the Partners") give notice to Manager that such partners have determined in good faith that they are dissatisfied with Manager's performance of its obligations as Manager as they relate to financial, quality assurance/improvement and other operational matters, which notice identifies the deficiencies in such performance, (b) Manager is given at least 180 days prior to the proposed termination of this Agreement to correct its performance and/or provide a plan of action and (c) despite such efforts, a Majority in Interest of the Partners of the Partnership determines in good faith that Manager's performance has not been remedied or the plan of action is not acceptable, then in such event, this Agreement shall immediately terminate and STN shall automatically be deemed the new Manager upon the same terms as are set forth herein. This Agreement shall also terminate in the event of a Default (as defined in Section 9 hereof) by one party, upon the nondefaulting party giving written notice of termination to the defaulting party; in the event that Manager has committed fraud, embezzlement or otherwise engages in conduct that results in a conviction of a felony crime, upon the disinterested members of the Governing Board giving 10 days' written notice of termination to Manager; or in the event that Manager sells its interest in the General Partner, upon the disinterested members of the Governing Board giving Manager written notice of termination effective on the date of the closing of the sale and transfer of Manager's interest in the General Partner.

5. **Development and Management Fees**.

(a) As Manager's fee for providing the development services pursuant to Section 2 hereof, the Partnership shall pay to Manager a development fee of $50,000 (the "Development Fee"). One-half of the Development Fee is payable upon the expiration of the applicable period for petitioning the Tennessee Health Care Commission for a contested case hearing on the Commission's approval of the certificate of need for the Surgery Center, provided

that no such petition is filed. The balance of the Development Fee shall be payable 30 days after the first surgical procedure is performed at the Surgery Center.

(b) As Manager's fee for its other management services hereunder, Manager shall receive monthly an amount equal to seven percent of the net revenues of the Surgery Center during such month (or the portion thereof during which this Agreement is in effect). For this purpose, "net revenues" shall be the Surgery Center's gross revenues, less adjustments for special contractual rates, charity work and an allowance for uncollectible accounts, all determined in accordance with generally accepted accounting principles. The fee for each month shall be paid on or before the 15th day of the succeeding month.

(c) In addition to the above management fees, Manager shall be reimbursed by the Partnership for out-of-pocket expenses incurred by Manager on behalf of the Partnership, but Manager shall not be reimbursed for any of its indirect or overhead expenses. Such reimbursement shall include, but is not limited to, all travel, legal and other out-of-pocket costs of assisting with the syndication of interests in the Partnership pursuant to Section 2(l) hereof, all costs of providing the Surgery Center employees pursuant to Section 3(a)(iii) hereof (including without limitation all compensation and employee benefit costs) and reasonable travel expenses of corporate personnel of Parent and its affiliates who make periodic business trips to the Surgery Center in accordance with any Budget or the Development Budget.

(d) Except as otherwise provided in this Agreement, all of the costs and expenses of developing and operating the Surgery Center and its facilities shall be expenses of the Surgery Center, for the account of the Partnership, and shall not be expenses of Manager.

6. **Books and Records**.

(a) Manager shall supervise the maintenance of the books of account covering the operations of the Surgery Center. The general ledger may, if Manager so elects, be maintained by Manager through any centralized accounting system maintained by Parent. Such books of account shall be maintained on an accrual basis in accordance with generally accepted accounting principles consistently applied.

(b) Manager shall prepare and furnish to the Partnership after the close of each fiscal quarter an unaudited financial statement reflecting the operations of the Partnership for such quarter. Manager shall cause to be prepared and furnished after the close of each fiscal year an unaudited balance sheet of the Partnership dated as of the end of the fiscal year and a related statement of income or loss for the Partnership for such fiscal year, all of which may (if the Partnership so elects) be certified in the customary manner by an independent certified public accountant approved by the Partnership. The expense of any such independent accountants shall be borne by the Partnership.

(c) Authorized agents of the Partnership shall have the right at all reasonable times during usual business hours to audit, examine and make copies of or extracts from the books of account of the Partnership maintained by Manager. Such right may be exercised through any agent, independent public accountant or employee of the Partnership

designated by the Partnership. The Partnership shall bear all expenses incurred in any examination it makes pursuant hereto.

7. **Representations of Manager.** Manager represents and warrants that it has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Tennessee, with full corporate power to own its properties and to conduct its business under the laws of the said State.

8. **Indemnification.** Manager does not hereby assume any of the obligations, liabilities or debts of the Partnership, except as otherwise expressly provided herein, and shall not, by virtue of its performance hereunder, assume or become liable for any of such obligations, debts or liabilities of the Partnership. The Partnership hereby agrees to indemnify and hold Manager harmless from and against any and all claims, actions, liabilities, losses, costs and expenses of any nature whatsoever, including reasonable attorneys' fees and other costs of investigating and defending any such claim or action, asserted against Manager on account of any of the obligations, liabilities or debts of the Partnership or the Surgery Center. The Partnership further agrees to defend and indemnify Manager and its officers, directors, employees and agents from and against any and all claims, actions, liabilities, losses, costs and expenses of any kind imposed on account of or arising out of actions taken in good faith by Manager or its officers, directors, employees or agents in what Manager or any such person reasonably believed to be within the scope of their responsibilities under this Agreement.

9. **Default.** The following events shall each constitute a "Default" under this Agreement: (a) the filing of a voluntary petition in bankruptcy or for reorganization under any bankruptcy law, or a petition for the appointment of a receiver for all or any substantial portion of the property of either party hereto, or any voluntary or involuntary steps to dissolve or suspend the corporate powers of Manager or United Surgical Partners International, Inc., a Delaware corporation (the "USP Parent"), unless such steps to dissolve or suspend are promptly removed; (b) the consent by either party hereto or the USP Parent to an order for relief under the federal bankruptcy laws or the failure to vacate such an order for relief within 60 days from and after the date of entry thereof; (c) the entry of any order, judgment or decree, by any court of competent jurisdiction, on the application of a creditor, adjudicating either party hereto or the USP Parent as a bankrupt, or to be insolvent, or approving a petition seeking reorganization or the appointment of a receiver, trustee or liquidator of all or a substantial part of such entity's assets, if such order, judgment or decree shall continue unstayed and in effect for any period of 60 days; (d) any failure by either party to perform any of the material covenants, conditions or obligations of this Agreement, including without limitations those contained in Section 1 hereof, in any material respect if such a failure shall continue for a period of 30 days after delivery to the defaulting party, by the other party (or if the defaulting party is Manager, by the other party or STN); and (e) Manager's commission of fraud or embezzlement or engagement in conduct that results in the conviction of a felony crime.

10. **Competitive Services.** It is hereby acknowledged that Manager, Parent and their affiliated companies are currently in the business of developing, owning and operating surgical hospitals, ambulatory surgery centers and other health facilities and providing ambulatory surgery center development and management services to the public apart from the services that Manager will provide to the Partnership under this Agreement. Nothing in this

Agreement shall prohibit Manager or any of its affiliated companies from developing, owning and operating surgical hospitals, ambulatory surgery centers or other health facilities or from providing such management services. The parties acknowledge and agree that nothing in this Section 10 is intended to affect, in any way, the parties' obligations under any other agreements.

11. **Assignment**. Except as specifically provided in this Section 11, Manager shall not have the right to assign its rights or delegate its duties hereunder to any unrelated organization unless it first obtains the written consent of the Partnership. Manager may assign this Agreement without consent to Parent, to a majority owned subsidiary of Parent, to a partnership, corporation or entity that directly or indirectly owns a majority of the outstanding equity securities of Manager or to another partnership, corporation or entity that is, concurrently with such assignment, succeeding to substantially all of the assets and liabilities of Manager or Parent. All of the terms, provisions, covenants, conditions and obligations of this Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto.

12. **Notices**. Except as otherwise expressly permitted herein, all notices required or permitted to be given hereunder shall be in writing and shall be deemed effective when personally delivered or, if mailed, when deposited in the United States mail, postage prepaid, registered or certified, return receipt requested. Unless changed by written notice given by either party to the other pursuant hereto, such notices shall be given to the Partnership at the following address:

c/o Saint Thomas Network
4220 Harding Road
Nashville, Tennessee 37205
Attention: President and Chief Executive Officer

and such notices shall be given to Manager at the following address:

c/o USP Domestic Holdings, Inc.
17103 Preston Road, Suite 200 North
Dallas, Texas 75248
Attention: President

13. **Attorneys' Fees**. If any action at law or in equity is brought to enforce any of the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys, fees and costs in addition to any other relief.

14. **Entire Agreement**. This Agreement constitutes the entire agreement among the parties with respect to the development and management of the Surgery Center and supersedes any and all prior agreements, either oral or written, between the parties with respect thereto.

15. **Enforceability**. This Agreement shall be governed by and construed in accordance with Tennessee law, without regard to its conflicts of law principles. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable by any court of competent jurisdiction, the remaining provisions hereof shall not be affected thereby.

16. **Counterparts**. This Agreement may be executed in multiple counterparts which, when taken together, shall constitute one instrument. Signatures transmitted by facsimile shall be accepted as original signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Development and Management Agreement as of the day and year first above written.

USP TENNESSEE, INC., a Tennessee corporation

By: Monica Cintado
Name: Monica Cintado
Title: Vice President

BAPTIST PLAZA SURGICARE, L.P.,
a Tennessee limited partnership

By: **Saint Thomas/USP-Baptist Plaza, L.L.C.**, a Tennessee limited liability company, its general partner

By: Wesley O. Littrell
Name: WESLEY O. LITTRELL
Title: VICE PRESIDENT

Tab 5

Attachment A, 6

Site Entitlement

Church Street Medical Center
20th Avenue and Church Street
Nashville, TN

CHESTNUT
Development Partners

nt brinkman
incorporated

Contacts:

Steen Watson
steen@chestnutdevpartners.com
o 423.529.0397
c 703.508.8262

Chestnut Development Partners
832 Georgia Avenue, Suite 221
Chattanooga, TN 37402

Ben Ochs
beno@ntbrinkman.com
o 434.293.8004
c 434.906.5665

N.T. Brinkman, Inc.
PMB 344
977 Seminole Trail
Charlottesville, VA 22901

Michael Dossett
mldossett@comcast.net
c 615.881.0441

The Project

Church Street Partners, LLC ("CSP"), a development partnership of N.T. Brinkman, Inc. ("NTBI") and Chestnut Development Partners, LP ("CDP"), intends to develop a 5-story, +/-150,000 square foot medical office building ("MOB") and freestanding parking garage adjacent to Baptist Hospital's campus in Nashville, TN. The MOB, initially conceived and driven by the commitment of Elite Sports Medicine and Orthopaedic Center, is expected to be home to a number of Nashville's best specialty medical practices and service providers including world class sports medicine and orthopedic surgery, obstetrics and gynecology, cardiac care, and an outpatient surgery facility. The MOB will be connected to Baptist Hospital via an enclosed walkway intersecting the MOB at the fourth floor.

Construction of the MOB is slated to begin in the Fall of 2013 and the Shell is scheduled for completion in Fall 2014. It is anticipated that tenants will begin taking occupancy in the Spring of 2015. All leases are net and Base Rent is expected to be between $21.25 per Net Rentable Square Foot that includes a Tenant Build-out Allowance (TI Allowance) of $50.00 per Net Rentable Square Foot, to be utilized for design and construction of tenant improvements, based on a ten (10) year lease term. Under certain circumstances, CSP is willing to finance limited amounts of additional tenant improvement cost over the initial term of the lease.

Baptist Hospital has developed a long-term Master Plan that envisions a revitalized campus, solidifying its identity as a hospital and healthcare zone that improves accessibility and parking for both patients and medical practice staff. In the event that Baptist Hospital undertakes the recommendations of the Master Plan, this project will be a key piece of the campus renewal plan. As part of this Master Plan, the urban grid surrounding the campus is anticipated to benefit from improved patent access and streetscapes with the intersection of Church Street and 20th Avenue North becoming a main entrance to the hospital campus. As such, the entrance to the MOB will be ideally and strategically located off 20th Avenue North ½ block north of the Church Street and 20th Avenue North intersection. The alley which is located between Church and State Streets will also be improved in order to allow for patient pick up and drop off at a lobby located along the new driveway. Through this driveway will also be access to the dedicated, free-standing parking garage which is anticipated to have in excess of 400 parking spaces.

Patients and tenants will be able to access the building either through the aforementioned First Floor lobby or through direct access from the parking garage. The parking garage will be connected to the MOB via a covered, above ground walkway that will enter the building on the Second Floor of the MOB. This Second Floor will serve as the primary entrance to the building. The lobby, which will be two stories in height, will feel very open and inviting through the use of glass walls, a retail area that may have a coffee bar, and seating areas for patients and visitors. Both the First and Second Floor lobbies will include a digital building directory to better orient arriving patients to the location of services and practices in the facility.

The MOB will be served by four elevators, three of which will be accessed from the building lobbies and a fourth elevator sized to accommodate stretchers which will be available only for the use of building tenants. This fourth elevator, located separately from the other elevators, will access all of the floors and will additionally access the lower level of the building. The lower level of the building will include a small number of VIP parking spaces and will also be utilized for supply deliveries and other building services such as the mail room.

The building exterior is a combination of brick and curtain-wall. Heating, ventilating and air-conditioning will be provided by rooftop units. Individual office suites will have HVAC control, with zones averaging 700 square feet. A security system will provide access control to the building. Floor plans, a building elevation, and a site plan are included later in this document.

Tenants may select the size and location of practice space according to their needs (minimum 1,600 Usable Square Feet), limited only by availability and the leasability of residual space resulting from their desired location and suite size. All suites are custom designed to the requirements of each particular practice. As all leases are net, tenants pay a monthly charge for Operating Rent as their portion of annual Operating Expenses (utilities, taxes, maintenance, insurance, management, etc.). At the end of each lease year, budgeted Operating Expenses (and payments by tenants as Operating Rent) will be reconciled against actual expenses and each tenant will either be charged or credited the difference. Annual charges for Operating Rent are then adjusted for the succeeding lease year. Operating Expenses for the first lease year are tentatively projected to be $8.41 per Net Rentable Square Foot, in addition to Base Rent. Leases contain a 3.0% annual escalation for Base and Operating Rent.

Summary Lease Terms

Gross Rent – Year 1	Less than $30 per rentable square foot (Base Rent: $21.25 per rentable square feet; Pass Through Operating Expenses: $8.41 per rentable square foot)
Annual Escalations	3% annual increase
Tenant Improvement Allowance	$50.00 per rentable square foot
Lease Term	10 Years
Renewal Options	Two Five Year Options to Renew

The MOB is being developed and will be owned by Church Street Partners, LLC, a partnership of an affiliate of N.T. Brinkman, Inc., a healthcare development firm whose sole business for the last thirty years has been the development, funding and operation of healthcare facilities, and an affiliate of Chestnut Development Partners, LP, a real estate investment fund whose principals possess over $100 million of real estate development and investment experience.

N.T. Brinkman's experience as a healthcare development firm spans a range from multiple full replacement hospital campuses, to offices for more than a thousand physicians. Development and operation of ambulatory surgical and diagnostic facilities has been a particular specialty. N.T. Brinkman currently owns and operates healthcare facilities in both the Nashville and Knoxville markets.

Tenant Investment Opportunity

Tenants will have the opportunity to invest in the MOB under the same general expectations of Return on Investment as CSP. For those Tenants interested in investment, a Subscription Agreement, defining expectations with respect to the terms, rights and obligations of that investment, will be provided for execution along with their Lease. A Private Placement Memorandum (PPM), providing more specific information regarding the investment opportunity, is currently being prepared, and will be provided to interested tenants along with the Lease and Subscription Agreement forms. The PPM will include such information as summary financials on the development budget, a narrative with graphics describing the project and the MOB, a form Subscription Agreement, basic schematic architectural documents for the building and the site, a project timeline, and projections of income and expense along with a pro forma annual return on investment.

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incorporated

Architectural Renderings

CHESTNUT
Development Partners

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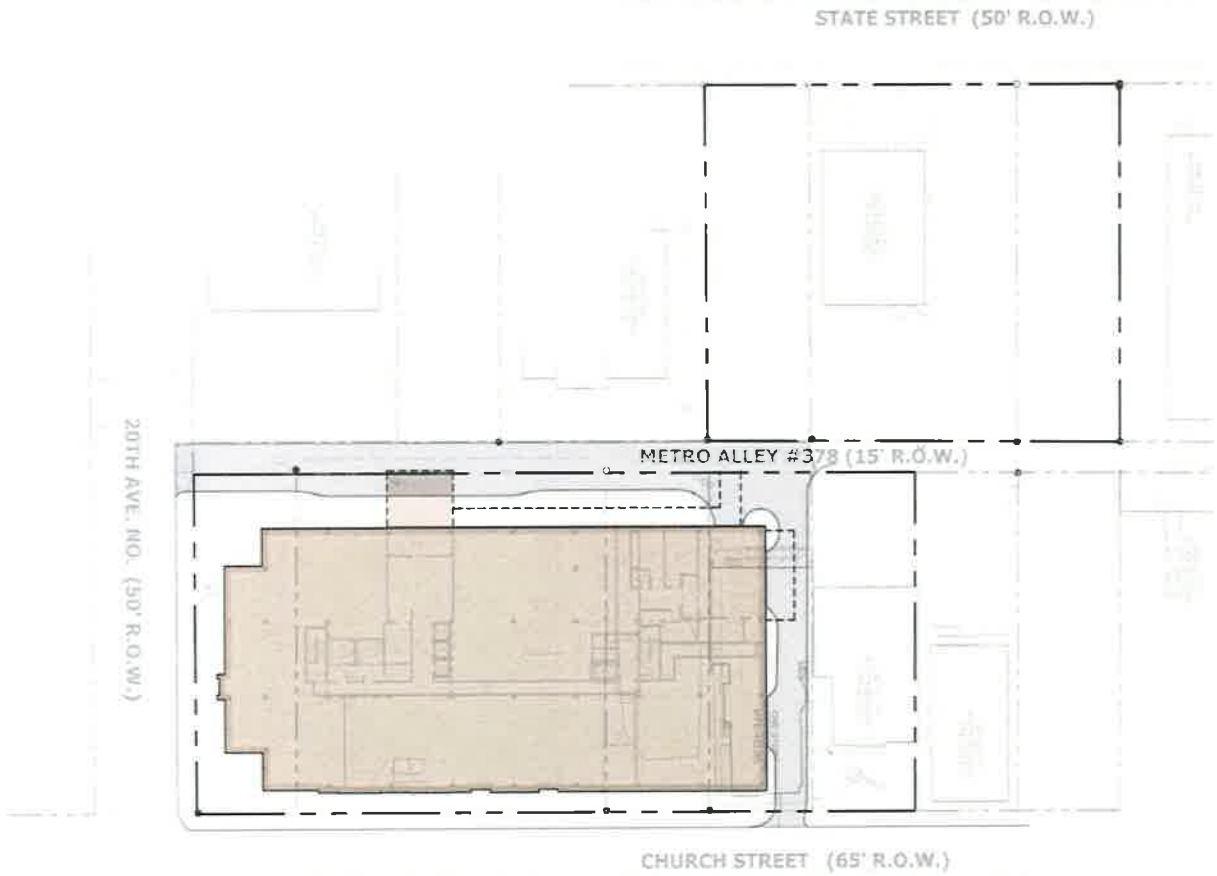
Proposed Site Plan

[redacted]



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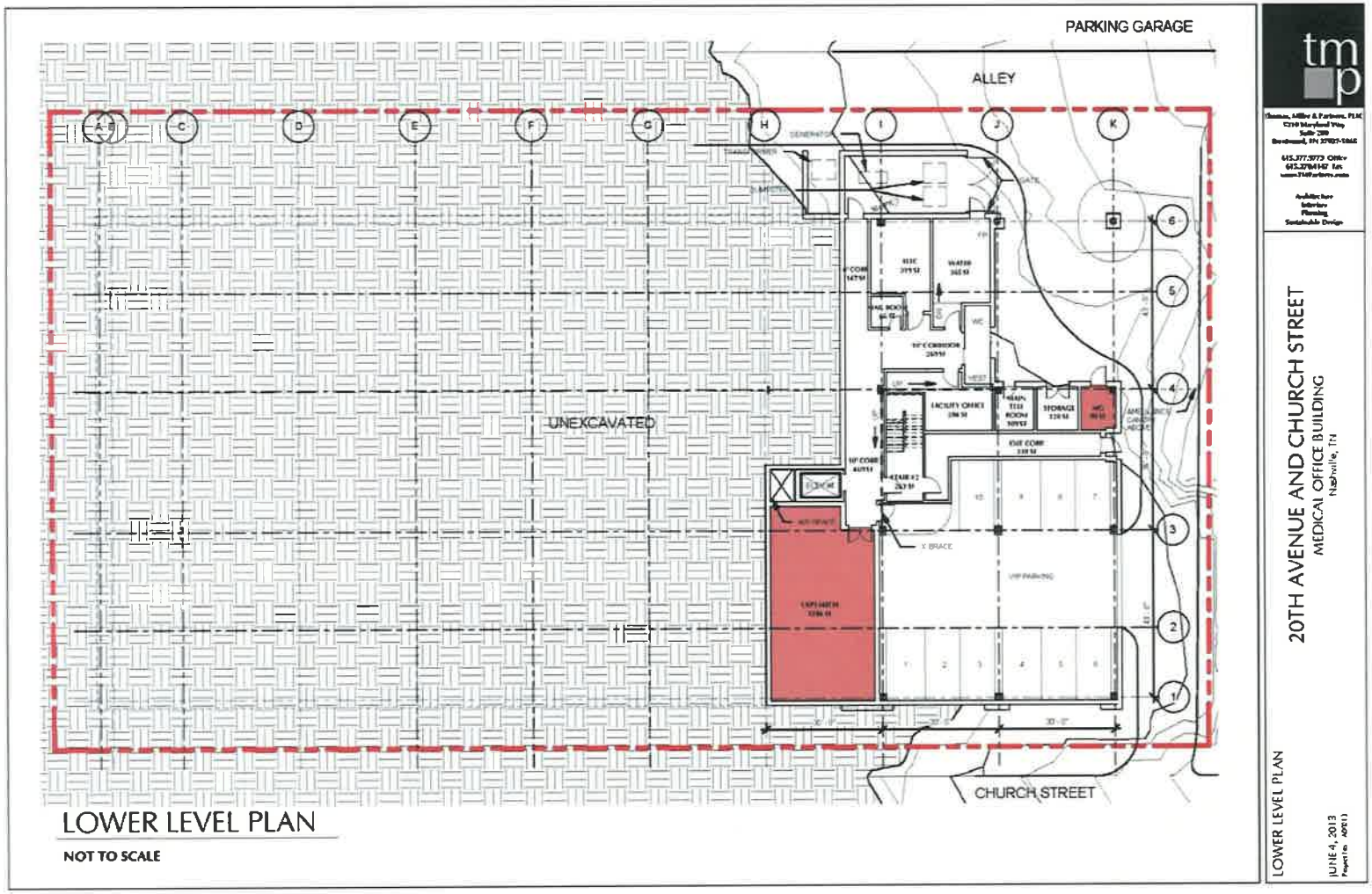
Proposed Floor Plan – Lower Level



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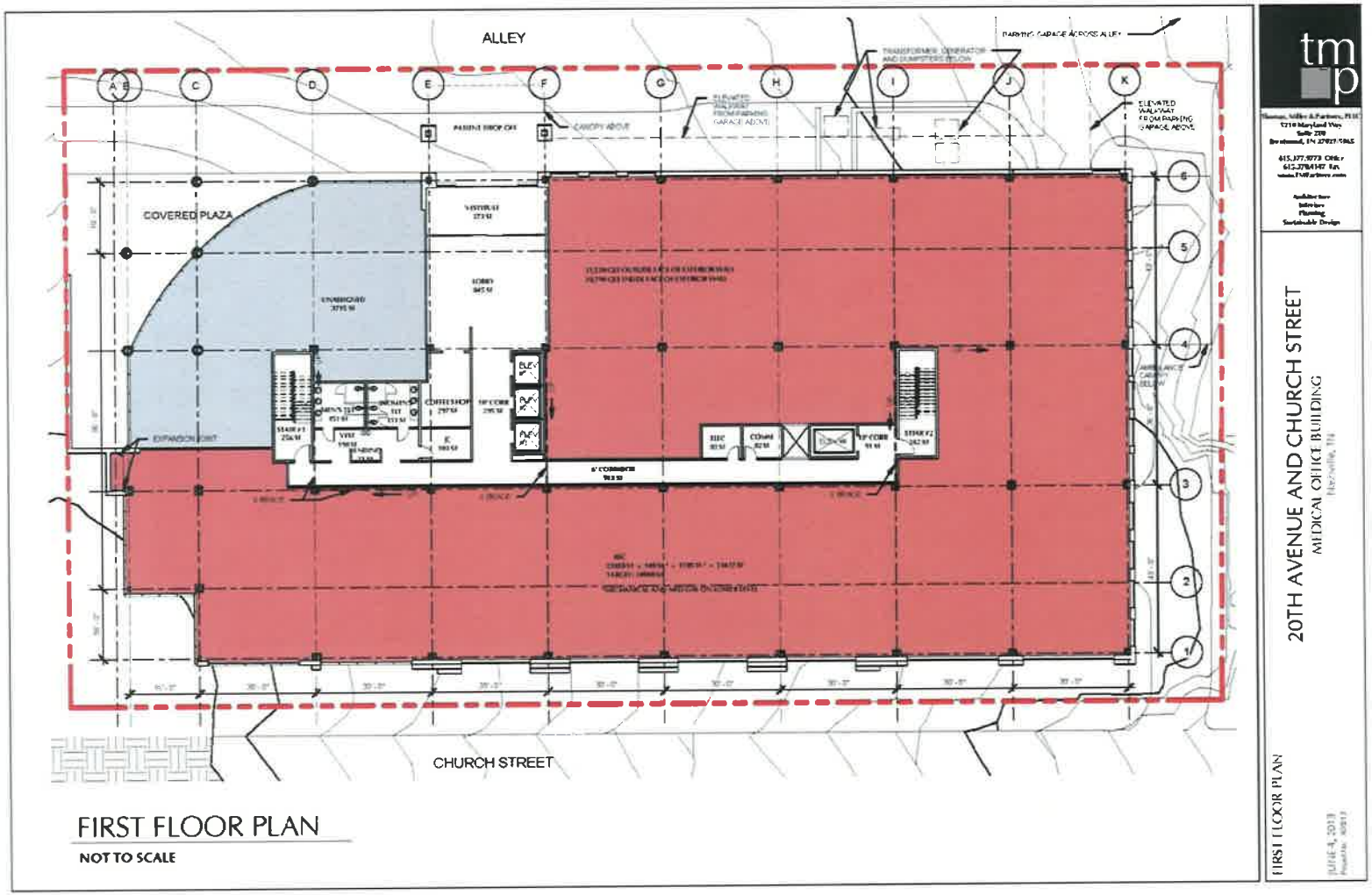
Proposed Floor Plan – First Floor



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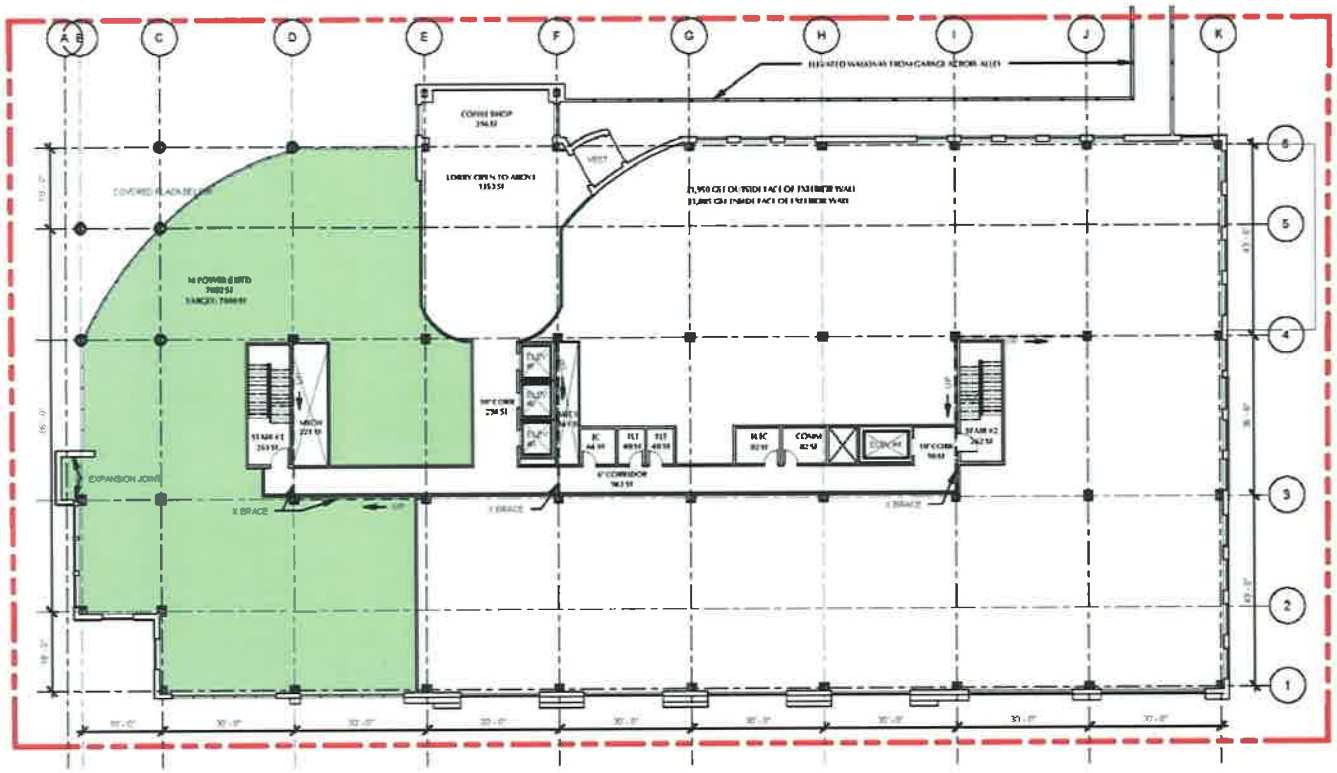
Proposed Floor Plan – Second Floor



SECOND FLOOR PLAN

NOT TO SCALE

tmp

20TH AVENUE AND CHURCH STREET
MEDICAL OFFICE BUILDING

SECOND FLOOR PLAN

JUNE 4, 2013

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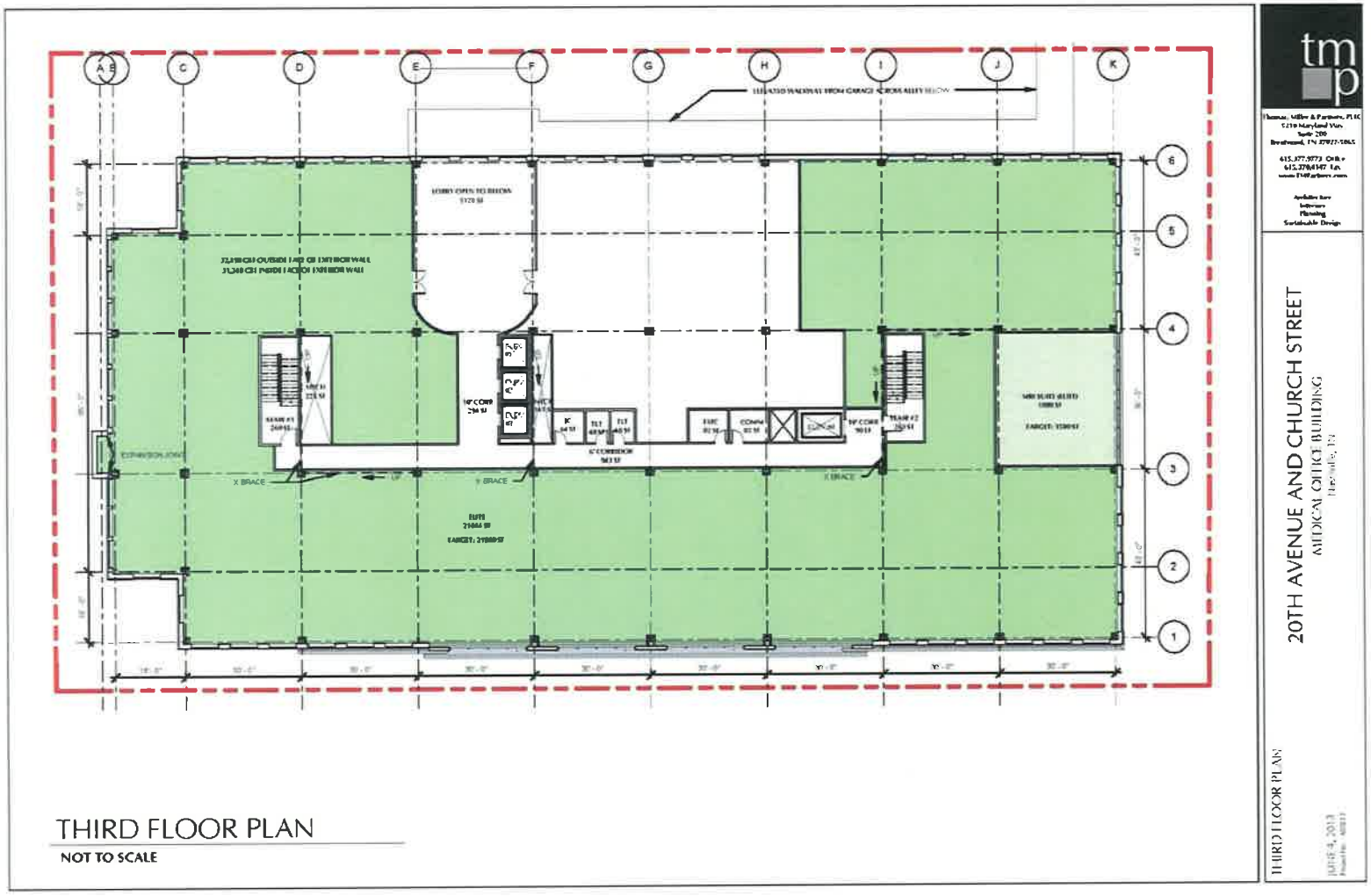
Proposed Floor Plan – Third Floor



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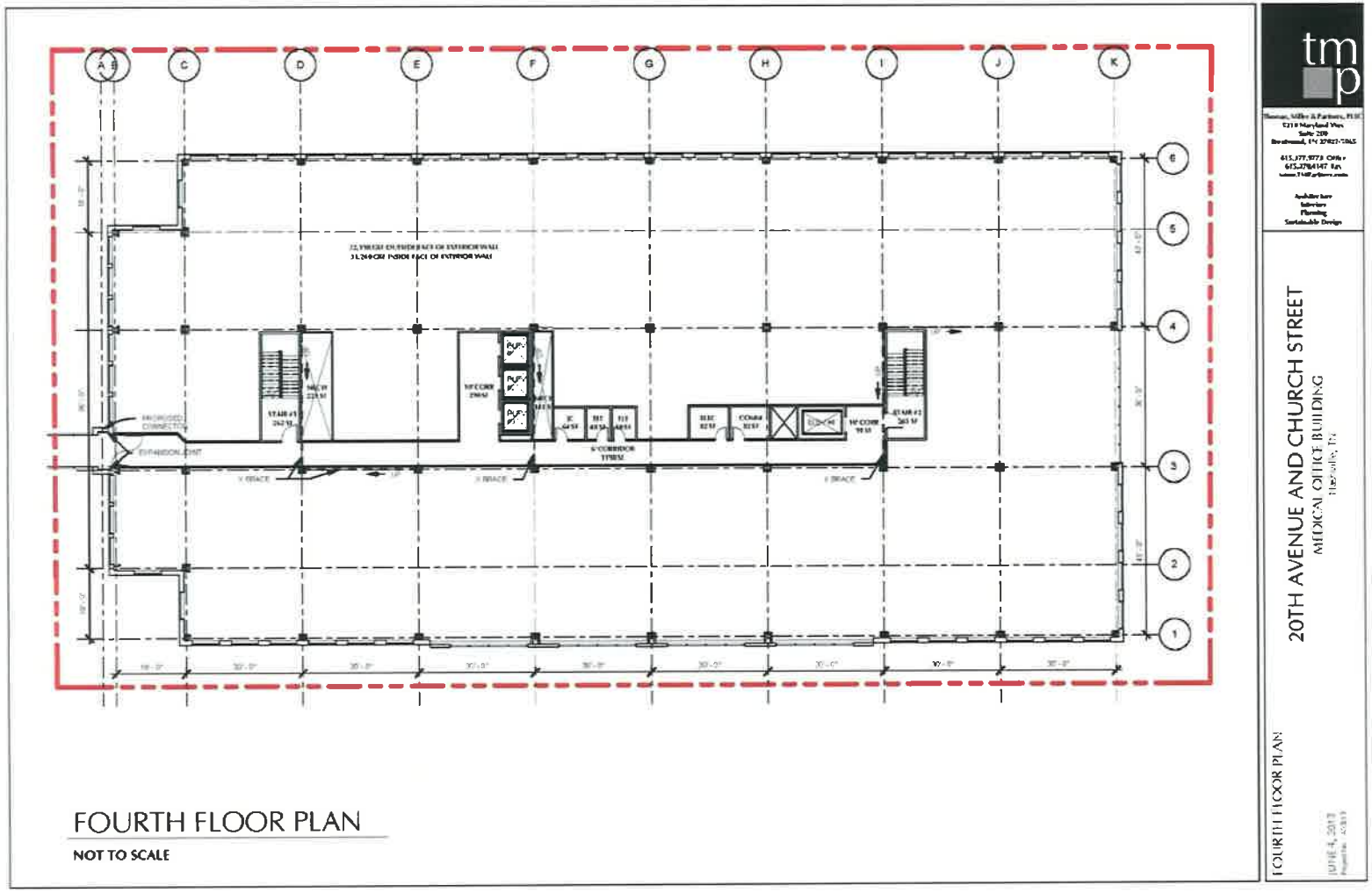
Proposed Floor Plan – Fourth Floor



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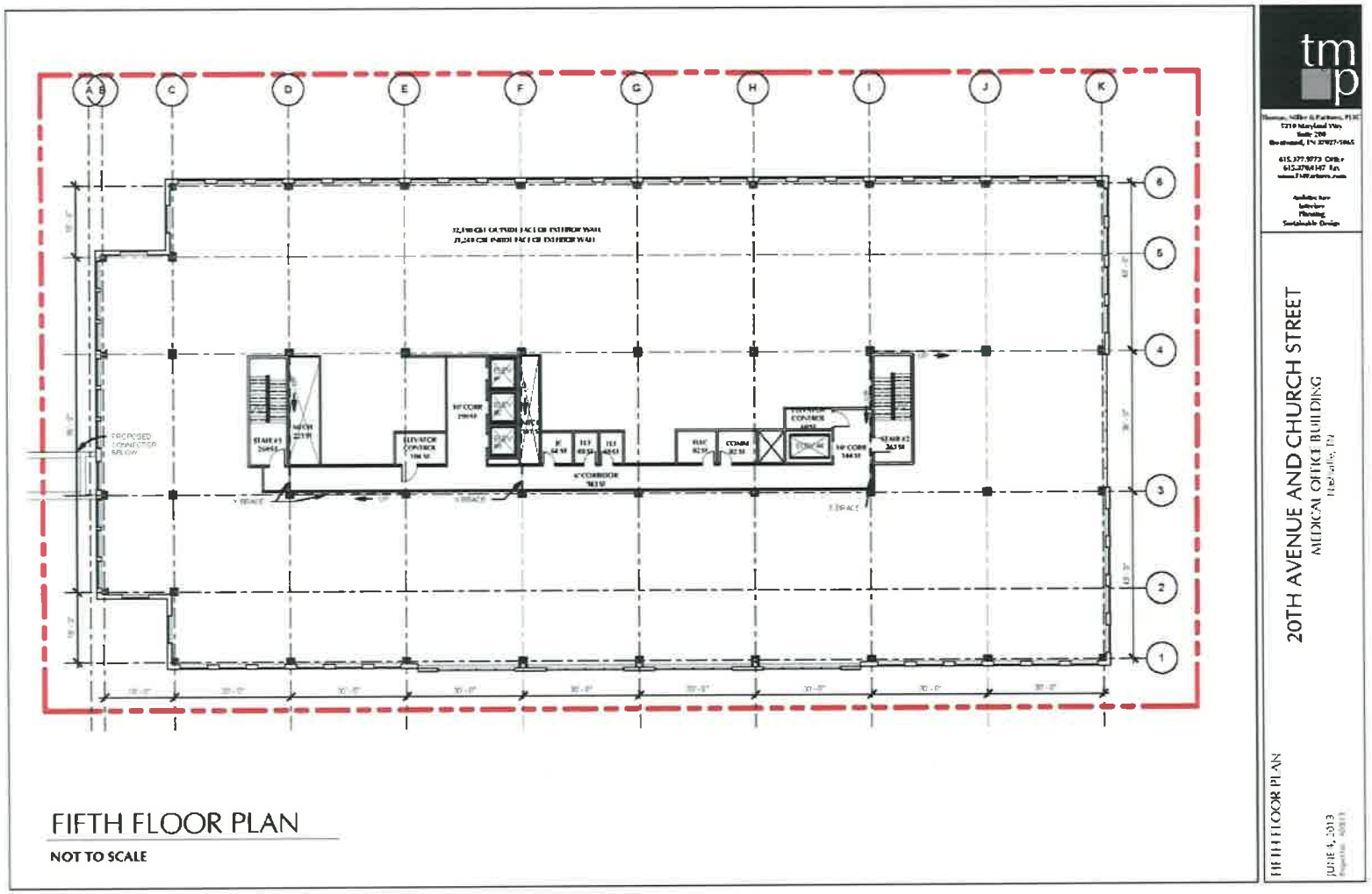
Proposed Floor Plan – Fifth Floor



CHESTNUT
Development Partners

June 26, 2013

PERSONAL AND CONFIDENTIAL

Mr. Corey Ridgway
Baptist Plaza Surgicare, L.P.
8 Cadillac Dr., Suite 200
Brentwood, TN 37027

Re: Letter of Intent To Lease Space

Dear Mr. Ridgway:

Below is a summary of the basic terms upon which Church Street Partners, LLC and assigns ("Landlord") proposes to lease to Baptist Plaza Surgicare, L.P. ("BPS") approximately 28,500 rentable square feet of space in the medical office complex that Landlord proposes to develop at the corner of Church Street and 20th Avenue in Nashville, Tennessee (the "Property"). This letter shall not constitute a binding letter of intent, contract or agreement. Upon Landlord's and BPS's execution of this letter, Landlord will instruct its counsel to commence work on a lease agreement (the "Lease") based on the terms set forth in this letter.

PROJECT: An approximately 150,000 square foot, 5 Story Class A medical office building (the "Building" or "MOB") and related improvements to be constructed by Landlord on the Property (collectively, the "Project"). Unless the parties agree otherwise, the Project shall substantially conform to the site plan attached as **Exhibit A**. In connection with the construction of the Project, Landlord shall provide a sufficient number of parking spaces to comply with applicable codes and expected to be approximately 3.5 parking spaces per 1,000 rentable square, and a dedicated patient pick-up / discharge area along the northern side of the building along with limited access under the eastern end of the Building which is connected to the Premises by an elevator.

PREMISES: Approximately 28,500 rentable square feet of space comprising a portion of the 1st floor of the Building.

BPS shall have the non-exclusive right to use (and allow its agents, employees, contractors, invitees, and patients to use) the common areas forming a part of the Project (the "Common Areas"), including, without limitation, the parking garage.

The rentable and useable square footage of the Premises shall be calculated in accordance with the published Building Owner's and Manager's Association (BOMA) 2010 standards.

CONSTRUCTION: Landlord anticipates that construction of the Project will be

substantially complete by December 16, 2014, subject to delays caused by events of force majeure. As part of the Lease, Landlord and BPS shall negotiate the remedies available to BPS as a result of Landlord's failure to timely complete the Project. Landlord represents and warrants to BPS that the Premises and the Project will be delivered to BPS in good working order, free of construction and design defects.

The mechanical, electrical, plumbing and structural components of the Building shall be designed so the same are adequate to support the operation of BPS' surgery center in the Premises; provided if the mechanical, electrical, plumbing and/or structural components of the Building must be upgraded above the level typical for a Class A medical office building in order to support the operation of BPS' surgery center (collectively, the "Building Upgrades"), BPS shall pay the cost of the Building Upgrades. In addition, BPS shall pay the cost of any dedicated HVAC systems, medical gas facilities, emergency electrical power supply systems, fire suppression & monitoring systems, and other speciality systems required for BPS's surgery center in the Premises (collectively, the "Specialty Systems"). Landlord agrees that Tenant may use the Base Allowance and the Excess Allowance to pay the cost of any Building Updated and Specialty Systems.

INITIAL TERM: The initial term of the Lease (the "Initial Term") shall be 20 years. The Initial Term shall commence on the later of (i) the date that is one hundred twenty (120) days after Landlord delivers possession of the Premises to Tenant with the shell of the Building completed to the extent necessary for (A) the Premises to be fully enclosed and watertight, and (B) Tenant to be able to obtain the building permits and other governmental approvals required for Tenant to install the Initial TI Work (hereinafter defined); or (ii) the date Landlord completes the Project (including, without limitation, the Building and the Parking Garage) and obtains a certificate of occupancy for the Building shell (but not space leased to tenants). At the time Landlord delivers possession of the Premises to Tenant, Landlord shall ensure that the Premises are capable of being secured in a manner that prevents unauthorized access thereto. As part of the Lease, Landlord and Tenant shall agree upon the manner for safeguarding the Premises during construction of the Project and the Initial TI Work.

EXTENSION OPTIONS: BPS shall have 2 extension options (the "Extension Options"), each of which, if exercised, shall extend the term of the Lease for an additional 10 years.

BASE RENT: The Base Rent shall initially be $21.25 per rentable square foot, with BPS paying its proportionate share of Operating Expenses, as provided below. The Base Rent shall be increased annually by

3%.

ADDITIONAL RENT: In addition to the Base Rent, BPS will pay an amount (the "Additional Rent") equal to its proportionate share of Operating Costs (as defined in the Lease), including, without limitation, maintenance, utilities, ground rent, building operating costs, management fees in an amount not to exceed four percent (4%) of the gross receipts from the Project, real estate taxes and insurance; provided, (i) BPS's proportionate share of Operating Expenses for the 1st full calendar year of the Lease shall not exceed the First Year Expense Cap multiplied by the rentable square footage of the Premises, (ii) there shall be a non-cumulative cap of 4% on annual increases in BPS's share of Operating Costs for controllable Operating Costs (as defined in the lease), and (iii) BPS shall not be required to pay its proportionate share of electrical and janitorial service provided to leasable space in the Building. BPS shall be responsible for its medical waste removal costs.

The Premises will have separately metered electricity, and Tenant will be responsible for obtaining electrical and janitorial service for the Premises, at its expense.

The First Year Expensess are anticipated to be $8.41 minus Landlord's reasonable estimate of the cost (per RSF) of providing electrical and janitorial service to leasable space in the Building other than the Premises. In addition, if the operating rooms or any other space in the Premises is exclusively served by an HVAC system dedicated to such space (a "Dedicated HVAC System"), then the First Year Expense Cap for such space (but not the remainder of the Premises) shall be reduced by Landlord's reasonable estimate of the cost (per RSF) of providing HVAC service to the leasable space within the Building other than such space.

LANDLORD SERVICES: BPS shall have access to the Building 24 hours per day, seven (7) days per week.

Subject to other terms hereof, Landlord will provide all of the following utilities and services (collectively, Landlord Services"): (i) electricity for the Common Areas; (ii) hot and cold water for the Premises and public restrooms forming a part of the Common Areas (iii) heating and cooling for the Premises and Common Areas on Monday through Friday from 7:00 am to 6:00 pm and on Saturday from 8:00 am to 1:00 pm., excluding any space in the Premises served by a Dedicated HVAC System; (iv) daily janitorial service for the Common Areas, excluding weekends and holidays; (v) light bulb replacement for the Common Areas, as needed; (vi) elevator service; (vii) exterior window cleaning for the Building and removal of snow, ice, trash and other debris from

the parking areas and walkways forming a part of the Project, as reasonably necessary; (viii) removal of garbage and other refuse generated at the Premises, excluding Medical Waste. To the extent necessary for Tenant's patients and employees to access the Premises, Landlord shall open and operate the Common Areas commencing at 5:00 a.m. on Monday through Friday; provided Tenant shall reimburse Landlord for the cost of providing Landlord Services during such periods to the extent the same are outside the standard hours of operation for the Building.

Tenant shall be responsible for paying directly the costs of electrical service and janitorial service for the Premises. Accordingly, Tenant shall not be required to pay its proportionate share of the cost of electrical and janitorial service furnished to any leasable space in the Building.

Tenant shall be responsible for the cost of operating and maintaining any Dedicated HVAC System. Accordingly, the square footage of any space in the Premises served by a Dedicated HVAC System shall be excluded when calculating Tenant's proportionate share of the cost of providing HVAC service to leasable space in the Building.

USE: Subject to the other terms hereof, the Premises may be used for any or all of the following purposes (the "Permitted Uses"): (i) the operation of an outpatient ambulatory surgery center; (ii) a laboratory associated with a surgery center in the Premises so long as such laboratory serves only patients of such surgery center, and (iii) other uses as may be related or incidental to the operation of an outpatient surgery center, including medical office uses. BPS shall not use the Premises for any other purpose without the Landlord's consent, which consent shall not be unreasonably withheld, qualified or delayed so long as it does not violate the other terms hereof.

BPS shall not use the Premises in a manner that violates any of the (i) exclusives granted to other tenants of the Building that are described on Exhibit , unless BPS has obtained the written consent of the beneficiary of the applicable exclusive; (ii) exclusives and restrictions encumbering title to the Property, which will include reasonable exclusives and restrictions imposed by Seton Corporation d/b/a Baptist Hospital; or (iii) reasonable restrictions and prohibitions hereafter established by Landlord for the Project, provided Landlord shall obtain BPS's prior written approval of any such restrictions and prohibitions being established Landlord, which approval shall not be unreasonably withheld, qualified or delayed.

ALLOWANCE: Landlord shall provide BPS with a base allowance in an amount

equal to $50.00 per rentable square foot (the "Base Allowance") which shall be paid in accordance with a mutually agreeable schedule attached to the Lease.

In addition to the Base Allowance, Landlord agrees to provide BPS with an excess allowance in an amount equal to $110.00 per rentable square foot (the "Excess Allowance"). BPS may elect to use any or all of the Excess Allowance, but shall have no obligation to do so. To the extent Tenant utilizes any portion of the Excess Allowance (the amount of the Excess Allowance used by Tenant being referred to as the "Funded Excess Allowance"), the Base Rent shall be increased during the 1st year of the Term by an amount sufficient to amortize the Excess Allowance over a 20 year term at an interest rate of 8.0%. Any increase in the Base Rent pursuant to this section shall not escalate as provided in the "Base Rent" paragraph above but shall remain constant throughout the initial 20 year term of the Lease.

The Base Allowance and Excess Allowance shall be used to pay the cost of Tenant's initial improvements to the Premises (the "Initial TI Work"), including, without limitation, architectural and engineering fees, permit fees and construction costs, and the costs of BPS' signage (including BPS' monument panel), fixtures and equipment.

SIGNAGE:

BPS shall have the right to install its panel on the monument sign for the Project. BPS is responsible for all costs of its signage and may use the Base Allowance and the Excess Allowance to pay the cost thereof.

ASSIGNMENT & SUBLETTING

BPS shall have the right to assign this Lease or sublease the Premises, without Landlord's consent, to: (i) any affiliate of BPS; (ii) Saint Thomas Health ("STH") or any of its affiliates; (iii) any corporation or other entity in conjunction with a consolidation, reorganization, merger, acquisition or private placement involving BPS, provided such entity provides sufficient financial evidence to Landlord of its ability to perform under the existing terms and conditions of the original lease; or (iv) any corporation or other entity purchasing all or a majority of BPS's assets, provided such entity provides sufficient financial evidence to Landlord of its ability to perform under the existing terms and conditions of the original lease. Any assignee or subtenant of BPS may only use the Premises for the Permitted Uses. Except as otherwise expressly agreed upon by Landlord and BPS in the Lease, BPS's assignment of the Lease shall not result in BPS being released from its obligations and liabilities thereunder.

TENANTS EXCLUSIVE & RESTRICTIONS:

BPS shall have the exclusive right in the Building to conduct

outpatient surgical procedures requiring general anesthesia.

Landlord and BPS agree that no portion of the Premises shall be used for any of the following purposes: (i) the performance of abortions or euthanasia; (ii) a contraceptive clinic or other use whose primary focus is dispensing or advising on the use of contraceptives; (iii) any counseling, education or other program that advises on abortion services, including, but not limited to, counseling and education programs operated by or affiliated with Planned Parenthood or any similar organization; (iv) any management clinic, other than Elite Sports Medicine and Orthopaedic Center, performing procedures using a c-arm; or (v) any purposes that constitutes a nuisance.

CONDITIONS PRECEDENT: Prior to Landlord entering into the Lease, the following must occur:

(a) Landlord and BPS agreeing upon a mutually acceptable Lease;

(b) Landlord and the owners of the Property entering into an acceptable ground lease pertaining to any portions of the Property not being purchased by Landlord;

(c) Landlord approving the final budget and plans for the Project; and

Prior to BPS entering into the Lease, the following must occur:

(a) Landlord and BPS agreeing upon a mutually acceptable Lease;

(b) Tenant approving the final plans for the Project, which approval shall not be unreasonably withheld, qualified or delayed; and

(c) Tenant obtaining a CON covering the Premises for Tenant's outpatient surgery center, which permits 10 operating rooms in the Premises.

REPRESENTATION: Landlord and BPS shall each represent and warrant that it has not engaged a real estate broker to represent it in connection with the Lease; provided, if either party decides to engage a real estate broker in connection with the Lease, such party shall pay all fees due the broker and hold harmless the other party from any and all claims made by the broker for compensation in connection therewith.

CHESTNUT
Development Partners

REPRESENTATION: Landlord and BPS shall each represent and warrant that it has not engaged a real estate broker to represent it in connection with the Lease; provided, if either party decides to engage a real estate broker in connection with the Lease, such party shall pay all fees due the broker and hold harmless the other party from any and all claims made by the broker for compensation in connection therewith.

The letter is not intended to create, and shall not constitute, a legally binding obligation between Landlord and BPS, and neither Landlord nor BPS shall have any liability to the other with respect to the transaction contemplated herein until the parties have both executed the Lease.

Very truly yours,

ACCEPTED AND AGREED
this 15th day of July, 2013.

LANDLORD:

Church Street Partners, LLC

By: _____
Print Name: J. Steen Watson
Its: Member

ACCEPTED AND AGREED
this 15th day of July, 2013.

BPS:

Baptist Plaza Surgicare, L.P.

By: _____
Print Name: M. Corey Ridgway
Its: VP

EXHIBIT A

PRELIMINARY SITE PLAN

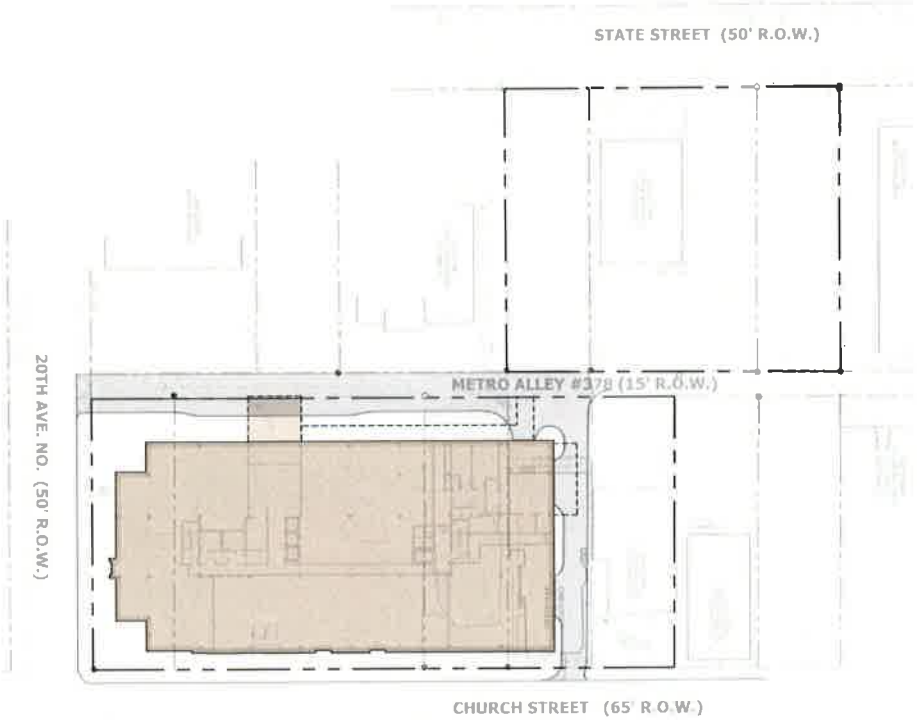


EXHIBIT B

EXCLUSIVES

Exclusives Granted to Tenants of the Building:

1. Seton Corporation shall have the exclusive right to cardiology medical services and related ancillaries at the Project. Except for St. Thomas Health and its affiliates (including, without limtitation, St. Thomas Hospital, Seton Corporation d/b/a Baptist Hospital and MTMC), no hospital operator or its affiliates may lease space in the Building without the approval of Seton Corporation.

2. Elite Sports Medicine& Orthopaedic Center, PLC shall have the right to provide the following services and products in the Building in the Project: (i) orthopedic and sports medicine services; and (ii) therapy and rehabilitation services (with the exception of cardiac rehabilitation services), including, without limitation, physical therapy, occupational therapy, work hardening, and massage therapy. The aforesaid exclusive rights may be shared with MPOWER Fitness of Cool Springs, LLC provided it is a tenant in the Building.

3. Baptist Plaza Surgicare, LP shall have the exclusive right within the Building to conduct outpatient surgical procedures requiring general anesthesia.

4. MPOWER MD, LLC and its affiliates and assigns shall have the exclusive right to provide the following products and services within the building: (i) wellness services; (ii) concierge medical services; (iii) gym services; (iv) personal fitness training services; (v) sports training services; nutrition counseling.

5. WOMEN Obstetrics & Gynecology (and its affiliates, agents, employees, contractors, representatives, assignees, subtenants and licensees) shall have the exclusive right to provide obstetrical and gynecological medical services at the Project.

Tab 6

Attachment A, 13

MCO/BHO Participation

Baptist Plaza Surgicare Managed Care
Contracts List

Plan Name	Products/Network/Payor Name	Plan Type
Aetna / USHealthcare		
	Aetna HMO (includes QPOS and US Access), Elect Choice (EPO), Managed Choice POS, Open Choice, Quality Point of Service (QPOS), US Access, National Advantage Plan, Aetna Select, Open Access Aetna Select, Aetna Open Access HMO, Aetna Open Access Elect Choice, Aetna Choice POS, Aetna Choice POS II, Aetna Open Access Managed Choice, Open Choice PPO, Traditional Choice, Aetna Affordable Health Choices PPO	HMO, EPO, POS, PPO, HMO/POS
	Aetna Golden Medicare Plan - HMO, Aetna Golden Choice Plan - PPO, Aetna Medicare Open Plan - Private FFS (PFFS)	Medicare Advantage
Aetna Institutes of Quality Bariatric Surgery Facility	IOQ Bariatric Surgery	Center of Excellence
Aetna Institutes of Quality Orthopedic Care	IOQ Joint Replacement	Center of Excellence
	IOQ Spine Surgery	Center of Excellence
Alive Hospice	Alive Hospice	Direct
Americhoice	Americhoice (aka United HealthCare Plan of the River Valley, Inc.) (Includes Dual Eligible Special Needs Plan - SNP)	TennCare HMO
AMERIGROUP Community Care		
	AMERIGROUP Community Care	TennCare HMO
	AMERIVANTAGE Medicare Advantage (Includes Dual Eligible Special Needs Plan - SNP)	Medicare Advantage
Avalon Hospice (formerly Trinity Hospice) (STH, MTMC and Hickman added eff. 2/1/10)	Trinity Hospice	Hospice (Inpatient services for Medicare and TennCare Patients)
Beech Street (A Viant Company) (formerly Concentra, Concentra Preferred Systems, Health Network Systems, PPONext, CapCare, MediChoice) *(Purchased by MultiPlan, but networks remain separate until further notice)*	Beech Street (Includes Beech Street Primary Network, Beech Street Complementary Network and Viant Supplemental Networks)	PPO
BC/BS of TN (BCBST)		
	BlueAdvantage and BlueAdvantage Plus (PFFS) *It is a unique program in that members may use any doctor, specialist or hospital that accepts the BlueAdvantage terms, conditions and payment rate. Prior to providing services to a BlueAdvantage member, providers must agree to the Terms and Conditions of Plan Payment. When Providers choose to extend services to a BlueAdvantage member, they are acknowledging their agreement and are "deemed" to have a contract with BlueCross BlueShield of Tennessee.*	Medicare Advantage Private Fee for Service (PFFS)
	BlueAdvantage Local PPO (effective 1/1/2009)	Medicare Advantage
	Medicare Advantage Regional PPO (effective 9/20/09)	Medicare Advantage
	BlueCoverTN / Blue Network V	PPO
	Access TN (uses BlueSelect / Network S)	PPO
	Cover Kids (uses Blue Select / Network S)	PPO
	Blue Preferred / Network P (includes Suitcase PPO Program/ BlueCard and Federal Employees Standard Option and Basic Option Programs)	PPO
	Blue Select / Network S (Includes Suitcase PPO Program/BlueCard)	PPO
CCN (National network owned by First Health)	CCN (consolidated under First Health Network as of 1/1/07)	PPO
Blue Distinction Center for Bariatric Surgery	Blue Distinction Center for Bariatric Surgery	Center of Excellence
Blue Distinction Center of Knee and Hip Replacement	Blue Distinction Center for Knee and Hip Replancement	Center of Excellence
Blue Distinction Center for Spine Surgery	Blue Distinction Center for Spine Surgery	Center of Excellence
	Bluegrass Family Health	HMO, PPO, POS, Consumer Directed

Plan Name	Products/Network/Payor Name	Plan Type
Aetna / USHealthcare		
	Aetna HMO (Includes QPOS and US Access), Elect Choice (EPO), Managed Choice POS, Open Choice, Quality Point of Service (QPOS), US Access, National Advantage Plan, Aetna Select, Open Access Aetna Select, Aetna Open Access HMO, Aetna Open Access Elect Choice, Aetna Choice POS, Aetna Choice POS II, Aetna Open Access Managed Choice, Open Choice PPO, Traditional Choice, Aetna Affordable Health Choices PPO	HMO, EPO, POS, PPO, HMO/POS
	Aetna Golden Medicare Plan - HMO, Aetna Golden Choice Plan - PPO, Aetna Medicare Open Plan - Private FFS (PFFS)	Medicare Advantage
Aetna Institutes of Quality Bariatric Surgery Facility	IOQ Bariatric Surgery	Center of Excellence
Aetna Institutes of Quality Orthopedic Care	IOQ Joint Replacement	Center of Excellence
	IOQ Spine Surgery	Center of Excellence
Alive Hospice	Alive Hospice	Direct
Americhoice	Americhoice (aka United HealthCare Plan of the River Valley, Inc.) (Includes Dual Eligible Special Needs Plan - SNP)	TennCare HMO
AMERIGROUP Community Care		
	AMERIGROUP Community Care	TennCare HMO
	AMERIVANTAGE Medicare Advantage (Includes Dual Eligible Special Needs Plan - SNP)	Medicare Advantage
Avalon Hospice (formerly Trinity Hospice) (STH, MTMC and Hickman added eff. 2/1/10)	Trinity Hospice	Hospice (Inpatient services for Medicare and TennCare Patients)
Beech Street (A Viant Company) (formerly Concentra, Concentra Preferred Systems, Health Network Systems, PPONext, CapCare, MediChoice) *(Purchased by MultiPlan, but networks remain separate until further notice)*	Beech Street (Includes Beech Street Primary Network, Beech Street Complementary Network and Viant Supplemental Networks)	PPO
BC/BS of TN (BCBST)		
	BlueAdvantage and BlueAdvantage Plus (PFFS) *It is a unique program in that members may use any doctor, specialist or hospital that accepts the BlueAdvantage terms, conditions and payment rate. Prior to providing services to a BlueAdvantage member, providers must agree to the Terms and Conditions of Plan Payment. When Providers choose to extend services to a BlueAdvantage member, they are acknowledging their agreement and are "deemed" to have a contract with BlueCross BlueShield of Tennessee.*	Medicare Advantage Private Fee for Service (PFFS)
	BlueAdvantage Local PPO (effective 1/1/2009)	Medicare Advantage
	Medicare Advantage Regional PPO (effective 9/20/09)	Medicare Advantage
	BlueCoverTN / Blue Network V	PPO
	Access TN (uses BlueSelect / Network S)	PPO
	Cover Kids (uses Blue Select / Network S)	PPO
	Blue Preferred / Network P (includes Suitcase PPO Program/ BlueCard and Federal Employees Standard Option and Basic Option Programs)	PPO
	Blue Select / Network S (Includes Suitcase PPO Program/BlueCard)	PPO
CCN (National network owned by First Health)	CCN (consolidated under First Health Network as of 1/1/07)	PPO
Blue Distinction Center for Bariatric Surgery	Blue Distinction Center for Bariatric Surgery	Center of Excellence
Blue Distinction Center of Knee and Hip Replacement	Blue Distinction Center for Knee and Hip Replacement	Center of Excellence
Blue Distinction Center for Spine Surgery	Blue Distinction Center for Spine Surgery	Center of Excellence
Bluegrass Family Health	Bluegrass Family Health	HMO, PPO, POS, Consumer Directed Health, including HRA and HSA, Self Insured / TPA, Network Leasing
CenterCare Managed Care Programs	Center Care	PPO, POS

Plan Name	Products/Network/Payor Name	Plan Type
Aetna / USHealthcare		
	Aetna HMO (Includes QPOS and US Access), Elect Choice (EPO), Managed Choice POS, Open Choice, Quality Point of Service (QPOS), US Access, National Advantage Plan, Aetna Select, Open Access Aetna Select, Aetna Open Access HMO, Aetna Open Access Elect Choice, Aetna Choice POS, Aetna Choice POS II, Aetna Open Access Managed Choice, Open Choice PPO, Traditional Choice, Aetna Affordable Health Choices PPO	HMO, EPO, POS, PPO, HMO/POS
	Aetna Golden Medicare Plan - HMO, Aetna Golden Choice Plan - PPO, Aetna Medicare Open Plan - Private FFS (PFFS)	Medicare Advantage
Aetna Institutes of Quality Bariatric Surgery Facility	IOQ Bariatric Surgery	Center of Excellence
Aetna Institutes of Quality Orthopedic Care	IOQ Joint Replacement	Center of Excellence
	IOQ Spine Surgery	Center of Excellence
Alive Hospice	Alive Hospice	Direct
Americhoice	Americhoice (aka United HealthCare Plan of the River Valley, Inc.) (Includes Dual Eligible Special Needs Plan - SNP)	TennCare HMO
AMERIGROUP Community Care		
	AMERIGROUP Community Care	TennCare HMO
	AMERIVANTAGE Medicare Advantage (Includes Dual Eligible Special Needs Plan - SNP)	Medicare Advantage
Avalon Hospice (formerly Trinity Hospice) (STH, MTMC and Hickman added eff. 2/1/10)	Trinity Hospice	Hospice (Inpatient services for Medicare and TennCare Patients)
Beech Street (A Viant Company) (formerly Concentra, Concentra Preferred Systems, Health Network Systems, PPONext, CapCare, MediChoice) *(Purchased by MultiPlan, but networks remain separate until further notice)*	Beech Street (Includes Beech Street Primary Network, Beech Street Complementary Network and Viant Supplemental Networks)	PPO
BC/BS of TN (BCBST)		
	BlueAdvantage and BlueAdvantage Plus (PFFS) *It is a unique program in that members may use any doctor, specialist or hospital that accepts the BlueAdvantage terms, conditions and payment rate. Prior to providing services to a BlueAdvantage member, providers must agree to the Terms and Conditions of Plan Payment. When Providers choose to extend services to a BlueAdvantage member, they are acknowledging their agreement and are "deemed" to have a contract with BlueCross BlueShield of Tennessee.*	Medicare Advantage Private Fee for Service (PFFS)
	BlueAdvantage Local PPO (effective 1/1/2009)	Medicare Advantage
	Medicare Advantage Regional PPO	Medicare Advantage

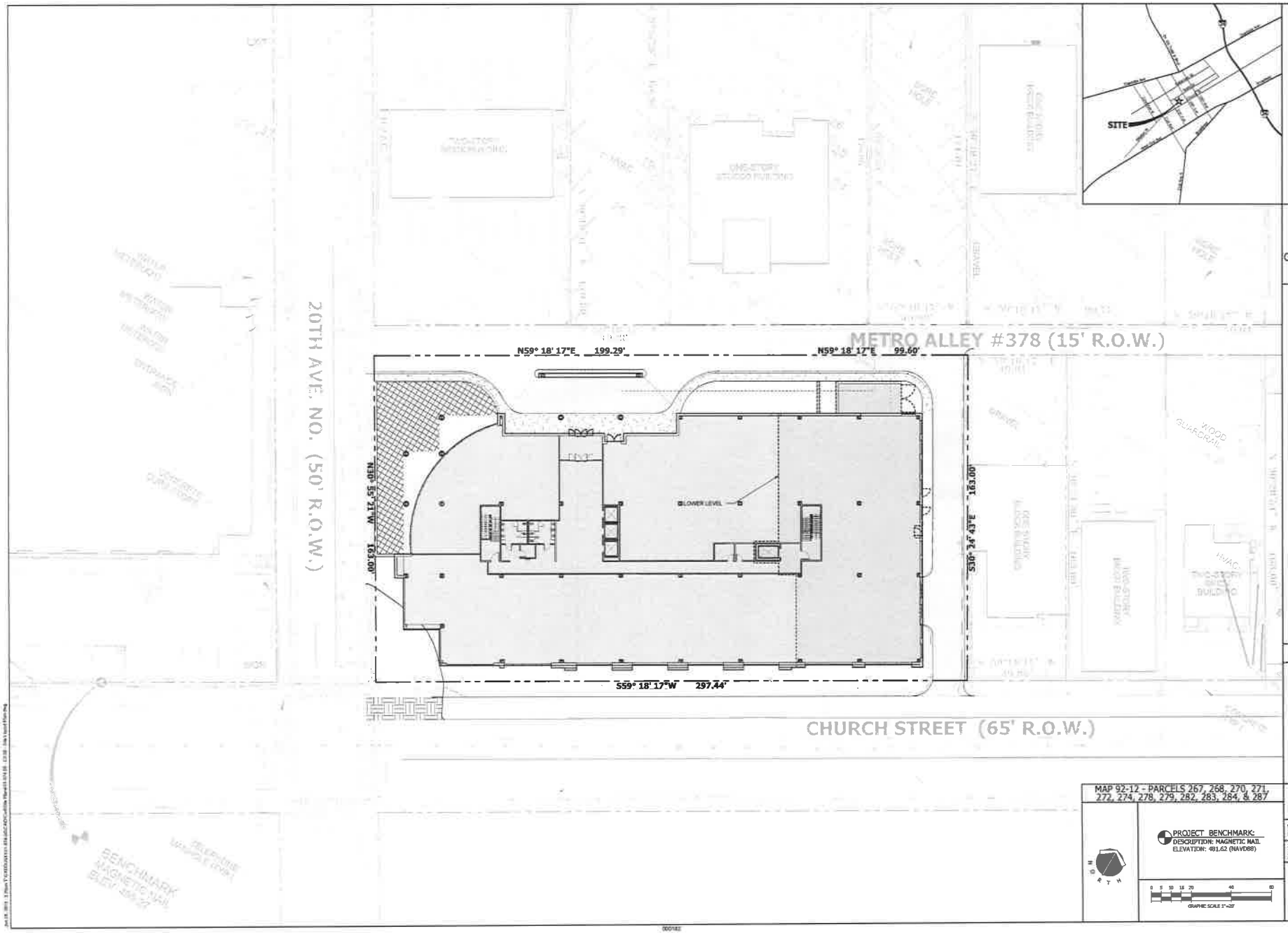
Attachment B

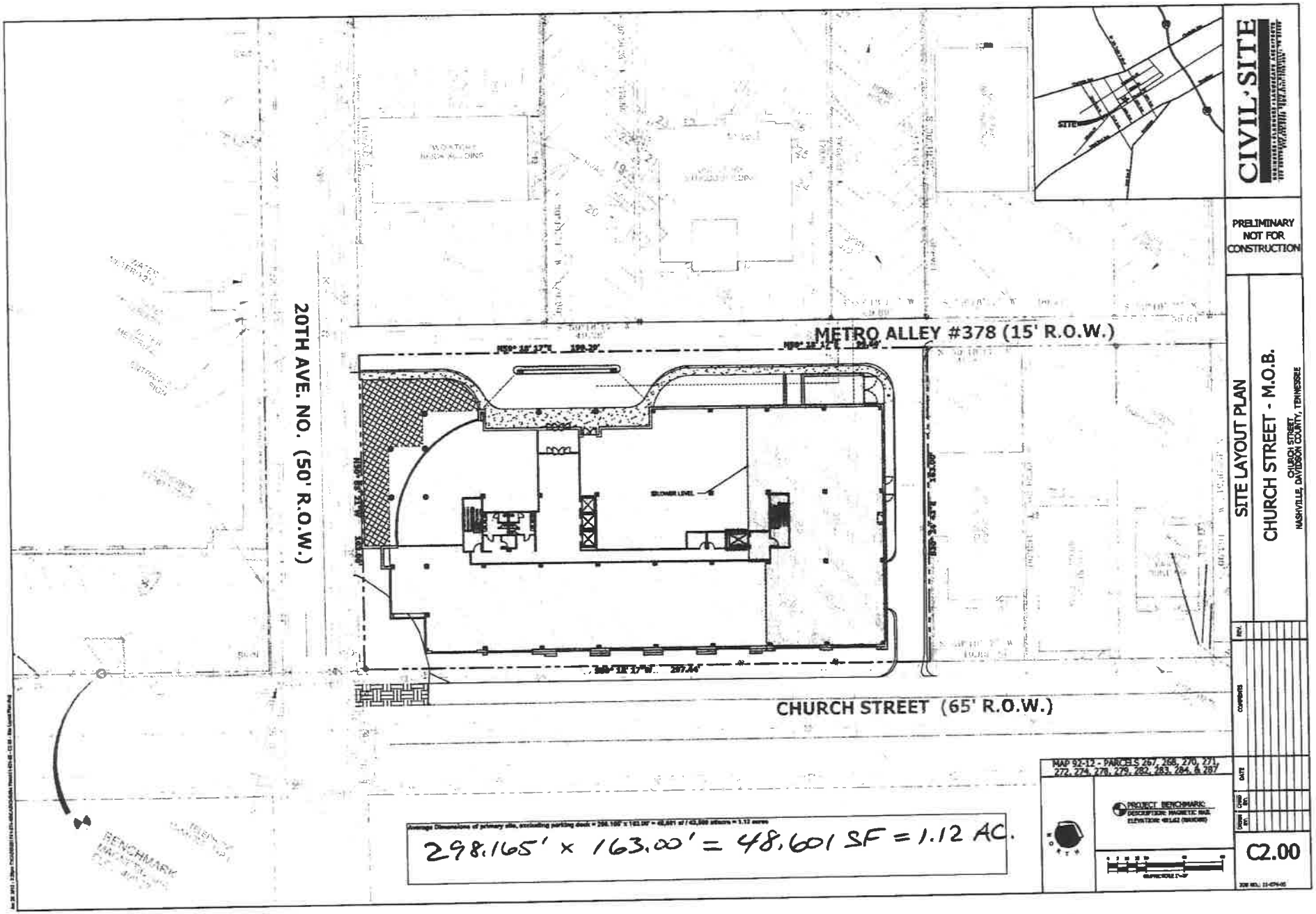
Plot Plan
Maps of Service Area Access
Schematics

Tab 7

Attachment B, III.(A)

Plot Plan


METRO ALLEY #378 (15' R.O.W.)
20TH AVE. NO. (50' R.O.W.)
CHURCH STREET (65' R.O.W.)
N59° 18' 17"E 199.29'
N59° 18' 17"E 99.60'
N30° 55' 21"W 163.00'
S30° 24' 43"E 163.00'
S59° 18' 17"W 297.44'
LOWER LEVEL
SITE
MAP 92-12 - PARCELS 267, 268, 270, 271, 272, 274, 278, 279, 282, 283, 284, & 287
PROJECT BENCHMARK:
DESCRIPTION: MAGNETIC NAIL
ELEVATION: 481.62 (NAVD88)
GRAPHIC SCALE 1"=20'
CIVIL SITE
ENGINEERS • PLANNERS • LANDSCAPE ARCHITECTS
PRELIMINARY
NOT FOR
CONSTRUCTION
SITE LAYOUT PLAN
CHURCH STREET - M.O.B.
CHURCH STREET
NASHVILLE, DAVIDSON COUNTY, TENNESSEE
REV.
COMMENTS
DATE
CHKD BY:
DRWN BY:
C2.00
JOB NO.: 11-074-01


METRO ALLEY #378 (15' R.O.W.)
20TH AVE. NO. (50' R.O.W.)
CHURCH STREET (65' R.O.W.)
SITE
CIVIL SITE
PRELIMINARY NOT FOR CONSTRUCTION
SITE LAYOUT PLAN
CHURCH STREET - M.O.B.
CHURCH STREET
NASHVILLE, DAVIDSON COUNTY, TENNESSEE
MAP 92-12 - PARCELS 267, 268, 270, 271, 272, 274, 276, 279, 282, 283, 284, & 287
PROJECT BENCHMARK
DESCRIPTION: MAGNETIC NAIL
ELEVATION: 481.62 (NAVD88)
298.165' x 163.00' = 48,601 SF = 1.12 AC.
C2.00

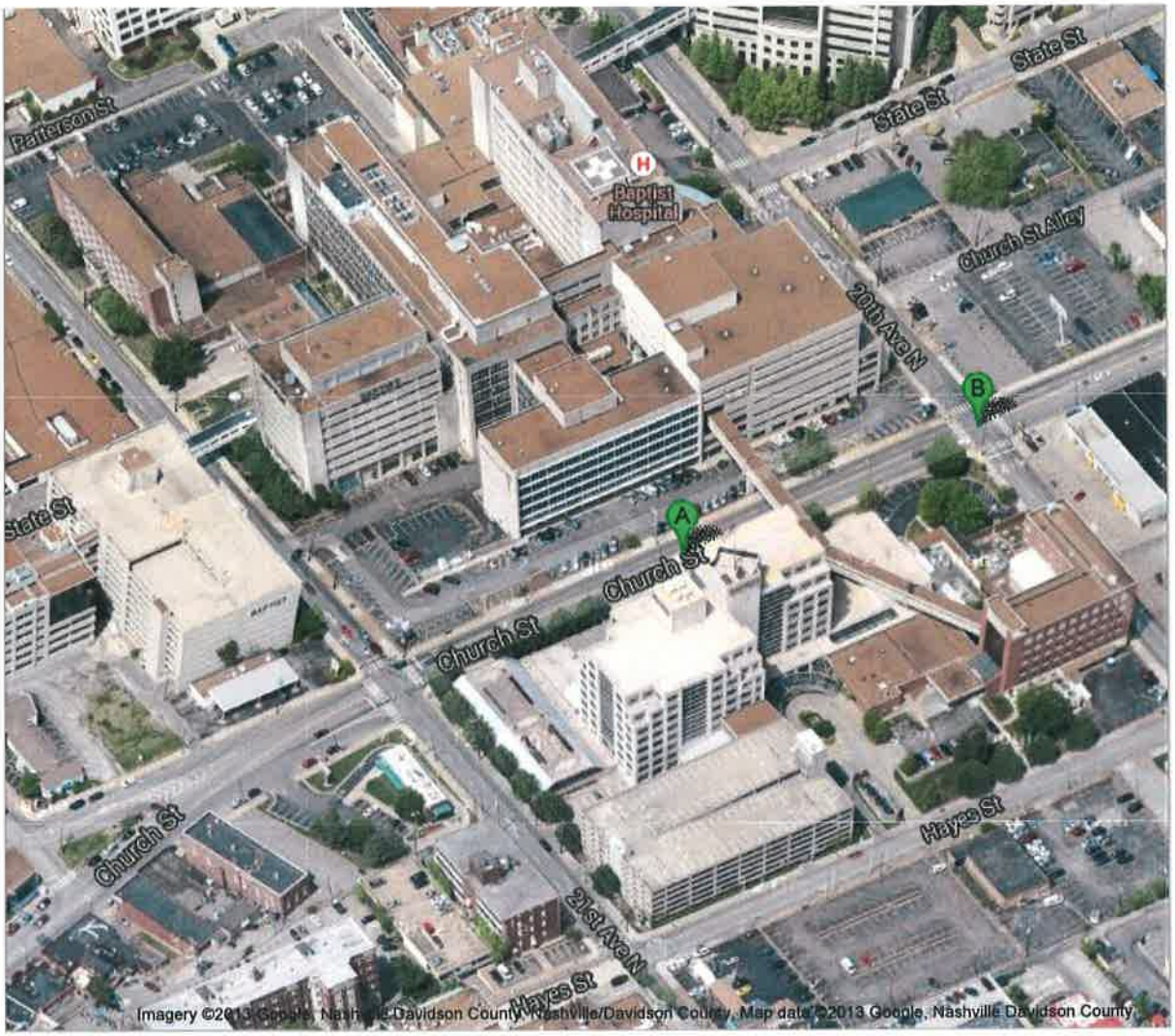
Tab 8

Attachment B, III.(B).1

Maps of Service Area Access

To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



Driving directions to Church St & 20th Ave N, Nashville, TN 37203

3D

2011 Church St
Nashville, TN 37203

1. Head **northeast** on **Church St** toward **20th Ave N**

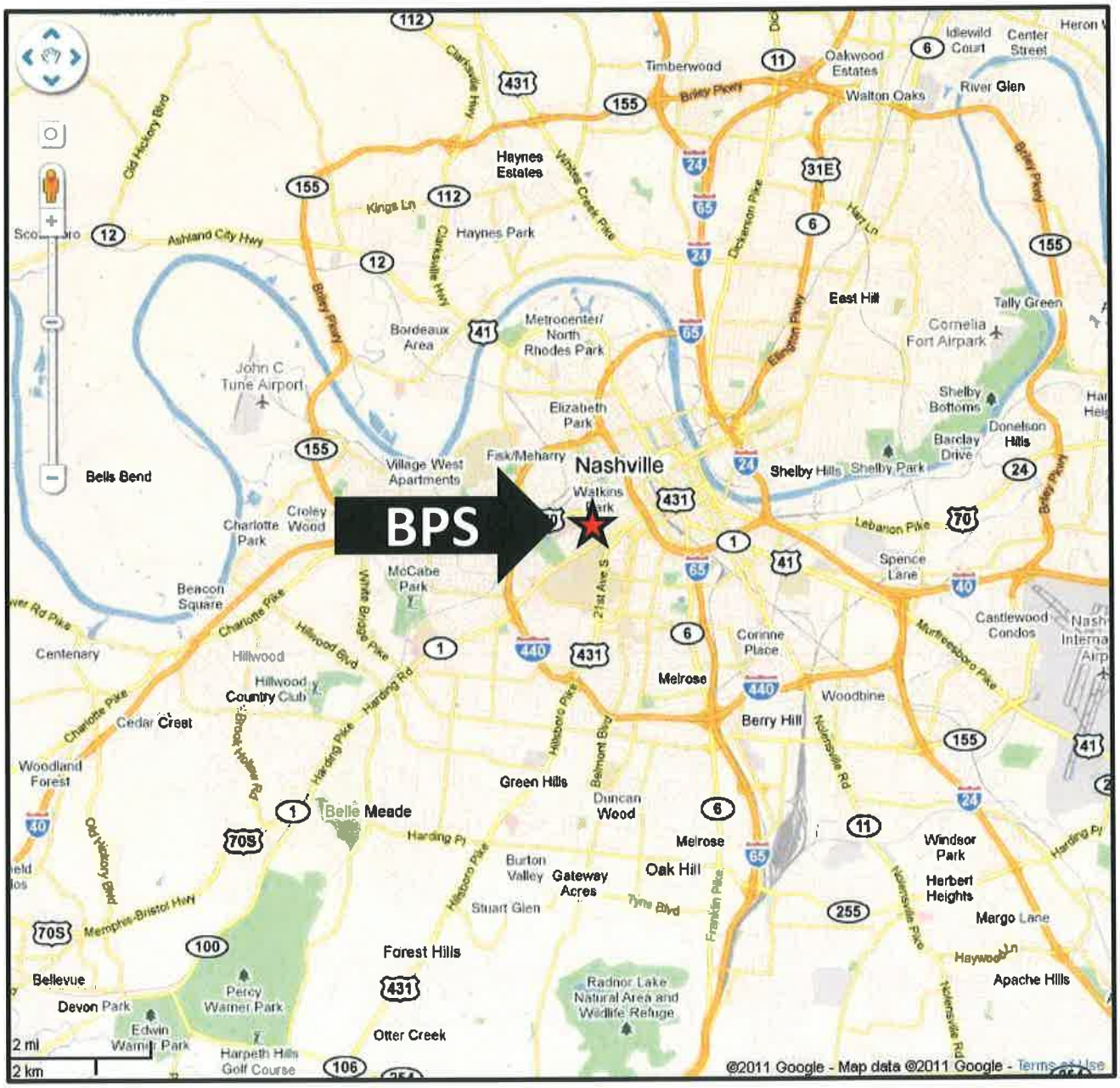
328 ft

Church St & 20th Ave N
Nashville, TN 37203

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Map data ©2013 Google, Nashville Davidson County, Nashville/Davidson County

Access to Baptist Plaza Surgicare



![Nashville MTA]

Your ticket to Music City

SYSTEM MAP

EFFECTIVE March 31, 2013

MTA Displays Around Town

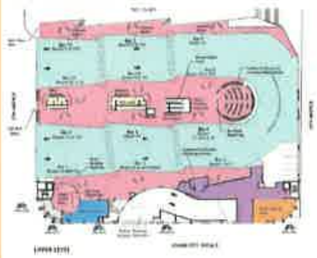
Display Racks of Schedules

1. Andrew Jackson Building, *500 Deaderick Street*
2. Andrew Johnson Building, *710 James Robertson Parkway*
3. Anthem Career College, *560 Royal Parkway*
4. Belmont University, *1900 Belmont Boulevard*
5. Bridgestone Arena, *501 Broadway*
6. City Hall & Metro Courts, *1 Public Square*
7. Daymar Institute, *340 Plus Park Boulevard*
8. Davy Crockett Building, *500 James Robertson Parkway*
9. Justice A.A. Birch Building, *408 2nd Avenue North*
10. Lentz Public Health Center, *311 23rd Avenue North*
11. Looby Center and Library, *2301 Rosa L. Parks Blvd*
12. Metro Board of Education, *2601 Bransford Avenue*
13. Metro General Hospital, *1818 Albion Street*
14. MTA Madison Headquarters, *430 Myatt Drive*
15. Music City Central, *400 Charlotte Avenue*
16. Nashville Auto Diesel College, *1524 Gallatin Road*
17. Nashville Downtown Library, *615 Church Street*
18. Peabody College Post Office, *230 Appleton Place*
19. Riverfront Regional Rail Station, *108 1st Ave. North*
20. Tennessee Dept. of Human Services, *1000 2nd Avenue North*
21. Tennessee Performing Arts Center, *505 Deaderick Street*
22. Tennessee State University, *3500 John A. Merritt Blvd*
23. Vanderbilt University Post Office, *2301 Vanderbilt Place*
24. Watkins College of Art, Design & Film, *2298 Rosa L. Parks Boulevard*
25. William R. Snodgrass Tennessee Tower, *311 7th Avenue North*

For a list of other locations, please call MTA Customer Care at **(615) 862-5950**

MUSIC CITY CENTRAL

UPPER LEVEL



This state-of-the-art facility is located at 400 Charlotte Avenue between 4th and 5th Avenues North in the Central Business District (CBD).

It serves as the central hub for MTA buses. There are climate-controlled waiting rooms, an MTA staffed information and ticket sales center, customer restrooms and small retail businesses, including Dunkin' Donuts and the Music City Market.

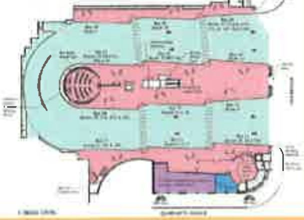
Up to 20,000 customers use the facility each weekday.

MAP KEY

- Bus Lane
- Passenger Waiting
- Retail Space
- Office Space
- Public Meeting Room
- Customer Seating
- Bike Rack

Route		Bay
1	100 Oaks	12
2	Belmont	17
3	West End/White Bridge	5
4	Shelby	14
5	West End/Bellevue	5
6	Lebanon Pike	10
7	Hillsboro	19
8	8th Avenue South	9
9	MetroCenter	11
10	Charlotte	21
12	Nolensville Pike	24
14	Whites Creek	3
15	Murfreesboro Pike	16
17	12th Avenue South	15
18	Airport/Downtown Hotels	18
19	Herman	4
20	Scott	16
22	Bordeaux	7
23	Dickerson Road	12
24X	Bellevue Express	9
25	Midtown	20 & 22
26	Gallatin Pike	3
27	Old Hickory	6
28	Meridian	13
29	Jefferson	8
30	McFerrin	12
33X	Hickory Hollow/Lenox Express	18
34	Opry Mills	10
35X	Rivergate Express	17
36X	Madison Express	6
37X	Tusculum/McMurray Express	23
38X	Antioch Express	17
39X	Cane Ridge Express	20
41	Golden Valley	23
42	St. Cecilia/Cumberland	6
43	Hickory Hills	12
44	MTA Shuttle	20
55	Murfreesboro Pike BRT lite	22
56	Gallatin Pike BRT lite	1
84X	Murfreesboro Express	23
86X	Smyrna/La Vergne Express	23
87X	Gallatin Express	18
89X	Springfield/Joelton Express	8
91X	Franklin/Brentwood Express	11
92X	Hendersonville Express	18
94X	Clarksville Express	13
95X	Spring Hill Express	3
96X	Nashville/Murfreesboro Relax & Ride	23
	AccessRide	3

LOWER LEVEL



Welcome aboard!

Whether you are a resident or a visitor to Music City, we are pleased that you are considering riding or already utilizing our transit system!

On March 31, we expanded and improved services on MTA's route that serves the Nashville airport. Early morning and evening trips have been added to the airport service, and the routing now serves the new Music City Center convention center and downtown hotels.

Please also take advantage of MTA's FREE downtown circulator, the Music City Circuit, a convenient and efficient way to get around downtown Nashville and the Gulch. Three different routes offer frequent service connecting the Riverfront Train Station and many points of interest in the downtown area.

The MTA board and its transit employees are working diligently to provide transportation services that will be of increasing importance to you and the Nashville community. I hope you will continue to be one of the thousands who ride on our transit services to get you to your destinations.

Thomas F. "Freddie" O'Connell
MTA Board Chair

Frequency Chart

(Average number of minutes between bus trips unless otherwise indicated)

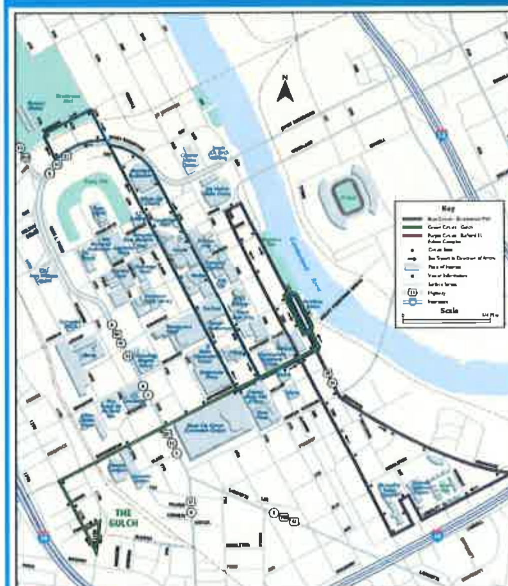
ROUTE	NAME	MONDAY-FRIDAY AM Rush	MONDAY-FRIDAY Midday	MONDAY-FRIDAY PM Rush	MONDAY-FRIDAY Evening	SATURDAY Daytime	SATURDAY Evening	SUNDAY All Day
1	100 Oaks	60	—	60	—	—	—	—
2	Belmont	40	—	40	—	—	—	—
3,5	Core trips for routes 3, 5	10	15	10	20	20	20	20
3	West End/White Bridge	20	30	20	40-60	40	40-60	40
4	Shelby	20	30	20	40-60	40	40-60	40-60
5	West End/Bellevue	20	30	20	40-60	40	40	40
6	Lebanon Pike	15-35	90	15-35	60	—	—	—
7	Hillsboro	20	20	20	40	40	40-60	40-60
8	8th Avenue South	35	75	35	60	60-240	60	60-240
9	MetroCenter	20	30	30	—	—	—	—
10	Charlotte	25	25	25	40	45	45	45
12	Nolensville Pike	10-15	20-30	10-20	60	40	60	60
14	Whites Creek	30	60	25-35	60	60	60	60
15,55	Core trips for routes 15, 55	10-15	10-15	10-15	20-30	10-30	10-30	40
15	Murfreesboro Pike	40	40	40	60	60	60	40
17	12th Avenue South	20-35	20-35	25-35	60	30-60	60	60
18	Airport/Downtown Hotels	60	60	60	60	60	60	60
19	Herman	20	30	20	60	60	60	60
20	Scott	25-30	70	30	60	60	60	60
21	University Connector	30	60	30	60	60	60	60
22	Bordeaux	15-20	22	17	60	30-60	60	60
23	Dickerson Road	20	25	20	60	40	60	60
24X	Bellevue Express	4 Trips	—	5 Trips	—	—	—	—
25	Midtown	35	60	35	60	60	60	60
26,56	Core trips for routes 26, 56	10-15	10-15	10-15	20-30	10-30	10-30	40
26	Gallatin Pike	40	40	40	60	60	60	40
27	Old Hickory	2 Trips	—	2 Trips	—	—	—	—
28	Meridian	25	50	25	50	50	50	50
29	Jefferson	20	30	20	60	60	60	60
30	McFerrin	60	60	60	60	60	60	60
33X	Hickory Hollow/Lenox Express	2 Trips	1 Trip	3 Trips	—	—	—	—
34	Opry Mills	90	90	90	90	90	90	90
35X	Rivergate Express	3 Trips	—	4 Trips	—	—	—	—
36X	Madison Express	3 Trips	2 Trips	3 Trips	—	—	—	—
37X	Tusculum/McMurray Express	2 Trips	—	2 Trips	—	—	—	—
38X	Antioch Express	2 Trips	—	3 Trips	—	—	—	—
39X	Cane Ridge Express	2 Trips	—	3 Trips	—	—	—	—
41	Golden Valley	60	—	60	—	—	—	—
42	St. Cecilia/Cumberland	30-55	50-65	25-30	60	60	60	60
43	Hickory Hills	25-50	125-150	50-60	—	—	—	—
44	MTA Shuttle	30	20-25	30	—	—	—	—
55	Murfreesboro Pike brt	15	15	15	30	30	30	—
56	Gallatin Pike brt	15	15	15	30	30	30	—
72	Edmondson Pike Connector	60	60-180	60	60	—	—	—
76	Madison Connector	60	60	60	60	60	—	—
84X	Murfreesboro Express	3 Trips	—	3 Trips	—	—	—	—
86X	Smyrna/La Vergne Express	3 Trips	—	3 Trips	—	—	—	—
87X	Gallatin Express	2 Trips	—	3 Trips	—	—	—	—
89X	Springfield/Joelton Express	2 Trips	—	2 Trips	—	—	—	—
91X	Franklin/Brentwood Express	3 Trips	—	3 Trips	—	—	—	—
92X	Hendersonville Express	2 Trips	—	3 Trips	—	—	—	—
93	Music City Star West End Shuttle	3 Trips	—	3 Trips	—	—	—	—
94X	Clarksville Express	3 Trips	—	3 Trips	—	—	—	—
95X	Spring Hill Express	2 Trips	—	2 Trips	—	—	—	—
96X	Nashville/Murfreesboro Relax & Ride	4 Trips	8 Trips	4 Trips	3 Trips	—	—	—

Key to Routes

- **Most frequent routes** (Daytime frequencies every 30 minutes or less)
- **Frequent routes** (Daytime frequencies generally 30-90 minutes)
- **Limited services** (Limited or express service)

This frequency chart is not definitive and should only be used as a guide. Please consult individual route schedules for further information.

MUSIC CITY CIRCUIT



Attractions along the routes:

Blue Circuit

- Arcade
- Bicentennial Mall
- Bridgestone Arena
- Country Music Hall of Fame
- Farmers' Market
- Hatch Show Print
- Municipal Auditorium
- Music City Center (Convention Center)
- Music City Central
- Printers Alley
- Riverfront Station
- Ryman Auditorium
- Schermerhorn Symphony Center
- Tennessee State Museum

Green Circuit

- Country Music Hall of Fame
- Cummins Station
- Gulch Restaurants and Bars
- Music City Center (Convention Center)
- Riverfront Station
- Schermerhorn Symphony Center

Purple Circuit

- City Hall & Metro Courts
- Nashville Children's Theatre
- Richard H. Fulton Complex
- Riverfront Station

The Music City Circuit is the most convenient way to get around downtown Nashville and the Gulch. Whether you live or work downtown or you're visiting for business or pleasure, the Music City Circuit will get you where you need to go quickly and easily. Dining, entertainment and shopping are all at your fingertips without parking hassles, and our clean-fuel vehicles help lower vehicle emissions.

Frequent stops all around downtown and the Gulch make it a breeze to get to your favorite restaurant, the hottest concert, or anywhere else in between. Just board the Music City Circuit at one of the designated stops with the blue-and-green sign.

	MONDAY-FRIDAY AM	MONDAY-FRIDAY Midday	MONDAY-FRIDAY PM	MONDAY-FRIDAY Evening	SATURDAY Daytime	SATURDAY Evening
Blue Circuit	30	15	15	—	15	—
Green Circuit	30	15	15	15	15	15
Purple Circuit	—	15	—	—	—	—

General Information

Bus Stops
Most MTA bus stops are marked with a blue-and-white sign. If bus stop signs have not yet been installed on your bus route, please go to the nearest intersection of the street traveled by your bus and flag it down when it comes into view.

Destination Signs
Every MTA bus is marked with a route number as well as the destination name or area. All Express Routes are designated by an "X" following the route number. As you get on an MTA bus, if you have questions about where the bus is going, please ask the driver.

Park & Ride
Several bus routes provide Park & Ride service that allows you to park your car and ride an MTA bus. MTA passengers are permitted to use Park & Ride lots as complimentary services by owners of the lots. Please refer to the list above the system map or on the route schedules for locations.

Holiday Service
On the following major holidays MTA operates service on a Sunday/Holiday schedule:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Christmas

On Martin Luther King Jr. Day, MTA operates service on a Saturday schedule.

Services for Medicare Cardholders, Seniors or People with Disabilities
Medicare cardholders, who are not elderly or disabled, qualify for a reduced MTA fare of 85 cents on MTA buses with their Medicare ID. Seniors age 65 and older and people with disabilities qualify for a reduced MTA fare of 85 cents on MTA buses with one of the following ID cards: Medicare, Seniors MTA Golden Age, or driver's license; Disabled-Medicare, MTA Special Service, or other transit ID card for the disabled. Passengers whose disabilities prevent them from using the large MTA buses may qualify for special door-to-door van service through the MTA AccessRide Program. Please call the MTA AccessRide Office at **(615) 880-3970** for more information or visit the MTA website at nashvillemta.org.

Snow Routes
Be prepared for winter weather and pick up your MTA snow route brochure today.

Snow route information may be found at MTA displays around town, on MTA buses, online at nashvillemta.org or by calling Customer Care at **(615) 862-5950**.

Music City Central
Music City Central serves as the central hub for MTA buses and is the main transfer point. It is located at 400 Charlotte Avenue between 4th and 5th Avenues North in the Central Business District.

AccessRide

MTA's paratransit service operates a fleet of special vans for people with disabilities who are unable to ride the large fixed-route buses.

- This door-to-door service is provided within Davidson County.
- To request an eligibility application, call AccessRide at (615) 880-3970 or download a copy from the MTA website at nashvillemta.org.

How Much are the Fares?

Adult

Adult (Local, Airport & BRT lite Services)	$1.70
Adult (Express Service)	$2.25
Senior *(ages 65 and older, please show driver proof of age before depositing fare)*	$ .85
People with Disabilities and Medicare cardholders *(please show driver special identification card before depositing fare)*	$ .85

Youth

Youth Fare *(ages 19 and younger, please alert driver before depositing fare and be prepared to show proof of age upon request)*	$1.00
Children ages 4 and younger	No Charge

MTA Passes Available – For your convenience, passes are available for purchase at Music City Central (400 Charlotte Avenue), by phone at **(615) 862-5950** or online at nashvillemta.org. In addition, passes may be requested via mail by sending the request to the MTA Administrative Office address. The All-Day Pass also is available for purchase on MTA buses.

All Day Pass	$5.25
All-Day Discounted Pass	$3.25
All-Day Youth Pass	$3.50
20-Ride Local	$32.00
20-Ride Express	$43.00
7-Day Pass	$24.00
31-Day Pass	$84.00
20-Ride Discounted Pass	$17.00
31-Day Discounted Pass	$44.00
Quest 7 Day Youth Pass	$16.00
Quest 31-Day Youth Pass	$58.50

- MTA's passes are valid for trips within Davidson County and are not valid for RTA services.

Express Upgrades – Deposit an extra 50 cents to use a 20 Ride Local Pass on an express bus.

Cash, checks, money orders and credit cards are accepted for these purchases. A $2.50 shipping fee will be applied to all mail, phone and online orders.

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Travel Training

Travel Training or "Bus Riding 101" is a service that teaches people with and without disabilities how to ride Nashville MTA buses. Trainers work one-on-one with customers to give them the practice they need to feel confident riding MTA buses. Group orientations, including trips on buses to destinations on our many bus routes, also are available.

There is no charge for travel training; however, individuals must pay the standard bus fare. Seniors age 65 and older, people with disabilities, Medicare cardholders and youth ages 19 and younger are eligible for a discounted fare.

For more information, call **(615) 880-3597** or visit our website at nashvillemta.org.

Antioch's BusLink Service

Need transportation in and around Antioch? We offer an on-demand shuttle service called BusLink that you will want to use. Just call **862-LINK (5465)** and ask a scheduler to pick you up and take you to one of our convenient stops within the demand zone all for the same cost as an MTA bus fare.

- BusLink runs Monday through Friday from 5 a.m. to 7 p.m. and on Saturday from 10 a.m. to 5 p.m. in the Antioch area. The designated zone includes more than 40 stops so there is sure to be one close to you.
- If you need to travel outside of the zone, board a Route 15 Murfreesboro Pike bus or Route 55 Murfreesboro Pike BRT lite bus at Murfreesboro Pike and Bell Road. Each hour, BusLink will make a scheduled connection at this location.

For more information on BusLink, call Customer Care at **(615) 862-5950**.

Transit Partnerships

Google maps

MTA partners with Google to provide customers with a public transit trip planning feature on Google maps.

Visit transit.google.com to find bus stops, transit directions and schedules.

EasyRide

EasyRide — This service is designed to help employers incorporate commuter benefits into their benefits plan. For more information, contact MTA at **(615) 862-5969** or ask your Human Resources Director about commuter benefits.

To receive the latest MTA news in your e-mail inbox, sign up for our eNews service at nashvillemta.org.

MTA Office Hours

Customer Care Call Center
(615) 862-5950

- Monday-Friday 6:30 a.m. to 6:30 p.m.
- Saturday 8:00 a.m. to 5:00 p.m.
- Sunday 10:30 a.m. to 2:30 p.m.
- Closed holidays

Ticket Sales and Information at Music City Central
400 Charlotte Avenue

- Monday-Friday 6:00 a.m. to 6:30 p.m.
- Saturday 8:00 a.m. to 5:00 p.m.
- Sunday 10:30 a.m. to 2:30 p.m.
- Closed holidays

Music City Central - Hours of Operation
400 Charlotte Avenue

- Monday-Friday 5:15 a.m. to 11:15 p.m.
- Saturday 6:00 a.m. to 10:15 p.m.
- Sunday and holidays 6:00 a.m. to 9:15 p.m.

MTA Administrative Offices
(615) 862-5969
430 Myatt Drive, Nashville, TN 37115

- Monday-Friday 8:00 a.m. to 4:30 p.m.
- Closed weekends and holidays

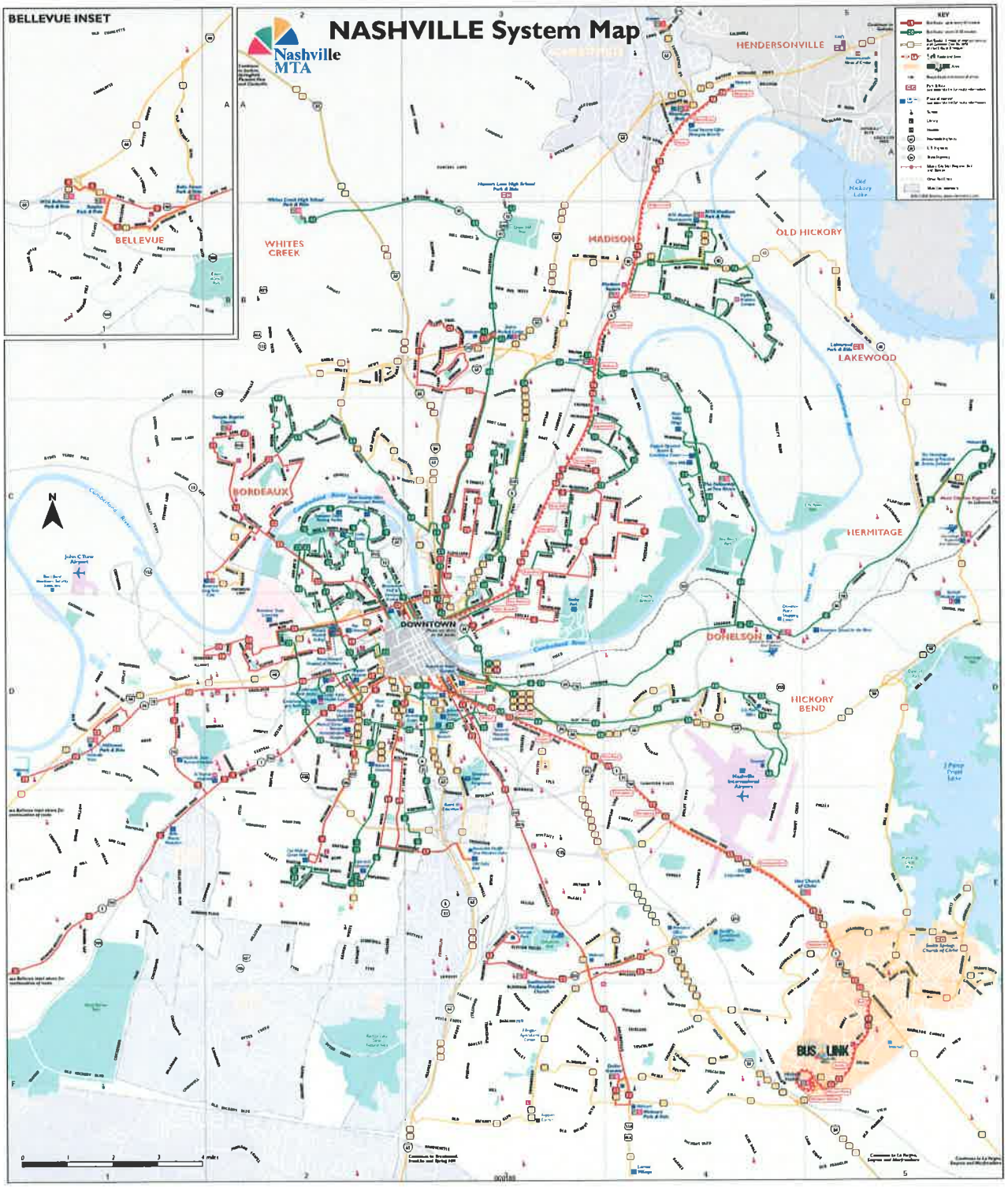
Metropolitan Transit Authority
430 Myatt Drive, Nashville, TN 37115
ADA Coordinator and Customer Care:
(615) 862-5950 nashvillemta.org
@Nashville_MTA

Points of Interest

No.	Location	Served by Routes	Grid Ref.
1	100 Oaks Mall	1, 17	E1
2	Adventure Science Center	1, 25	D2
3	Airport, Nashville International	18	D4
4	Baptist Hospital	16, 25	D2
5	Belle Meade Plantation	1	E1
6	Belmont University	2, 21	D2
7	Bicentennial Mall & Farmers' Market	19, 22, 29, 43	D2
8	Birdsong Long Term Care	23	C2
9	Bridgestone Arena	12, 15, 18, 24, 33, BRT Blue	Downtown
10	Centennial Medical Center	10, 35	D2
11	Centennial Park & Parthenon	2, 5, 25	D2
12	City Hall & Metro Courts	26, 30, 34, 35X, 41	Downtown
13	Country Music Hall of Fame	12, 15, 18, 33 BRT Blue	Downtown
14	Criminal Justice Center	26, 30, 35, 34, 35X, 41	Downtown
15	Dell Corporation	15, 33 BRT Blue	E4
16	Downtown Regional Rail Station	6, 24	D4
17	Downtown Library	1, 3, 5, 8, 17, 28X	Downtown
18	Fisk University	19, 21, 28, 29	D2
19	Farm Bloomingdale	6, 25, 34, 34X, 44, 93	Downtown
20	Frist Center for the Visual Arts	3, 5, 7, 17	Downtown
21	Gaylord Opryland Resort & Convention Center	24	C4
22	Green Stadium	1, 19	D2
23	Greyhound Bus Station	15, 15, 18, 33 BRT Blue 84X, 86X, 94X	D3
24	Hermitage Regional Rail Station	6, 27	C5
25	Justice A.A. Birch Building	26, 30, 34, 35X, 41	Downtown
26	Juvenile Justice Center	4, 14, 30, 35, 43	Downtown
27	Lenox Village	22X	F4
28	Long Public Health Center	10, 28	D2
29	Lipscomb University	3, 8, 21	E2
30	Lindy Center	9, 42	C3
31	LP Field	4, 14, 20, 22, 43	Downtown
32	The Mall at Green Hills	2, 7, 21	E3
33	Meharry Medical College	19, 21, 22, 29	D2
34	Moore General Hospital at Meharry	19, 21, 22, 29	D2
35	MTA Madison Headquarters	27, 34X, 96	B4
36	Municipal Auditorium	All (except 21, 73, 79)	Downtown
37	Music City Central	All (except 21, 73, 79)	Downtown
38	Music City Center (Cornerstone Center)	15, 18, 33 BRT Blue, 93	Downtown
39	Music Valley Village	34	C5
40	Nashville State Technical Institute	3	D1
41	Opry Mills	34	C4
42	Richard H. Fulton Complex	6, 15, 18, 33, 34, 34X	D3
43	Riverfront Regional Rail Station	6, 15, 27, 34, 34X, 44, 93	Downtown
44	RiverGate Mall	26, 35X, 86 BRT Blue	A4
45	Roaches Corner	8, 17	D3
46	Ryman Auditorium	12, 15, 18, 24, 33 BRT Blue	Downtown
47	Schermerhorn Symphony Center	12, 15, 18, 24, 33 BRT Blue	Downtown
48	Shelby Park	4	D3
49	Skyline Medical Center	43	B1
50	Social Security Office (MetroCenter Branch)	9	C3
51	Social Security Office (Energen Branch)	34	A4
52	St. Thomas Hospital	2, 5	D2
53	State Capitol	All (except 21, 73, 79)	Downtown
54	State Library & Archives	All (except 21, 73, 79)	Downtown
55	Summit Medical Center	23	D5
56	Tennessee Performing Arts Center	All (except 21, 73, 79)	Downtown
57	Tennessee School for the Blind	4	D5
58	Tennessee State Fairgrounds	1, 12	D3
59	Tennessee State University	19, 21, 29	D2
60	Tennessee Titans Training Facility	9	C3
61	Trevecca Nazarene University	15, 18, 33 BRT Blue	D2
62	Union Station Hotel	3, 5, 7, 17	Downtown
63	Vanderbilt University	2, 5, 7, 25, 30, 34X, 87X, 88X, 91X, 92X, 93	D2
64	Vanderbilt University Medical Center	7, 21, 25, 35X, 87X, 89X, 91X, 92X, 93	D2
65	Veterans Administration Hospital	7, 21, 87X, 91X, 89X, 92X, 93	D2
66	Zoo (Nashville Zoo at Grassmere)	12	E1

Park & Ride Lots

Lot No.	Location	Route	Grid Ref.
1	Belle Forest Park & Ride	5, 24X	A1
2	Dickel General	12, 27X	F4
3	Downtown Regional Rail Station	6, 24	D4
4	The Fellowship at Two Rivers	34	C4
5	Hermitage Regional Rail Station	6, 27	C5
6	Hickory Hollow	15, 33X, 55 BRT Blue	F5
7	Hillwood Park & Ride	18	D1
8	Hunters Lane High School Park & Ride	43	B3
9	Kmart - Goodlettsville	35X	A4
10	Kmart - Madison	26, 34, 86 BRT Blue	B3
11	Kohl's - Hendersonville	92X	A5
12	Lakewood Park & Ride	27	B5
13	Madison Square	26	B4
14	MTA Bellevue Park & Ride	5, 24X	A1
15	MTA Madison Park & Ride	27, 34X, 96	B4
16	RiverGate Park & Ride	35X	A4
17	Smith Springs Church of Christ	38X	E5
18	Southeastern Presbyterian Church	12	E3
19	Staples Park & Ride	5, 24X	A1
20	Temple Baptist Church	22	C2
21	Una Church of Christ	19	E4
22	Walmart Park & Ride	22X	F4
23	Whites Creek High School Park & Ride	43	B2

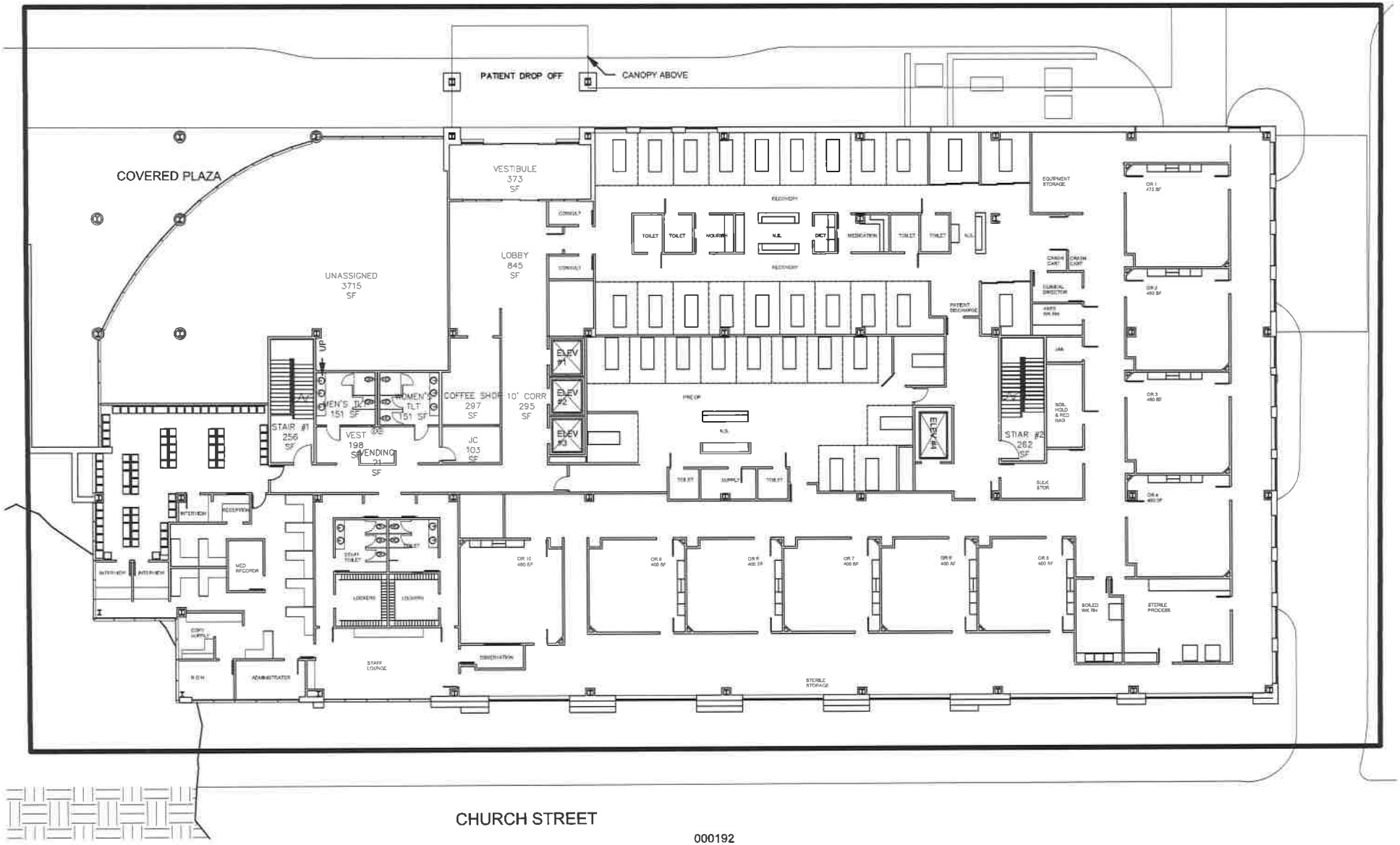


Tab 9

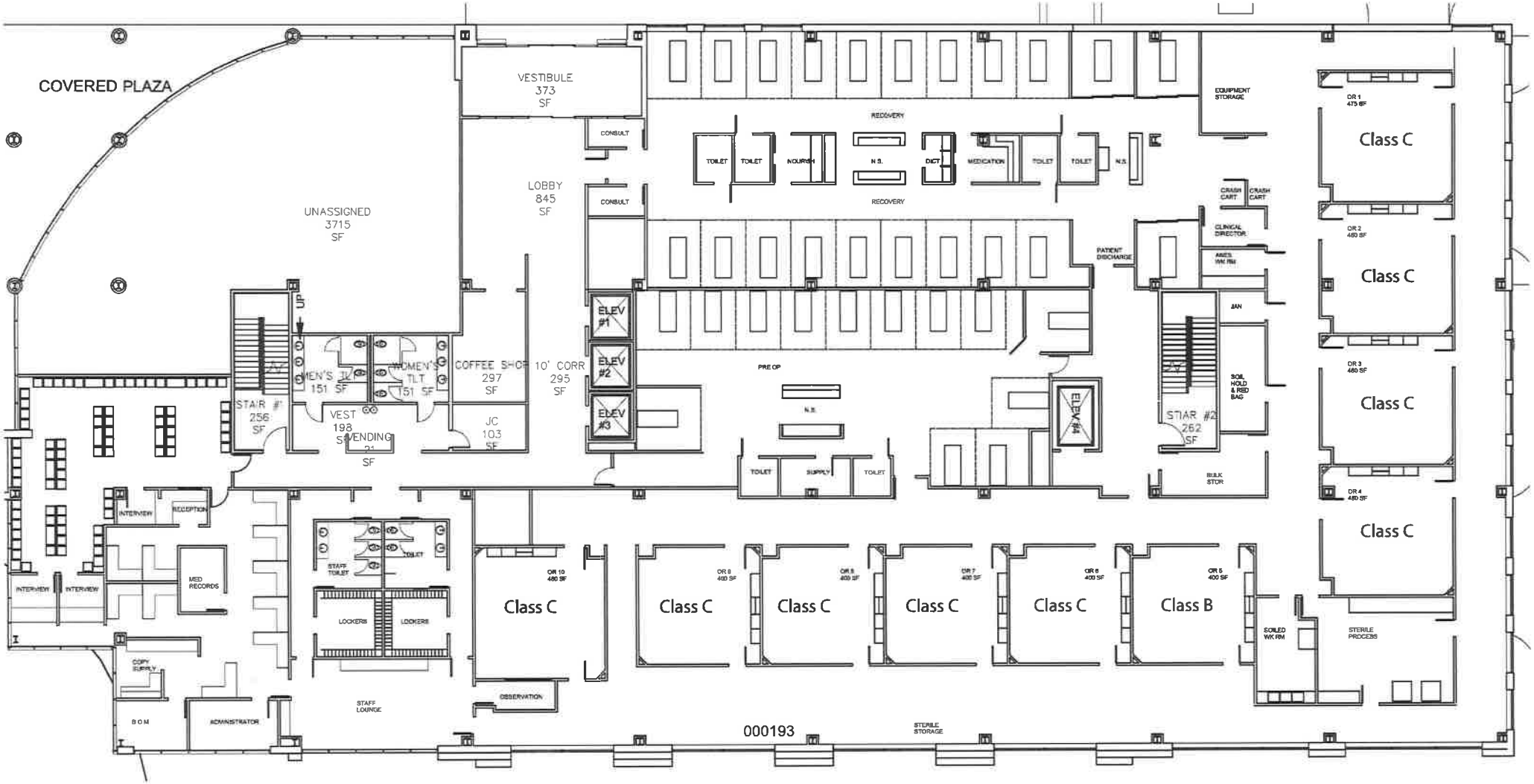
Attachment B, IV

Schematics

ALLEY



CHURCH STREET


COVERED PLAZA
UNASSIGNED
3715
SF
VESTIBULE
373
SF
LOBBY
845
SF
CONSULT
CONSULT
RECOVERY
TOILET
TOILET
NOURISH
N.S.
DICT
MEDICATION
TOILET
TOILET
N.S.
RECOVERY
EQUIPMENT STORAGE
CRASH CART
CRASH CART
CLINICAL DIRECTOR
ANES. WK RM
PATIENT DISCHARGE
JAN
SOIL HOLD & RED BAG
BULK STOR
STIAR #2
262
SF
ELEV #4
ELEV #1
ELEV #2
ELEV #3
PRE OP
N.S.
TOILET
SUPPLY
TOILET
10' CORR
295
SF
COFFEE SHOP
297
SF
JC
103
SF
WOMEN'S TLT
151 SF
VEST
198
VENDING
SF
STAIR #1
256
SF
UP
DN
INTERVIEW
RECEPTION
INTERVIEW
INTERVIEW
MED RECORDS
COPY SUPPLY
BOM
ADMINISTRATOR
STAFF TOILET
TOILET
LOCKERS
LOCKERS
STAFF LOUNGE
OBSERVATION
Class C
Class C
Class C
Class C
Class C
Class C
Class B
Class C
Class C
Class C
Class C
SOILED WK RM
STERILE PROCESS
STERILE STORAGE
000193

Attachment C

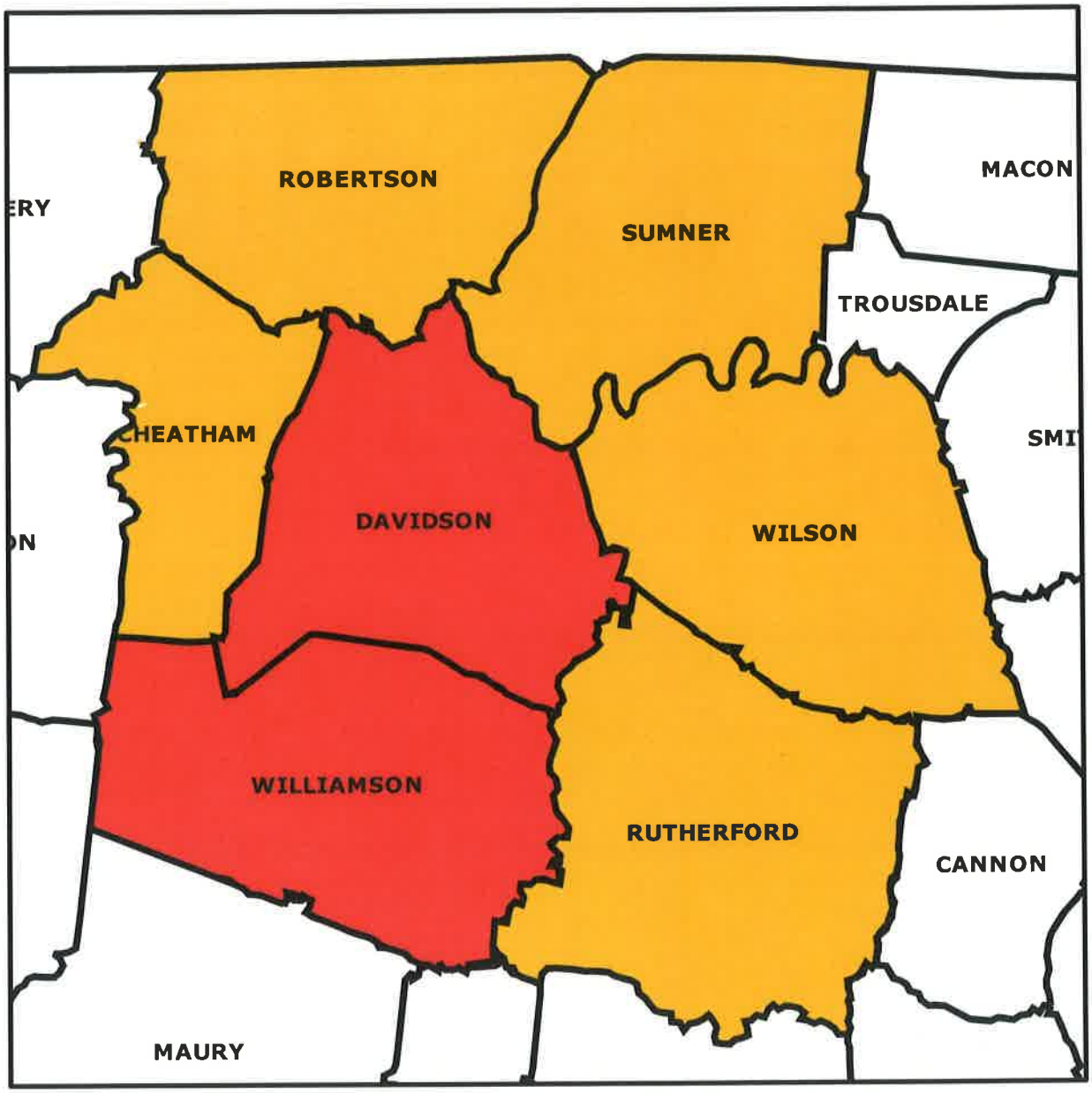
Service Area Map
ASTC Trend Data
Medicare Rate Comparisons
Service Area TennCare Population
Construction Costs Verification Letter
Verification of Funding
Balance Sheet and Income Statement
Facility License
Accreditation

Tab 10

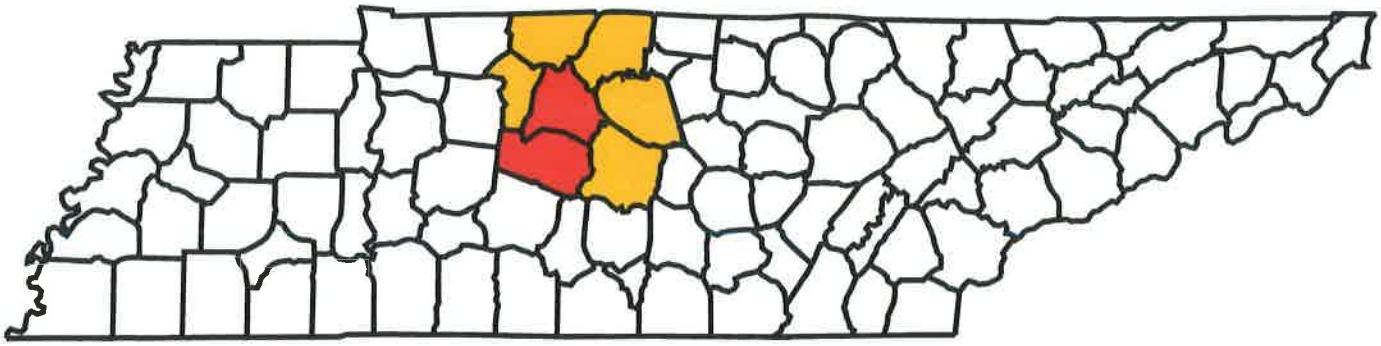
Attachment C
Need - 1

Service Area Map

Service Area Map



Primary Service Area Secondary Service Area



Tab 11

Attachment C
Need - 1

ASTC Trend Data

Joint Annual Report of Ambulatory Surgical Treatment Centers (ASTC)
2010

#	State ID	Facility Name	County	Operating Rooms	Procedure Rooms	Patients	Procedures	Admissions/ Discharges
1	19738	Gurley Surgery Center	Davidson	0	3	365	380	365
2	19277	Centennial Surgery Center	Davidson	6	2	7,217	13,403	7,217
3	19279	Northridge Surgery Center	Davidson	4	1	3,673	9,599	3,673
4	19280	Urology Surgery Center	Davidson	3	3	6,230	9,744	7,715
5	19301	Digestive Disease Endocscopy Center	Davidson	0	4	6,041	7,597	6,246
6	19302	Nashville Endoscopy Center	Davidson	0	3	2,615	2,975	2,615
7	19303	Southern Endoscopy Center	Davidson	0	3	2,966	3,486	2,966
8	19304	Mid State Endoscopy Center	Davidson	0	3	2,523	3,180	2,523
9	19313	St. Thomas Medical Group Endoscopy Center	Davidson	0	2	3,502	4,400	3,502
10	19606	Nashville Gastrointestinal Endoscopy Center	Davidson	0	2	2,451	3,011	2,451
11	19608	Nashville Surgery Center	Davidson	5	1	4,141	5,392	4,141
12	19610	Oral Facial Surgery Center	Davidson	3	4	2,290	2,290	2,290
13	19627	Wesley Ophthalmic Plastic Surgery Center	Davidson	1	0	834	933	933
14	19651	Associated Endoscopy	Davidson	0	3	4,738	4,994	4,738
15	19652	Baptist Ambulatory Surgery Center	Davidson	6	1	7,472	12,709	7,680
16	19676	The Center for Assisted Reproductive Technologies, LLC	Davidson	0	2	230	312	312
17	19688	Eye Surgery Center of Nashville, LLC	Davidson	1	1	3,972	7,060	3,836
18	19692	St. Thomas Campus Surgicare, LP	Davidson	6	1	6,835	19,479	6,835
19	19696	St. Thomas Outpatient Neurosurgical Center, LLC	Davidson	2	2	2,523	5,481	2,523
20	19698	LVC Outpatient Surgery Center, LLC	Davidson	2	1	1,973	5,260	5,260
21	19708	Tennessee Pain Surgery Center, LLC	Davidson	1	3	2,305	7,294	7,294
22	19716	Baptist Plaza Surgicare, L.P.	Davidson	9	1	9,427	23,104	9,427
23	19721	Premier Orthopaedic Surgery Center	Davidson	2	0	2,104	4,377	2,140
24	19722	DeLozier Surgery Center	Davidson	1	3	426	954	426
25	19723	Nashville Vision Correction, LLC	Davidson	1	0	169	282	169
26	19727	Summit Surgery Center, LP	Davidson	5	1	6,873	13,277	6,873
27	19729	American Endoscopy Center, PC	Davidson	1	1	598	858	858
28	19732	NFC Surgery Center, LLC	Davidson	1	0	387	702	702
29	19739	Premier Radiology Pain Management Center	Davidson	0	2	1,666	5,839	2,751
30	94735	Crossroads Surgery Center LLC.	Williamson	0	1	220	500	500
31	94740	Williamson Surgery Center	Williamson	4	1	3,531	4,417	3,278
32	94747	Franklin Endoscopy Center	Williamson	0	2	3,269	3,381	2,726
33	94681	Cool Springs Surgery Center	Williamson	5	1	6,790	11,114	6,790
34	94690	Vanderbilt-Ingram Cancer Center at Franklin	Williamson	0	5	525	19,888	500
35	83670	Green Surgery Center, LLC	Sumner	1	1	1,202	1,202	1,202
36	83746	Patient Partners Surgery Center	Sumner	2	2	5,109	6,811	4,198
37	95753	Lebanon Endoscopy Center	Wilson	0	2	3,051	3,302	2,662
38	95616	Lebanon Surgical Center	Wilson	1	1	164	199	164
39	95763	Tennessee Sports Medicine Surgery Center	Wilson	1	2	1,283	2,067	834
40	95655	Wilson County Eye Surgery Center	Wilson	1	1	1,978	5,428	1,978
41	75658	Middle Tennessee Ambulatory Surgery Center	Rutherford	6	1	6,244	12,607	6,244
42	75619	Physicians Pavilion Surgery Center	Rutherford	4	1	3,243	6,561	3,243
43	75602	Surgicenter of Murfreesboro Medical Clinic, PA	Rutherford	4	3	7,468	10,124	7,468
44	00193	Williams Surgery Center, Inc	Rutherford	1	1	51	51	51
		Total		90	78	140,674	266,024	150,299

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Health Statistics

Joint Annual Report of Ambulatory Surgical Treatment Centers (ASTC)
2011

#	State ID	Facility Name	County	Operating Rooms	Procedure Rooms	Patients	Procedures	Admissions/ Discharges
1	19272	Eye Surgery Center of Middle Tennessee	Davidson	3	0	0	0	0
2	19277	Centennial Surgery Center	Davidson	6	2	7,405	13,486	7,405
3	19279	Northridge Surgery Center	Davidson	4	2	3,201	16,416	3,201
4	19280	Urology Surgery Center	Davidson	3	3	7,608	8,749	7,608
5	19301	Digestive Disease Endoscopy Center	Davidson	0	4	5,845	7,332	6,052
6	19302	Nashville Endoscopy Center	Davidson	0	3	2,594	2,887	2,594
7	19303	Southern Endoscopy Center	Davidson	0	3	2,591	2,895	2,591
8	19304	Mid-State Endoscopy Center	Davidson	0	3	2,404	3,114	2,424
9	19313	Saint Thomas Medical Group Endoscopy Center	Davidson	0	2	3,411	4,327	3,411
10	19606	Nashville Gastrointestinal Endoscopy Center	Davidson	0	2	2,698	3,298	2,802
11	19608	Nashville Surgery Center	Davidson	5	1	4,155	5,293	4,270
12	19610	Oral Facial Surgery Center	Davidson	3	4	1,986	2,947	2,947
13	19627	Wesley Ophthalmic Plastic Surgery Center	Davidson	2	0	754	858	858
14	19651	Associated Endoscopy	Davidson	0	3	5,222	5,712	5,222
15	19652	Baptist Ambulatory Surgery Center	Davidson	6	1	7,304	16,059	7,304
16	19676	The Center for Assisted Reproductive Technologies	Davidson	0	2	255	359	359
17	19688	Eye Surgery Center of Nashville	Davidson	1	1	2,524	6,319	2,524
18	19692	Saint Thomas Campus Surgicare	Davidson	6	1	7,639	25,441	7,639
19	19696	Saint Thomas Outpatient Neurosurgical Center	Davidson	2	1	2,469	5,544	5,544
20	19698	LVC Outpatient Surgery Center	Davidson	2	1	1,902	4,575	4,575
21	19708	Tennessee Pain Surgery Center	Davidson	1	3	3,316	7,848	7,848
22	19716	Baptist Plaza Surgicare	Davidson	9	1	9,171	21,635	9,171
23	19721	Premier Orthopaedic Surgery Center	Davidson	2	0	2,382	5,122	2,362
24	19722	DeLozier Surgery Center	Davidson	1	0	486	992	1,944
25	19723	Nashville Vision Correction	Davidson	1	0	132	214	141
26	19727	Summit Surgery Center	Davidson	5	1	6,505	14,112	6,505
27	19729	American Endoscopy Center	Davidson	1	1	602	820	820
28	19732	NFC Surgery Center	Davidson	1	1	389	389	389
29	19738	Gurley Surgery Center	Davidson	0	3	300	318	318
30	19739	Premier Radiology Pain Mangement Center	Davidson	0	2	2,000	6,701	3,282
31	94681	Cool Springs Surgery Center	Williamson	5	1	6,501	10,841	6,501
32	94690	Vanderbilt-Ingram Cancer Center at Franklin	Williamson	0	5	447	19,888	447
33	94735	Crossroads Surgery Center	Williamson	0	1	275	720	1,560
34	94740	Williamson Surgery Center	Williamson	4	1	3,410	6,443	3,410
35	94747	Franklin Endoscopy Center	Williamson	0	2	2,527	3,154	2,527
36	83670	Green Surgery Center, LLC	Sumner	1	1	1,096	1,096	1,096
37	83746	Patient Partners Surgery Center	Sumner	2	2	4,402	7,627	4,402
38	95753	Lebanon Endoscopy Center	Wilson	0	2	2,598	2,767	2,598
39	95616	Lebanon Surgical Center	Wilson	1	1	69	97	69
40	95763	Providence Surgery Center	Wilson	2	1	589	1,323	589
41	95655	Wilson County Eye Surgery Center	Wilson	1	1	1,466	1,873	1,466
42	75658	Middle Tennessee Ambulatory Surgery Center	Rutherford	6	1	6,264	12,644	6,264
43	75764	Mid-State Endoscopy Center	Rutherford	0	2	134	184	134
44	75619	Physicians Pavilion Surgery Center	Rutherford	4	1	2,976	5,781	2,976
45	75602	Surgicenter of Murfreesboro Medical Clinic	Rutherford	4	3	7,655	10,072	7,655
46	75761	Williams Surgery Center	Rutherford	1	0	134	330	134
		Total		95	76	137,793	278,602	153,938

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Health Statistics

Joint Annual Report of Ambulatory Surgical Treatment Centers (ASTC)
2012

#	State ID	Facility Name	County	Operating Rooms	Procedure Rooms	Patients	Procedures	Admissions/ Discharges
1	19272	Eye Surgery Center of Middle Tennessee	Davidson	2	0	432	432	
2	19277	Centennial Surgery Center	Davidson	6	2	7,491	13,914	
3	19279	Northridge Surgery Center	Davidson	5	2	2,863	6,928	
4	19280	Urology Surgery Center	Davidson	3	3	6,705	7,640	
5	19301	Digestive Disease Endoscopy Center	Davidson	0	4	5,863	6,049	
6	19302	Nashville Endoscopy Center	Davidson	0	3	2,655	2,956	
7	19303	Southern Endoscopy Center	Davidson	0	3	2,762	3,447	
8	19304	Mid-State Endoscopy Center	Davidson	0	3	2,631	3,114	
9	19313	Saint Thomas Medical Group Endoscopy Center	Davidson	0	2	3,608	4,416	
10	19606	Nashville Gastrointestinal Endoscopy Center	Davidson	0	2	2,640	3,533	
11	19608	Nashville Surgery Center	Davidson	5	1	4,126	10,376	
12	19610	Oral Facial Surgery Center	Davidson	3	4	2,989	3,482	
13	19627	Wesley Ophthalmic Plastic Surgery Center	Davidson	2	0	764	888	
14	19651	Associated Endoscopy	Davidson	0	3	4,477	5,113	
15	19652	Baptist Ambulatory Surgery Center	Davidson	6	1	7,443	15,599	
16	19676	The Center for Assisted Reproductive Technologies	Davidson	0	2	235	358	
17	19688	Eye Surgery Center of Nashville	Davidson	1	1	2,631	4,906	
18	19692	Saint Thomas Campus Surgicare	Davidson	6	1	7,446	17,910	
19	19696	Saint Thomas Outpatient Neurosurgical Center	Davidson	2	1	2,530	5,465	
20	19698	LVC Outpatient Surgery Center	Davidson	2	1	2,077	3,748	
21	19708	Tennessee Pain Surgery Center	Davidson	1	3	2,847	8,960	
22	19716	Baptist Plaza Surgicare	Davidson	9	1	8,215	17,641	
23	19721	Premier Orthopaedic Surgery Center	Davidson	2	0	2,277	4,443	
24	19722	DeLozier Surgery Center	Davidson	1	0	452	981	
25	19723	Nashville Vision Correction	Davidson	1	0	166	257	
26	19727	Summit Surgery Center	Davidson	5	1	5,775	12,534	
27	19729	American Endoscopy Center	Davidson	1	1	809	809	
28	19732	NFC Surgery Center	Davidson	1	1	0	0	
29	19738	Gurley Surgery Center	Davidson	0	3	302	325	
30	19739	Premier Radiology Pain Mangement Center	Davidson	0	2	1,957	6,327	
31	94681	Cool Springs Surgery Center	Williamson	5	1	7,292	11,066	
32	94690	Vanderbilt-Ingram Cancer Center at Franklin	Williamson	0	5	437	17,427	
33	94735	Crossroads Surgery Center	Williamson	0	2	432	4,419	
34	94740	Williamson Surgery Center	Williamson					
35	94747	Franklin Endoscopy Center	Williamson	0	2	2,530	2,565	
36	83670	Green Surgery Center, LLC	Sumner	1	1	1,222	1,222	
37	83746	Patient Partners Surgery Center	Sumner	2	2	4,338	7,743	
38	95753	Lebanon Endoscopy Center	Wilson	0	2	2,454	2,609	
39	95616	Lebanon Surgical Center	Wilson	1	1	116	187	
40	95763	Providence Surgery Center	Wilson	2	1	667	1,521	
41	95655	Wilson County Eye Surgery Center	Wilson	1	1	963	1,418	
42	75658	Middle Tennessee Ambulatory Surgery Center	Rutherford	6	1	6,490	12,708	
43	75764	Mid-State Endoscopy Center	Rutherford	0	2	1,125	1,463	
44	75619	Physicians Pavilion Surgery Center	Rutherford	4	1	2,864	5,314	
45	75602	Surgicenter of Murfreesboro Medical Clinic	Rutherford	3	3	7,984	9,739	
46	75761	Williams Surgery Center	Rutherford	1	0	65	184	
		Total		90	76	134,147	252,136	

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Health Statistics

Tab 12

Attachment C
Need - 1

Medicare Rate Comparisons

ASC vs Hospital Comparison
Top 5 CPTs by Specialty

Specialty	CPT Description	National Medicare Allowable ASC Medicare 13 Rate	OPPS Medicare 13 Rate	Medicare ASC as % of HOPD
02-OTHER	66984: Cataract surg w/iol 1 stage	$ 955	$ 1,696	56%
	15823: Revision of upper eyelid	$ 834	$ 1,480	56%
	66821: After cataract laser surgery	$ 227	$ 403	56%
	66982: Cataract surgery complex	$ 955	$ 1,696	56%
	68720: Create tear sac drain	$ 1,051	$ 1,866	56%
02-OTHER OPTHALMOLOGY Total				
04-ENT/OT	69436: Create eardrum opening	$ 634	$ 1,124	56%
	30520: Repair of nasal septum	$ 994	$ 1,764	56%
	31255: Removal of ethmoid sinus	$ 1,119	$ 1,986	56%
	42820: Remove tonsils and adenoids	$ 994	$ 1,764	56%
	42826: Removal of tonsils	$ 994	$ 1,764	56%
04-ENT/OTOLARYNGOLOGY Total				
05-GENER	49505: Prp i/hern init reduc >5 yr	$ 1,341	$ 2,381	56%
	47562: Laparoscopic cholecystectomy	$ 1,925	$ 3,417	56%
	36561: Insert tunneled cv cath	$ 1,230	$ 2,183	56%
	45378: Diagnostic colonoscopy	$ 382	$ 677	56%
	47563: Laparo cholecystectomy/graph	$ 1,925	$ 3,417	56%
05-GENERAL SURGERY Total				
06-GYNEC	58558: Hysteroscopy biopsy	$ 929	$ 1,648	56%
	58671: Laparoscopy tubal block	$ 1,925	$ 3,417	56%
	59820: Care of miscarriage	$ 803	$ 1,425	56%
	58662: Laparoscopy excise lesions	$ 1,925	$ 3,417	56%
	57522: Conization of cervix	$ 803	$ 1,425	56%
06-GYNECOLOGY Total				
07-ORTHO	29826: Shoulder arthroscopy/surgery	$ 1,166	$ 2,069	56%
	29881: Knee arthroscopy/surgery	$ 1,166	$ 2,069	56%
	64721: Carpal tunnel surgery	$ 742	$ 1,318	56%
	29880: Knee arthroscopy/surgery	$ 1,166	$ 2,069	56%
	29827: Arthroscop rotator cuff repr	$ 2,142	$ 3,803	56%
07-ORTHOPEDIC Total				
08-PAIN M	62311: Inject spine l/s (cd)	$ 312	$ 554	56%
	64483: Inj foramen epidural l/s	$ 312	$ 554	56%
	64493: Inj paravert f jnt l/s 1 lev	$ 312	$ 554	56%
	62310: Inject spine c/t	$ 312	$ 554	56%
08-PAIN MANAGEMENT Total				
09-PLASTI	19325: Enlarge breast with implant	$ 3,508	$ 4,471	78%
	19318: Reduction of large breast	$ 1,787	$ 3,171	56%
	19316: Suspension of breast	$ 1,358	$ 2,410	56%
	19380: Revise breast reconstruction	$ 1,787	$ 3,171	56%
	19371: Removal of breast capsule	$ 1,358	$ 2,410	56%
09-PLASTIC Total				
10-PODIAT	28285: Repair of hammertoe	$ 875	$ 1,552	56%
	28296: Correction of bunion	$ 1,356	$ 2,406	56%
	28080: Removal of foot lesion	$ 875	$ 1,552	56%
	28119: Removal of heel spur	$ 875	$ 1,552	56%
	28299: Correction of bunion	$ 1,356	$ 2,406	56%
10-PODIATRY Total				
11-UROLO	57288: Repair bladder defect	$ 1,880	$ 3,337	56%
	54161: Circum 28 days or older	$ 937	$ 1,663	56%
	52260: Cystoscopy and treatment	$ 625	$ 1,109	56%
	55040: Removal of hydrocele	$ 1,341	$ 2,381	56%
	53020: Incision of urethra	$ 850	$ 1,509	56%
11-UROLOGY Total				

ASC vs Hospital Comparison
Top 5 CPTs by Specialty

Specialty	CPT Description	National Medicare Allowable ASC Medicare 13 Rate	OPPS Medicare 13 Rate	Medicare ASC as % of HOPD
[redacted]	43239: Upper gi endoscopy biopsy	$ 344	$ 611	56%
	45378: Diagnostic colonoscopy	$ 382	$ 677	56%
	45380: Colonoscopy and biopsy	$ 382	$ 677	56%
	45385: Lesion removal colonoscopy	$ 382	$ 677	56%
	G0121: Colon ca scrn not hi rsk ind	$ 338	$ 600	56%
12-GASTROENTEROLOGY Total				
13-SPINE	63030: Low back disk surgery	$ -	$ 3,683	0%
	22554: Neck spine fusion	$ -	$ 3,683	0%
	63075: Neck spine disk surgery	$ -	$ 3,683	0%
	64721: Carpal tunnel surgery	$ 742	$ 1,318	56%
	22551: Neck spine fuse&remove addl	$ -	$ 3,683	0%
13-SPINE Total				

Tab 13

Attachment C
Need - 4

Service Area TennCare Population/Demographic Data

Service Area TennCare Population
February 2013

Service Area Counties	TennCare Enrollees	2013 Population	% Enrolled
Cheatham	6,069	39,028	15.5%
Davidson	120,067	645,722	18.6%
Robertson	11,126	68,061	16.3%
Rutherford	36,376	276,375	13.2%
Sumner	22,920	167,264	13.7%
Williamson	8,557	194,928	4.4%
Wilson	14,364	119,707	12.0%
Total SA	**219,480**	**1,511,085**	**14.5%**
Tennessee	1,199,164	6,469,063	18.5%

Sources: Nielsen, Inc., Bureau of Tenncare

Tab 14

Attachment C
Need - 1

Construction Costs and Verification Letter

3D/IPM

INTEGRATED PROGRAM MANAGEMENT
HEALTHCARE & COMMERCIAL CAPITAL PROJECTS

5 July 2013

United Surgical Partners International
8 Cadillac Dr.
Brentwood, TN 37027

RE: Baptist Plaza Surgical Center
9 Class C & 1 Class B OR ASC
Nashville, TN

To Whom It May Concern:

This correspondence is being issued as a testament that the submitted estimate of cost for the proposed tenant interior construction of the above referenced relocated construction of a 25,141 usable SF center. The estimate of $4,396,580 is based on comparative estimates of similar construction and adjusted local trades.

I attest that the design and construction information submitted is consistent with the design and cost of similar facilities in the region. The physical environment will conform to the applicable federal, state, and local construction codes, standards, manufacturers' specifications and licensing agencies requirements, including the current 2010 AIA Guidelines for Design and Construction of Hospital and Health Care Facilities.

If there is any question or further qualifications required for the project, please contact me as deemed necessary.

Respectfully

3D/IPM

Corkey Wolczyk
Owner

600 Williamsburg Dr. Franklin, TN 37069 615.790.8015

Tab 15

Attachment C
Economic Feasibility - 2

Verification of Funding

Baptist Plaza Surgicare
Financing Analysis

Financing Requirements			
Total Project Cost, for CON, Line F	$29,836,377		
Less Sum of Lease Pmts, Line B1	21,288,796		
Net "Cash" Cost	8,547,581		

Financing Sources			
Landlord Tenant Improvement Allowance	1,425,000	$50	28,500 RSF
Landlord Excess Financing	3,135,000	$110	28,500 RSF
Landlord's portion of project costs for base building shell & improvements	4,560,000	per terms of lease LOI	
Bank Financing	2,244,501		
BPS On-Going Operations	1,743,080		
Total "Cash" Financing	8,547,581		

FIRST TENNESSEE

July 12, 2013

Mr. Corey Ridgway
Market President
United Surgical Partners, International
8 Cadillac Dr, Suite 200
Brentwood, TN 37027

Dear Mr. Ridgway:

We understand that Baptist Plaza Surgicare has applied for a CON, which requires a letter from a qualified financial institution to support various borrowing needs. Baptist Plaza's request is for a 7-year term loan of $2.3 million to finance tenant improvements, equipment and furnishings. Based on similar credit facilities, the term loan will be priced at the London Interbank Offer Rate ("LIBOR"), plus 4.50%.

We have a long standing relationship with the managing partner of Baptist Plaza, United Surgical Partners International, Inc. ("USPI"). Given the manner in which USPI has managed this and several other surgery centers where we serve as their financing and banking partner, we would certainly look favorably on this financing request subject to further due diligence and approval of their pending CON application.

Should you have any further questions, please feel free to contact me directly at (615) 734-6381.

Sincerely,

Charles K. Hannon, Jr.
Executive Vice President

First Tennessee Bank
Healthcare Group
511 Union St, Suite 300
Nashville, TN 37219

BAPTIST PLAZA SURGICARE

2011 Church Street
Plaza 1, Lower Level
Nashville, TN 37203
Phone (615) 515-4000
Fax (615) 515-4053

July 15, 2013

Ms. Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, TN 37243

RE: Baptist Plaza Surgicare CON Application

Dear Ms. Hill:

Baptist Plaza Surgicare will commit up to $1.75 million in existing funds from on-going operations to help finance the proposed facility replacement and relocation project.

Sincerely,

M. Corey Ridgway
Market President

Tab 16

Attachment C
Economic Feasibility - 10

Balance Sheet and Income Statement

Baptist Plaza Surgicare, L.P. - Baptist Plaza Surgicare
Balance Sheet
December 2012

	Dec-12
ASSETS	
Current assets	
Cash and cash equivalents	$1,477,090
Short-term investments	0
Accounts receivable	2,870,493
Allowance for contractuals	(195,926)
Allowance for bad debts	(242,643)
Net accounts receivable	2,431,923
Other receivables	57,257
Short-term notes receivable	0
Inventories	253,320
Prepaid expenses and other current assets	48,870
Total current assets	4,268,460
Property, plant and equipment	
Land	0
Buildings and improvements	2,808,987
Equipment	6,388,647
Furniture & fixtures	207,348
Asset clearing	16,747
Projects in progress	0
Accumulated depreciation	(5,910,673)
Total property, plant and equipment	3,511,056
Other noncurrent assets	
Investment in subsidiaries	0
Intangible assets	4,465,737
Long-term notes receivable	0
Other assets	0
Total other noncurrent assets	4,465,737
Total assets	**$12,245,252**
LIABILITIES AND CAPITAL	
Current liabilities	
Accounts payable	$506,368
Due to/from affiliates	520,237
Accrued salaries and benefits	371,205
Short-term debt	0
Current portion of long-term debt	852,600
Other current liabilities	294,723
Total current liabilities	2,545,133
Noncurrent liabilities	
Long-term debt	891,667
Deferred gain/revenue	282,501
Deferred tax liabilities	0
Other noncurrent liabilities	0
Total noncurrent liabilities	1,174,167
Partners'/members' capital	8,525,952
Total liabilities and capital	**$12,245,252**

Baptist Plaza Surgicare, L.P. - Baptist Plaza Surgicare
Income Statement 2012

	2012
ASC cases	**8,251**
Cases per day	32.48
REVENUE	
Gross patient revenue	$74,812,430
Miscellaneous revenue	380
Total gross revenue	74,812,809
Provision for contractuals	55,276,595
Other revenue deductions	2,943
Total revenue deductions	55,279,538
Net revenue	19,533,271
EXPENSES	
Personnel costs	4,609,118
Drugs and medical	6,287,107
Repair and maintenance	386,778
Purchased services	320,443
Net anesthesia	0
Minor equipment and instruments	39,979
Utilities	25,087
Non-medical supplies and expenses	219,934
Professional fees	24,543
Sales expense	26,221
Insurance	93,912
Provision for bad debts	253,490
Lease and rent expense	644,698
Non-income taxes	90,062
Management fee expense	1,349,585
Total operating expenses	14,370,956
EBITDA	**5,162,316**
EBITDA %	**26.4%**
Depreciation expense	702,552
Amortization expense	0
Interest expense (income)	104,720
Other expense (income)	(15,055)
Total non-operating expenses	792,217
Pretax income (loss)	**4,370,099**
Income taxes	245,832
Net income (loss)	**$4,124,267**
Ratio analysis:	
Gross patient revenue / case	$9,067
Net revenue / case	$2,367
Salaries and benefits / case	$559
D&M / case	$762
Other operating expense / case	$258
Total operating expense / case	$1,742
EBITDA / case	$626
Bad debt % of net revenue	1.3%

Tab 17

Attachment C
Contribution to the Orderly Development of Health Care – 7.(b)

Facility License

Board for Licensing Health Care Facilities

State of Tennessee

License No. 0000000157

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

BAPTIST PLAZA SURGICARE, L.P. *to conduct and maintain*

an Ambulatory Surgical Treatment Center BAPTIST PLAZA SURGICARE, L.P.

Located at 2011 CHURCH STREET, BMP 1 LL, NASHVILLE

County of DAVIDSON *, Tennessee.*

This license shall expire MAY 25 *,* 2014 *, and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 25TH *day of* MAY *,* 2013 *.*

In the Speciality(ies) of:
GENERAL SURGERY
DENTAL
PLASTIC SURGERY
UROLOGY
GYNECOLOGY
OPHTHALMOLOGY
GASTROENTEROLOGY
EYE-EAR-NOSE-THROAT

By Vincent J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Dreyzehner, MD
COMMISSIONER

000224

Tab 18

Attachment C
Contribution to the Orderly Development of Health Care - 7.(b)

Accreditation

Accreditation Quality Report

The Joint Commission

Welcome to the Joint Commission's Quality Report. We know how important reliable information is to you and your family when making health care decisions. This Quality Report will help you make the right decisions to meet your needs. Since 1951, Joint Commission has been the national leader in setting standards for health care organizations. When a health care organization seeks accreditation, it demonstrates commitment to giving safe, high quality health care and to continually working to improve that care.

The Quality Report is only one way to determine whether a health care organization can meet your needs. Discuss this report with your doctor or with other professional acquaintances before making a care decision. In addition to the accreditation status of the organization, the Quality Report uses checks, pluses, and minuses in the key area of National Patient Safety Goals - safety guidelines that target the prevention of medical errors such as surgery on the wrong side of the body and safe medication use.

Not all measures are relevant to or available for all types of health care organizations. The Joint Commission will add relevant measures of health care quality as more measures become available. Your comments are just as important to us. The content and format of the Quality Report will be updated from time to time based on changes in the health care industry and your suggestions. Please call Customer Service at 630-792-5800 or e-mail the Joint Commission at qualityreport@jointcommission.org with your comments and suggestions.

Mark R. Chassin

Mark R. Chassin, MD, MPP, MPH
President of the Joint Commission

Summary of Quality Information

Symbol Key

- The organization has met the National Patient Safety Goal.
- The organization has not met the National Patient Safety Goal.
- The Goal is not applicable for this organization.

For further information and explanation of the Quality Report contents, refer to the "Quality Report User Guide."

Accreditation Programs	Accreditation Decision	Effective Date	Last Full Survey Date	Last On-Site Survey Date
Ambulatory Care	Accredited	6/10/2010	6/5/2013	6/5/2013

		Compared to other Joint Commission Accredited Organizations	
		Nationwide	Statewide
Ambulatory Care	**2011National Patient Safety Goals**	✓	N/A *

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Locations of Care

* Primary Location

Locations of Care	Available Services
Baptist Plaza Surgicare, L.P. * 2011 Church Street, Plaza I, Lower Level Nashville, TN 37203	**Other Clinics/Practices located at this site:** • Baptist Plaza Surgicare, LP DBA Nashville Endoscopy Center **Services:** • Endoscopy (Outpatient) • ENT Procedures (Outpatient) • Gastroenterology Procedures (Outpatient) • General Surgery (Outpatient) • Occupational Health (Outpatient) • Ophthalmology/Eye Surgery (Outpatient) • Oral Maxillofacial Surgery (Outpatient) • Orthopedic Surgery (Outpatient) • Pain Management - Trigger Point Injections (Outpatient) • Plastic Surgery (Outpatient) • Podiatric Surgery / Foot Surgery (Outpatient)
Baptist Plaza Surgicare, LP 300 20th Avenue North Nashville, TN 37203	**Other Clinics/Practices located at this site:** • Baptist Plaza Surgicare, LP DBA Nashville Endoscopy Center **Services:** • Endoscopy (Outpatient)

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2011 National Patient Safety Goals

Symbol Key

- The organization has met the National Patient Safety Goal.
- The organization has not met the National Patient Safety Goal.
- The Goal is not applicable for this organization.

For further information and explanation of the Quality Report contents, refer to the "Quality Report User Guide."

Ambulatory Care

Safety Goals	Organizations Should	Implemented
Improve the accuracy of patient identification.	Use of Two Patient Identifiers	✓
	Eliminating Transfusion Errors	✓
Improve the safety of using medications.	Labeling Medications	✓
	Reducing Harm from Anticoagulation Therapy	✓
Reduce the risk of health care-associated infections	Meeting Hand Hygiene Guidelines	✓
	Preventing Surgical Site Infections	✓
Accurately and completely reconcile medications across the continuum of care.	Comparing Current and Newly Ordered Medications	✓
	Communicating Medications to the Next Provider	✓
	Providing a Reconciled Medication List to the Patient	✓
	Settings in Which Medications are Minimally Used	✓
Universal Protocol	Conducting a Pre-Procedure Verification Process	✓
	Marking the Procedure Site	✓
	Performing a Time-Out	✓

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Attachment D

Copy of Published Public Notice
Letter of Intent

Tab 19

Attachment D

Copy of Published Public Notice

Trustee.
The right is reserved to adjourn the day of the sale to another day, time, and place certain without further publication, upon announcement at the time and place for the sale set forth above. If the highest bidder cannot pay the bid within twenty-four (24) hours of the sale, the next highest bidder, at their highest bid, will be deemed the successful bidder.
This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. This sale may be rescinded by the Substitute Trustee at any time.
This office may be a debt collector. This may be an attempt to collect a debt and any information obtained may be used for that purpose.
Shapiro & Kirsch, LLP Substitute Trustee
www.kirschattorneys.com
Law Office of Shapiro & Kirsch, LLP
555 Perkins Road Extended, Second Floor
Memphis, TN 38117
Phone (901)767-5566
Fax (901)761-5690
File No. 13-050533

0101663110
SUBSTITUTE TRUSTEE'S SALE
Sale at public auction will be on **July 30, 2013 at 10:00AM local time,** at the Davidson County Courthouse, South Main door, One Public Square, Nashville, Tennessee pursuant to Deed of Trust executed by Carlos D. Meriwether and

Continued to next column

pointed Substitute or Successor Trustee, all of record in the Davidson County Register's Office. Default has occurred in the performance of the covenants, terms, and conditions of said Deed of Trust and the entire indebtedness has been declared due and payable.
Party Entitled to Enforce the Debt: Wells Fargo Bank, NA
The following real estate located in Davidson County, Tennessee, will be sold to the highest call bidder:
Being Lot No. 50, on the Plan of the Resubdivision of Lot 1 Forge Ridge, of record in Plat Book 9700, pages 295 and 296, Register's Office for Davidson County, Tennessee, to which plat reference is hereby made for a more complete description.
Street Address: 104 Forge Ridge Court, Nashville, Tennessee 37217
Parcel Number: 135 06 0A 050.00
Current Owner(s) of Property: Carlos D. Meriwether and Jada J. Meriwether
The street address of the above described property is believed to be 104 Forge Ridge Court, Nashville, Tennessee 37217, but such address is not part of the legal description of the property sold herein and in the event of any discrepancy, the legal description herein shall control.
SALE IS SUBJECT TO TENANT(S) RIGHTS IN POSSESSION.
This sale is subject to all matters shown

Continued to next column

ises might disclose.
All right of equity of redemption, statutory and otherwise, and homestead are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substitute Trustee.
The right is reserved to adjourn the day of the sale to another day, time, and place certain without further publication, upon announcement at the time and place for the sale set forth above. If the highest bidder cannot pay the bid within twenty-four (24) hours of the sale, the next highest bidder, at their highest bid, will be deemed the successful bidder.
This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. This sale may be rescinded by the Substitute Trustee at any time.
This office may be a debt collector. This may be an attempt to collect a debt and any information obtained may be used for that purpose.
Shapiro & Kirsch, LLP Substitute Trustee
www.kirschattorneys.com
Law Office of Shapiro & Kirsch, LLP
555 Perkins Road Extended, Second Floor
Memphis, TN 38117
Phone (901)767-5566
Fax (901)761-5690
File No. 13-048196

Your merchandise is as good as gone. Call 242-SALE today.

B. Denton, Trustee, as trustee for Mortgage Electronic Registration Systems, Inc. ("MERS"), solely as nominee for Primelending, a Plainscapital, Company on April 5, 2010 at Instrument No. 20100420-0029690; conducted by Shapiro & Kirsch, LLP having been appointed Substitute or Successor Trustee, all of record in the Davidson County Register's Office. Default has occurred in the performance of the covenants, terms, and conditions of said Deed of Trust and the entire indebtedness has been declared due and payable.
Party Entitled to Enforce the Debt: Wells Fargo Bank, NA
The following real estate located in Davidson County, Tennessee, will be sold to the highest call bidder:
Land in Davidson County, Tennessee, being Lot No. 86 on the Plan of Oakwood Terrace, Section II, of record in Book 4460, Page 118, Register's Office for said county, to which plan reference is hereby made for a more complete description.
Street Address: 4533 Xavier Drive, Antioch, Tennessee 37013
Parcel Number: 148 08 0 110.00
Current Owner(s) of Property: Roberto Casanas Calderin and wife, Marlen Nunez Cruz
The street address of the above described property is believed to be 4533 Xavier Drive, Anti-

Continued to next column

any restrictive covenants, easements, or setback lines that may be applicable; any statutory right of redemption of any governmental agency, state or federal; any prior liens or en-

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Trustee.
The right is reserved to adjourn the day of the sale to another day, time, and place certain without further publication, upon announcement at the time and

Continued to next column

may be rescinded by the Substitute Trust-

Continued to next column

Memphis, TN 38117
Phone (901)767-5566
Fax (901)761-5690
File No. 12-031780

0101666799
NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED
This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Seton Corporation d/b/a Baptist Hospital, an existing acute care hospital owned by Seton Corporation with an ownership type of not-for-profit and to be managed by Seton Corporation d/b/a Baptist Hospital intends to file an application for a Certificate of Need for the replacement and relocation of four operating rooms at Baptist Hospital, located at 2000 Church Street, Nashville, Tennessee. The total number of licensed beds at Baptist Hospital will not change as a result of this project. Renovations will be made to 17,842 square feet of space and there will be no new construction. The total project costs are estimated to be $11,499,496.
The anticipated date of filing the application is: July 15, 2013. The contact person for this project is Barbara Houchin, Executive Director, Planning, who may be reached at Saint Thomas Health, 102 Woodmont Blvd., Suite 800, Nashville, Tennessee, 37205, 615-284-6849.
Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:
Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243
The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

0101666913
NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED
This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Baptist Plaza Surgicare, an existing Ambulatory Surgical Treatment Center (ASTC), owned by: Baptist Plaza Surgicare, L.P. with an ownership type of limited partnership and to be managed by: United Surgical Partners international, Inc., intends to file an application for a Certificate of Need for: the relocation of the existing ASTC with nine (9) outpatient surgery operating rooms, and one (1) surgical procedure suite. Construction of approximately 28,500 rentable square feet of space in a new medical office building will be required. The existing facility is located at 2011 Church Street, Medical Plaza I Lower Level, Nashville, TN 37203 (Davidson County). The proposed facility will be located at the northeast corner of the intersection of Church Street and 20th Avenue North, Nashville, TN, 37203 (Davidson County). The total cost of the project is estimated to be $29,836,377 (based upon sum of lease payments for initial 20 year term).
The anticipated date of filing the application is July 15, 2013. The contact person for this project is Corey Ridgway, Market President, who may be reached at United Surgical Partners International, Inc., 8 Cadillac Drive, Suite 200, Brentwood, TN, 37027, 615-376-7300.
Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:
Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243
The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

job—and even a stylish new place to come home to.
careerbuilder
job—and even a stylish new place to come home to.
careerbuilder

0101666927
NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED
This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601, et seq., and the Rules of the Health Services and Development Agency, that MUA of Middle Tennessee, LLC ("Applicant"), 28 White Bridge Road, # 210, Nashville, Davidson County, TN 37205, owned and managed by itself, intends to file an application for a Certificate of Need for the addition of interventional pain management services at its ASTC. The Applicant currently provides manipulation under anesthesia ("MUA") services. This new service will be provided in the same one procedure room which is currently licensed. There are no beds and no major medical equipment involved with this project. No other health services will be initiated or discontinued. It is proposed that Medicare, TennCare, commercially insured, and private-pay patients will be served by the ASTC, which will be licensed by the Tennessee Department of Health. The estimated project cost is anticipated to be approximately $200,000.00.
The anticipated date of filing the application is: July 15, 2013.
The contact person for this project is E. Graham Baker, Jr., Attorney, who may be reached at 2021 Richard Jones Road, Suite 350, Nashville, Tennessee, 37215, 615/370-3380.
Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:
Health Services and Development Agency
Frost Building
161 Rosa L. Parks Blvd., 3rd Floor
Nashville, Tennessee 37243
The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

000235

Continued from last column

AT RECORD BOOK 2853, PAGE 444, IN THE REGISTER'S OFFICE OF SUMNER COUNTY, TENNESSEE.
All right of equity of

Continued from last column

wife, Jada J. Meriwether, to American Title Company, Inc., Trustee, as trustee for Mortgage Electronic Registration Systems.

Continued from last column

on any applicable recorded plat; any unpaid taxes; and any restrictive covenants, easements, or setback lines that may be applicable;

Continued from last column

0101664994
SUBSTITUTE TRUSTEE'S SALE
Sale at public auction will be on **September 3, 2013 at**

Continued from last column

och, Tennessee 37013, but such address is not part of the legal description of the property sold herein and in the event of any dis-

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cumbrances as well as any priority created by a fixture filing; and to any matter that an accurate survey of the premises might disclose.

Continued from last column

place for the sale set forth above. If the highest bidder cannot pay the bid within twenty-four (24) hours of the sale, the next highest bid-

Continued from last column

ee at any time.
This office may be a debt collector. This may be an attempt to collect a debt and any information obtained may be used

Wanted: A new job
When you want a change, find a new gig in The Tennessean Classifieds. Maybe you want a nice nine-to-five job with every

Wanted: A new job
When you want a change, find a new gig in The Tennessean Classifieds. Maybe you want a nice nine-to-five job with every

Tab 20

Attachment D

Letter of Intent

LETTER OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean (Name of Newspaper) which is a newspaper of general circulation in Davidson (County), Tennessee, on or before July 10 (Month / day), 2013 (Year) for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency,

Baptist Plaza Surgicare (Name of Applicant) an existing Ambulatory Surgical Treatment Center (ASTC) (Facility Type-Existing)

owned by: Baptist Plaza Surgicare, L.P. with an ownership type of limited partnership

and to be managed by: United Surgical Partners International, Inc. intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]:

the relocation of the existing ASTC with nine (9) outpatient surgery operating rooms, and one (1) surgical procedure suite. Construction of approximately 28,500 rentable square feet of space in a new medical office building will be required. The existing facility is located at 2011 Church Street, Medical Plaza I Lower Level, Nashville, TN 37203 (Davidson County). The proposed facility will be located at the northeast corner of the intersection of Church Street and 20th Avenue North, Nashville, TN, 37203 (Davidson County). The total cost of the project is estimated to be $29,836,377 (based upon sum of lease payments for initial 20 year term)

The anticipated date of filing the application is: July 15, 2013

The contact person for this project is Corey Ridgway (Contact Name) Market President (Title)

who may be reached at: United Surgical Partners International, Inc. (Company Name) 8 Cadillac Drive, Suite 200 (Address)

Brentwood (City) TN (State) 37027 (Zip Code) 615-376-7300 (Area Code / Phone Number)

(Signature) 7/9/13 (Date) CRidgway@uspi.com (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

HF51 (Revised 01/09/2013 – all forms prior to this date are obsolete)

GREEN FL
messeng
call: 615 - 463 -

Home | Order Entry | Tracking | Address Book | Log Out | Green Fleet Website

Details for 28372

Tracking number: 28372

Status: Completed

History:

Date/Time	Status	Details
7/10/2013 10:39 AM	In Transit	
7/10/2013 11:09 AM	Completed	

Date submitted: 7/10/2013 10:34 AM (UTC-06:00) Central Time (US & Canada)

Service Level: Standard

Requested by: Deborah Starling

Total cost: $15.00

Description:

Pickup location: USPI
8 Cadillac Dr
Brentwood, TN 37027

Delivery location: Health Services & Development Agency
Kathleen Edwards
161 Rosa L. Parks Blvd.
Nashville, Tennessee 37243

Distance: 10.8

Picked up from:

Actual pickup time: Not Available

Pickup signature:

Delivered to: Kathleen Edwards

Actual delivery time: 7/10/2013 11:09 AM

Delivery signature:

2013 JUL 15 PM 3 47

Please note: Viewing and printing of the shipping label, waybill, and bill of lading requires that Adot you do not have it installed, **click here to download Adobe Reader**.

View Shipping Label | View Waybill | View Bill of Lading

State of Tennessee
Health Services and Development Agency
Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

July 23, 2013

M. Corey Ridgeway
Market President
United Surgical Partners International, Inc.
8 Cadillac Drive
Brentwood, TN 37027

RE: Certificate of Need Application CN1307-029
Baptist Plaza Surgicare – Relocation of an existing ASTC

Dear Mr. Ridgeway,

This will acknowledge our July 15, 2013 receipt of your application for a Certificate of Need for the relocation of an existing ASTC with nine (9) outpatient surgery operating rooms, and one (1) surgical procedure suite from 2011 Church Street, Medical Plaza I lower level, Nashville (Davidson County), TN 37203 to the northeast corner of the intersection of Church Street and 20th Avenue North, Nashville (Davidson County), TN.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by noon, Monday, July 29, 2013. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Section B, Project Description, Item I.**

   The applicant states an inefficient linear ("bowling alley") design will be replaced with a more efficient and more rectangular design. Please describe each type of design and how the more rectangular design is more efficient.

   The applicant was granted a Certificate of Need (CN0211-108A) at the February 26, 2003 Agency meeting for the establishment of a seven (7) operating room multi-specialty ambulatory surgical treatment center (ASTC). The applicant is now requesting to relocate nine (9) operating rooms. Please clarify.

   Baptist Hospital has filed a CON application to relocate 4 orthopedic operating rooms and have indicated some of the rooms will contain

approximatel6 600 sq. ft. Will ORs in the applicant's proposed project be able to serve similar orthopedic patients with ORs no larger than 480 sq. ft.?

2. **Section B, Project Description, Item II.D.**

   The applicant states the existing space is approximately 10 years old and was used previously as a hospital outpatient department. Please clarify the age of the current facility.

3. **Section C. Need Item 1. (Specific Criteria - Construction, Renovation) Item 2. A.**

   Please clarify the statement "Baptist Plaza cannot escape from the lower level (basement) and loading dock areas without a complete rebuild of the entire facility". Please clarify if this statement pertains to life and safety issues. If not, please clarify.

   The applicant states a number of deficiencies with the existing site have been described. Please indicate if the Tennessee Department of Health, Division of Health Care Facilities also identified those same issues in the physical plant and life safety issues.

   On pages 19 and 21 the applicant has provided tables that include 2012 "provisional" Joint Annual Report data. Please update those tables to include 2009 JAR data and provide a replacement page.

4. **Section C. Need Item 4. (Service Area Demographics)**

   Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for your proposed service area.

Variable	*Davidson Co.*	*Williamson Co.*	*Cheatham Co.*	*Robertson Co.*	*Rutherford Co.*	*Sumner Co*	*Wilson Co.*	*TN*
Current Year (CY), Age 65+								
Projected Year (PY), Age 65+								
Age 65+, % Change								
Age 65+, % Total (PY)								
CY, Total Population								
PY, Total Population								
Total Pop. % Change								
TennCare Enrollees								
TennCare Enrollees as a % of Total Population								
Median Age								
Median Household Income								
Population % Below								

Poverty Level								

5. **Section C., Need Item 5**

   The table on page 30 indicates a (2.3%) decrease in patient service area utilization from 140,674 patients in 2010 to 134,147 patients in 2012. Please indicate if factors such as a downward trend in elective surgical procedures have impacted the ASTC patient utilization for those years.

   There is a partial sentence which states "Regardless, ASTC trend data.....". Please clarify.

   The table on page 29 is noted. The applicant included 2012 provisional JAR data in the chart. Please update the table to also include 2009 JAR data and provide a replacement page.

6. **Section C., Need Item 6**

   The table of the Baptist Plaza Specialty Mix is noted. The applicant notes 4.8% or 404 patients receive pain management services. Please clarify if a majority of pain management procedures are conducted in an operating room or procedure room.

   The table on pages 30-32 is noted. The applicant included 2012 provisional JAR data in the chart. Please update the table to also include 2009 JAR data and provide a replacement page. .

7. **Section C, Economic Feasibility, Item 1**

   The Project Costs Chart lists $2,776,126 in Moveable Equipment. The applicant states there are no major equipment purchases associated with this project. Please clarify.

   Please clarify is the single c-arm unit that will be purchased for $140,000 is assigned to the "fixed equipment" line of the Project Costs Chart.

8. **Section C, Economic Feasibility, Item 4**

   Please clarify the reason there is no charity care in the Historical and Projected Data Charts.

9. **Section C, Economic Feasibility, Item 9**

   The applicant states Baptist Plaza currently participates in two of the three TennCare MCOs operating in Middle Tennessee. Please clarify which MCO the applicant is referring.

10. **Section C, Economic Feasibility, Item 10**

    The applicant's balance sheet and income statement is noted. Please clarify if these financial documents are audited. If not, please provide the most recent audited financial statements with accompanying notes, if applicable.

11. Section C., Contribution to Orderly Development, Item 1

Your response is noted that Baptist Plaza maintains a transfer agreement with Baptist Hospital in Nashville. For clarification, please list all existing health care providers the applicant has or plans to have contractual transfer agreements with.

12. Section C., Contribution to Orderly Development, Item 3

The applicant's hourly Registered Nurse rate of $30.00 per hour is below the average Tennessee Workforce and Development agency mean rate of $31.00 per hour. Please discuss the availability of Registered Nurses that will work below the mean rate per hour for the proposed project. In your response please discuss the applicant's turnover rates for RNs.

13. **Section C., Contribution to Orderly Development, Items 7 a. and 7 b.**

The applicant states the current license issued by the State of Tennessee, Department of Health, Board of Licensing Health Care Facilities expires May 25, 2014. Please provide a copy of the latest survey.

The applicant state Baptist Plaza is accredited by The Joint Commission and was last surveyed on June 5, 2013. Please clarify if The Joint Commission surveys the physical plant and life safety standards.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is September 20, 2013. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. э 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Phillip M. Earhart
Health Services Development Examiner

State of Tennessee
Health Services and Development Agency
Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

July 30, 2013

M. Corey Ridgeway
Market President
United Surgical Partners International, Inc.
8 Cadillac Drive
Brentwood, TN 37027

RE: Certificate of Need Application CN1307-029
Baptist Plaza Surgicare – Relocation of an existing ASTC

Dear Mr. Ridgeway,

This will acknowledge our July 29, 2013 receipt of your supplemental response for a Certificate of Need for the relocation of an existing ASTC with nine (9) outpatient surgery operating rooms, and one (1) surgical procedure suite from 2011 Church Street, Medical Plaza I lower level, Nashville (Davidson County), TN 37203 to the northeast corner of the intersection of Church Street and 20th Avenue North, Nashville (Davidson County), TN.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by noon, Wednesday, July 31, 2013. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Section C. Need Item 1. (Specific Criteria – Construction, Renovation) Item 2. A.**

   The applicant states the Tennessee Department of Health, Division of Health Care Facilities also identified similar physical plant and life safety issues. Furthermore, the applicant reports the 2009 State investigation concluded those issues were beyond the control of the ASTC, were unresolved and remain an on-going concern. Please discuss the issues identified by the Division of Health Care Facilities. Please provide a copy of the Tennessee Department of Health, Division of Health Care Facilities 2009 survey and/or reports.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is September 20, 2013. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. э 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Phillip M. Earhart
Health Services Development Examiner

Copy
Supplemental #1

Baptist Plaza Surgicare

CN1307-029

United Surgical Partners
INTERNATIONAL

SUPPLEMENTAL- # 1
July 29, 2013
11:14 am

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July 29, 2013

Via Hand Delivery

Philip M. Earhart
Health Services Development Examiner
Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, TN 37243

RE: Certificate of Need Application CN1307-029
Baptist Plaza Surgicare – Relocation of an existing ASTC

Dear Mr. Earhart:

Thank you for your letter of July 23, 2013 requesting clarification of certain items contained in our Certificate of Need application for the relocation of an existing ASTC. This information is provided in triplicate, including a signed affidavit.

1. **Section B, Project Description, Item I.**

   The applicant states an inefficient linear ("bowling alley") design will be replaced with a more efficient and more rectangular design. Please describe each type of design and how the more rectangular design is more efficient.

   Response: The applicant, Baptist Plaza, has a 10 year-old facility in a 28 year-old building with operating rooms arranged along a single, straight corridor (i.e., the "bowling alley"). As indicated in the original CON application at Tab 9 (Bates pages 000192-000193), the proposed facility has operating rooms arranged in an "L" shaped pattern. Six ORs are located along one leg of the L and the other four ORs are along the other leg. The nursing stations, pre-op and post-op are located between the two legs of the L. This produces a more square-shaped, rectangular design for the direct patient care areas.

   This new design will minimize travel distances for physicians and staff, both between the ORs themselves and between the ORs and the support spaces (i.e., nursing station, pre-op and post-op). Reduced travel distances result in reduced travel times for both routine and urgent/emergent situations. Physicians and staff thus can move about the facility more efficiently than in the current linear, bowling alley configuration. In addition, larger ORs with more ceiling-mounted equipment (on booms or rails) will require less transport of equipment between ORs and equipment storage areas.

Creekside Crossing III • 8 Cadillac Drive, Suite 200 • Brentwood, Tennessee 37027
Telephone: (615) 376-7300 • Facsimile: (615) 376-7480

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The applicant was granted a Certificate of Need (CN0211-108A) at the February 26, 2003 Agency meeting for the establishment of a seven (7) operating room multi-specialty ambulatory surgical treatment center (ASTC). The applicant is now requesting to relocate nine (9) operating rooms. Please clarify.

Response: The applicant did indeed implement the project as approved in 2003 with seven operating rooms in a multi-specialty ASTC. Prior to 2005, an eighth operating room was added.[1] In 2005, a ninth operating room was added in response to growth in otolaryngology cases at Baptist Plaza. In 2008, a procedure room was added in response to growth in pain management cases at Baptist Plaza.

These operating/procedure room additions were reported to HSDA on the Joint Annual Reports (JARs) for ASTCs. Prior CON review and approval was not required for these operating/procedure room additions as they neither exceeded the capital expenditure thresholds nor constituted an increase in licensed "bed" capacity. Furthermore, the 2000 edition of Guidelines for Growth, which provided CON criteria and standards for ASTCs during Baptist Plaza's period of expansion, applied only to proposals to "establish a new ambulatory surgical treatment center or to expand the existing services of an ambulatory surgical treatment center." Baptist Plaza was an existing ASTC at the time of the operating/procedure room additions. Baptist Plaza was a multi-specialty ASTC at the time of the operating/procedure room additions.

Baptist Hospital has filed a CON application to relocate 4 orthopedic operating rooms and have indicated some of the rooms will contain approximately 600 sq. ft. Will ORs in the applicant's proposed project be able to serve similar orthopedic patients with ORs no larger than 480 sq. ft.?

Response: To clarify, Baptist Plaza is and will remain a multi-specialty ASTC. Baptist Hospital's proposal is for higher acuity orthopedic cases – major joint replacements and fractures. These types of procedures currently are not performed at Baptist Plaza. Thus, both projects are not duplicative. Baptist Plaza's 480 sq. ft. ORs are appropriate for its patient case mix.

2. **Section B, Project Description, Item II.D.**

The applicant states the existing space is approximately 10 years old and was used previously as a hospital outpatient department. Please clarify the age of the current facility.

Response: The building was constructed in 1985 and is more than 28 years old.

[1] Supporting files from the 2004-2006 period could not be located over the past four business days.

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3. **Section C. Need Item 1. (Specific Criteria – Construction, Renovation) Item 2. A.**

Please clarify the statement "Baptist Plaza cannot escape from the lower level (basement) and loading dock areas without a complete rebuild of the entire facility". Please clarify if this statement pertains to life and safety issues. If not, please clarify.

Response: Yes, this statement pertains to life and safety issues. Power outages necessitate activation of the emergency generator. Generator exhaust feeds into the intake manifold of the ASTC's chiller/HVAC system. The generator fumes then spread throughout the ASTC.

The applicant states a number of deficiencies with the existing site have been described. Please indicate if the Tennessee Department of Health, Division of Health Care Facilities also identified those same issues in the physical plant and life safety issues.

Response: Yes, the Tennessee Department of Health, Division of Health Care Facilities also identified those same issues in the physical plant and life safety issues. In 2009 in particular, a State investigation concluded that these issues were beyond the control of the ASTC. They have not been resolved and remain an on-going concern.

Mechanical and electrical system designs at the proposed new site will pay particular attention to these matters.

On pages 19 and 21 the applicant has provided tables that include 2012 "provisional" Joint Annual Report data. Please update those tables to include 2009 JAR data and provide a replacement page.

Response: Replacement pages are provided in **Attachment A**. Though the annual rates of change in the analyses had to be revised to reflect 2009 data, the new findings do not materially affect the need for Baptist Plaza's proposed facility relocation and OR reconfiguration project.[2] In 2012, Baptist Plaza served more patients than any other ASTC in the service area.

4. **Section C. Need Item 4. (Service Area Demographics)**

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for your proposed service area.

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[2] While inserting 2009 ASTC JAR data for "Baptist Plaza," it was discovered that 2010 data was originally submitted for "Baptist" ASC. These corrections are included as well. All other years correctly report "Baptist Plaza" data.

Response: This table is provided in **Attachment B**. The new data do not materially affect the need for Baptist Plaza's proposed facility relocation and OR reconfiguration project.

5. **Section C., Need Item 5**

The table on page 30 indicates a (2.3%) decrease in patient service area utilization from 140,674 patients in 2010 to 134,147 patients in 2012. Please indicate if factors such as a downward trend in elective surgical procedures have impacted the ASTC patient utilization for those years.

Response: A replacement page including 2009 data is provided in **Attachment A**. The annual rate of change with the 2009 data indicates a (3.5%) decrease in patient service area utilization from 149,294 patients in 2009 to 134,147 patients in 2012. Yes, the Great Recession does appear to have resulted in a downward trend in elective surgical procedures from 2009/2010 to 2012. During this same period, the operating room utilization at Baptist Plaza decreased at an annual rate of (3.7%).[3] The new findings do not materially affect the need for Baptist Plaza's proposed facility relocation and OR reconfiguration project. In 2012, Baptist Plaza served more patients than any other ASTC in the service area.

There is a partial sentence which states "Regardless, ASTC trend data.....". Please clarify.

Response: Please disregard this typographical error. It is a sentence fragment. In addition, the text has been revised to include 2009 data. See below.

The table on page 29 is noted. The applicant included 2012 provisional JAR data in the chart. Please update the table to also include 2009 JAR data and provide a replacement page.

Response: A replacement page is provided in **Attachment A**. Though the annual rates of change in the analyses had to be revised to reflect 2009 data, the new findings do not materially affect the need for Baptist Plaza's proposed facility relocation and OR reconfiguration project. In 2012, Baptist Plaza served more patients than any other ASTC in the service area.

6. **Section C., Need Item 6**

The table of the Baptist Plaza Specialty Mix is noted. The applicant notes 4.8% or 404 patients receive pain management services. Please clarify if a majority of pain management procedures are conducted in an operating room or procedure room.

---

[3] Baptist Plaza procedure room utilization decreased (32.6%) due to the loss of pain management physicians. At the peak, in 2009, procedure room patients accounted for only 11.2% of total facility patients. A procedure room is a necessary and typical component of an ASTC the size of Baptist Plaza.

Response: The majority of pain management procedures are conducted in a procedure room.

The table on pages 30-32 is noted. The applicant included 2012 provisional JAR data in the chart. Please update the table to also include 2009 JAR data and provide a replacement page.

Response: Replacement pages are provided in **Attachment A**. Though the annual rates of change in the analyses had to be revised to reflect 2009 data, the new findings do not materially affect the need for Baptist Plaza's proposed facility relocation and OR reconfiguration project. In 2012, Baptist Plaza served more patients than any other ASTC in the service area.

7. **Section C, Economic Feasibility, Item 1**

The Project Costs Chart lists $2,776,126 in Moveable Equipment. The applicant states there are no major equipment purchases associated with this project. Please clarify.

Response: One c-arm unit will be purchased for $140,000 and is assigned to the "moveable equipment" line of the Project Costs Chart. No other *single item* of moveable equipment will cost more than $50,000. The balance of the moveable equipment costs pertain to multiple pieces of operating room equipment such as instruments, GI scopes, microscopes, video towers, etc.

Please clarify is the single c-arm unit that will be purchased for $140,000 is assigned to the "fixed equipment" line of the Project Costs Chart.

Response: The single c-arm unit that will be purchased for $140,000 is assigned to the "moveable equipment" line of the Project Costs Chart.

8. **Section C, Economic Feasibility, Item 4**

Please clarify the reason there is no charity care in the Historical and Projected Data Charts.

Response: The internal data reporting systems relied upon for the Historical and Projected Data Charts do not break out charity care from contractual adjustments, provisions for bad debt or other types of gross revenue deductions. For consistency purposes, the same formats were applied to the "deductions from gross operating revenue" as found in the CON application's Historical and Projected Data Charts.

However, as stated on page 44 of the CON application, "Historically, Baptist Plaza has provided care to charity/medically indigent patients at a rate of approximately 0.5% of net revenue."

Also, in the ASTC JARs, Baptist Plaza reported charity care of $86,510 in 2011, $98,219 in 2010 and $91,405 in 2009.

9. Section C, Economic Feasibility, Item 9

The applicant states Baptist Plaza currently participates in two of the three TennCare MCOs operating in Middle Tennessee. Please clarify which MCO the applicant is referring.

Response: As stated on page 5 of the CON application, Baptist Plaza participates in the Americhoice and Amerigroup TennCare MCOs. Americhoice is now called UnitedHealthcare Community Plan.

10. Section C, Economic Feasibility, Item 10

The applicant's balance sheet and income statement is noted. Please clarify if these financial documents are audited. If not, please provide the most recent audited financial statements with accompanying notes, if applicable.

Response: The financial documents provided are not audited. No audited financial statements or compilations have been completed.

11. Section C., Contribution to Orderly Development, Item 1

Your response is noted that Baptist Plaza maintains a transfer agreement with Baptist Hospital in Nashville. For clarification, please list all existing health care providers the applicant has or plans to have contractual transfer agreements with.

Response: Baptist Hospital in Nashville (recently renamed Saint Thomas Midtown Hospital) and Centennial Medical Center.

12. Section C., Contribution to Orderly Development, Item 3

The applicant's hourly Registered Nurse rate of $30.00 per hour is below the average Tennessee Workforce and Development agency mean rate of $31.00 per hour. Please discuss the availability of Registered Nurses that will work below the mean rate per hour for the proposed project. In your response please discuss the applicant's turnover rates for RNs.

Response: This $1.00 difference is not considered significant. More recent data, available since the preparation of the Projected Data Charts, indicate that the average RN rate at Baptist Plaza is slightly above the mean rate.

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RNs have been available to work at Baptist Plaza at these prevailing wage rates. In addition, Baptist Plaza offers competitive benefits. Upon project approval, relocation to a new facility approximately one-half block away actually could be a recruiting tool.

As reported in Baptist Plaza's most recent ASTC JAR, there were 11 "eliminated" RN positions out of 49 employed/budgeted. This is virtually identical to the 10 and 48 reported for 2011, respectively.

13. **Section C., Contribution to Orderly Development, Items 7 a. and 7 b.**

The applicant states the current license issued by the State of Tennessee, Department of Health, Board of Licensing Health Care Facilities expires May 25, 2014. Please provide a copy of the latest survey.

Response: A copy of the latest survey is provided in **Attachment C**.

The applicant state Baptist Plaza is accredited by The Joint Commission and was last surveyed on June 5, 2013. Please clarify if The Joint Commission surveys the physical plant and life safety standards.

Response: Yes, The Joint Commission surveys the physical plant and life safety standards.

A signed affidavit is provided in **Attachment D**.

On behalf of Baptist Plaza Surgicare, thank you for your assistance with this project.

Sincerely,

M. Corey Ridgway
Market President

Attachments

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Attachment A

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BAPTIST PLAZA
HISTORICAL PATIENT ORIGIN DATA
2009 – 2012 UNDUPLICATED PATIENTS

	2009	2010	2011	2012	Pct 2012
Primary Service Area					
Davidson	3,346	3,060	3,025	2,751	37.6%
Williamson	1,070	1,081	1,073	959	13.1%
Subtotal PSA	**4,416**	**4,141**	**4,098**	**3,710**	**50.8%**
Secondary Service Area					
Sumner	416	418	418	416	5.7%
Wilson	146	319	334	351	4.8%
Rutherford	461	430	418	346	4.7%
Robertson	237	238	222	258	3.5%
Cheatham	248	218	240	226	3.1%
Subtotal SSA	**1,508**	**1,623**	**1,632**	**1,597**	**21.8%**
All Other Counties/States	**2,486**	**2,322**	**2,309**	**2,003**	**27.4%**
Total	**8,410**	**8,086**	**8,039**	**7,310**	**100.0%**

Source: ASTC JARs

Please refer to the service area map in **Attachment C, Need – 1 (Tab 10)**.

The proposed relocation of the existing ASTC approximately one-half block away is not expected to have a material impact on patient referral patterns. The projected patient origin is expected to follow the 2012 percentage distribution above.

Whereas the patient origin data in the JARs is based upon unduplicated patients, volume and capacity calculations are based upon duplicated patients to more accurately quantify operating room and procedure room utilization.

BAPTIST PLAZA
HISTORICAL PATIENT UTILIZATION DATA
2009 – 2012 DUPLICATED PATIENTS

	2009	2010	2011	2012	Ann Chng
Operating Rooms (9)	8,813	8,485	8,603	7,875	-3.7%
Procedure Rooms (1)*	1,109	942	568	340	-32.6%
Total Rooms (10)	9,922	9,427	9,171	8,215	-6.1%
OR Capacity (@ 1,263)	11,367	11,367	11,367	11,367	
Proc Rm Capac (@ 2,667)	2,667	2,667	2,667	2,667	
Total Capacity	14,034	14,034	14,034	14,034	
Operating Room Utilization	77.5%	74.6%	75.7%	69.3%	
Procedure Room Utilization	41.6%	35.3%	21.3%	12.7%	
Total Utilization	70.7%	67.2%	65.3%	58.5%	

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)
* Includes pain management patients at Baptist Plaza

Baptist Plaza's operating room and total room volumes have decreased 3.7% and 6.1% annually, respectively, consistent with service area trends. Procedure room volume has lagged. However, a procedure room is a necessary and usual component of virtually every surgery-based ASTC. As indicated by the service area ASTC trend data in **Attachment C, Need – 1 (Tab 11)**, every single surgery-based ASTC with three or more operating rooms had at least one procedure room. As stated previously, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area whether counting operating rooms or patients served.

As indicated in the notes to the table above, the Joint Annual Report of Ambulatory Surgical Treatment Centers does not break out patient (case) data for operating rooms versus procedure rooms. Thus, it is not possible to calculate utilization percentages under the ASTC standards and criteria adopted and effective as of May 23, 2013. Regardless, ASTC trend data in **Attachment C, Need – 1 (Tab 11)** are summarized below.

SERVICE AREA ASTCS
HISTORICAL PATIENT UTILIZATION DATA
2009 – 2012 DUPLICATED PATIENTS

	2009	2010	2011	2012	Ann Chng
Operating Room Patients	N/R	N/R	N/R	N/R	N/R
Procedure Room Patients	N/R	N/R	N/R	N/R	N/R
Total Room Patients	149,294	140,674	137,793	134,147	-3.5%

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)

The 3.5% annual decline in service area ASTC utilization is consistent with the 3.7 - 6.1% annual declines experienced at Baptist Plaza. These declines are consistent with the impact of the Great Recession, and perhaps a decline in elective surgical procedures. Development of the proposed Baptist Plaza replacement facility, along with service area population growth, is expected to help reduce or eliminate these declines.

As will be documented later, service area population growth (1.1% annually, all ages, 2013 – 2018) will continue to support ASTC utilization both at Baptist Plaza and throughout the service area.

In the table below, this service area population growth rate is applied to Baptist Plaza's historical utilization, allowing for some rounding due to specialty-specific breakouts. Under this reasonable and conservative scenario, the operating rooms and procedure room at Baptist Plaza will continue to be well utilized.

Though not subject to the ASTC methodology adopted and effective as of May 23, 2013, Baptist Plaza is projected will exceed the 70% optimum utilization standard on its 9 existing operating rooms. As documented previously, its single procedure room is a necessary and usual component of virtually every surgery-based ASTC.

In terms of the TennCare population, 14.5% of the service area population is enrolled compared to 18.5% for the state overall. Please see **Attachment C, Need – 4 (Tab 13)**.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

RESPONSE: Three year ASTC trend data for the facilities in the Baptist Plaza service area are provided in **Attachment C, Need – 1 (Tab 11)**. A summary is provided in the table below.

SERVICE AREA ASTCS
HISTORICAL PATIENT UTILIZATION DATA
2009 – 2012 DUPLICATED PATIENTS

	2009	2010	2011	2012	Ann Chng
Operating Room Patients	N/R	N/R	N/R	N/R	N/R
Procedure Room Patients	N/R	N/R	N/R	N/R	N/R
Total Room Patients	149,294	140,674	137,793	134,147	-3.5%

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)

The Joint Annual Report of Ambulatory Surgical Treatment Centers does not break out patient (case) data for operating rooms versus procedure rooms. Thus, it is not possible to calculate utilization percentages under the ASTC standards and criteria adopted and effective as of May 23, 2013.

The 3.5% annual decline in service area ASTC utilization is consistent with the 3.7 - 6.1% annual declines experienced at Baptist Plaza. These declines are consistent with the impact of the Great Recession, and perhaps a decline in elective surgical procedures. Development of the proposed Baptist Plaza replacement facility, along with service area population growth, is expected to help reduce or eliminate these declines.

As documented previously, service area population growth (1.1% annually, all ages, 2013 – 2018) will continue to support ASTC utilization both at Baptist Plaza and throughout the service area.

Regardless of these area-wide utilization trends, the proposed project is designed to remediate facility deficiencies at Baptist Plaza without adding capacity to the healthcare delivery system. Only renovations to the mechanical systems (HVAC and electrical) can be accomplished at the existing site. This could possibly reduce fouled air intakes from fumes caused by trucks idling in the adjacent loading dock area. Or, electrical upgrades could possibly enhance power supply reliability. However, Baptist Plaza cannot escape from the lower level (basement) and loading dock areas without a complete rebuild of the entire facility.

Additionally, a near complete or complete rebuild of the entire facility is the only way possible to replace the current, inefficient linear ("bowling alley") design with a more efficient and more rectangular design. Similarly, a near complete or complete rebuild of the entire facility is the only way possible to expand four of the nine operating rooms to 480 square feet to better accommodate staff and equipment associated with more complex surgical cases over the past ten years.

Whether counting operating rooms or patients served, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area.[3] These types of extensive renovations to the existing space simply cannot be accomplished without shutting down the entire ASTC for several months. Thus, relocation to a new site is the only viable option for Baptist Plaza. Although costs for this proposed relocation compare favorably to other similar ACTC projects, costs are not the determining factor in this relocation request. The new site is located approximately one-half block away from the existing site and will thus minimize any access concerns for physicians and patients.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE: Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area, whether counting operating rooms or patients served. Historically, Baptist Plaza has been highly utilized by patients residing in the seven county service area comprised of Davidson, Williamson, Sumner, Wilson, Rutherford, Robertson and Cheatham counties.

BAPTIST PLAZA
HISTORICAL PATIENT ORIGIN DATA
2009 – 2012 UNDUPLICATED PATIENTS

	2009	2010	2011	2012	Pct 2012
Primary Service Area					
Davidson	3,346	3,060	3,025	2,751	37.6%
Williamson	1,070	1,081	1,073	959	13.1%
Subtotal PSA	**4,416**	**4,141**	**4,098**	**3,710**	**50.8%**
Secondary Service Area					
Sumner	416	418	418	416	5.7%
Wilson	146	319	334	351	4.8%
Rutherford	461	430	418	346	4.7%
Robertson	237	238	222	258	3.5%
Cheatham	248	218	240	226	3.1%
Subtotal SSA	**1,508**	**1,623**	**1,632**	**1,597**	**21.8%**
All Other Counties/States	**2,486**	**2,322**	**2,309**	**2,003**	**27.4%**
Total	**8,410**	**8,086**	**8,039**	**7,310**	**100.0%**

Source: ASTC JARs

Please refer to the service area map in **Attachment C, Need – 1 (Tab 10).**

The proposed relocation of the existing ASTC approximately one-half block away is not expected to have a material impact on patient referral patterns. The projected patient origin is expected to follow the 2012 percentage distribution above.

[3] 2012 Joint Annual Reports of Ambulatory Surgical Treatment Centers, summarized at Tab 11.

Whereas the patient origin data in the JARs is based upon unduplicated patients, volume and capacity calculations are based upon duplicated patients to more accurately quantify operating room and procedure room utilization.

BAPTIST PLAZA
HISTORICAL PATIENT UTILIZATION DATA
2009 – 2012 DUPLICATED PATIENTS

	2009	2010	2011	2012	Ann Chng
Operating Rooms (9)	8,813	8,485	8,603	7,875	-3.7%
Procedure Rooms (1)*	1,109	942	568	340	-32.6%
Total Rooms (10)	9,922	9,427	9,171	8,215	-6.1%
OR Capacity (@ 1,263)	11,367	11,367	11,367	11,367	
Proc Rm Capac (@ 2,667)	2,667	2,667	2,667	2,667	
Total Capacity	14,034	14,034	14,034	14,034	
Operating Room Utilization	77.5%	74.6%	75.7%	69.3%	
Procedure Room Utilization	41.6%	35.3%	21.3%	12.7%	
Total Utilization	70.7%	67.2%	65.3%	58.5%	

Source: ASTC JARs (do not break out duplicated patients by OR or Proc Rm)
* Includes pain management patients at Baptist Plaza

Baptist Plaza's operating room and total room volumes have decreased 3.7% and 6.1% annually, respectively, consistent with service area trends. Procedure room volume has lagged. However, a procedure room is a necessary and usual component of virtually every surgery-based ASTC. As indicated by the service area ASTC trend data in **Attachment C, Need – 1 (Tab 11)**, every single surgery-based ASTC with three or more operating rooms had at least one procedure room. As stated previously, Baptist Plaza is the largest and most highly utilized ASTC in the Nashville metropolitan area whether counting operating rooms or patients served.

As documented previously, service area population growth (1.1% annually, all ages, 2013 – 2018) will continue to support ASTC utilization both at Baptist Plaza and throughout the service area.

In the table below, this service area population growth rate is applied to Baptist Plaza's historical utilization, allowing for some rounding due to specialty-specific breakouts. Under this reasonable and conservative scenario, the operating rooms and procedure room at Baptist Plaza will continue to be well utilized.

Though not subject to the ASTC methodology adopted and effective as of May 23, 2013, Baptist Plaza is projected will exceed the 70% optimum utilization standard on its 9 existing operating rooms. As documented previously, its single procedure room is a necessary and usual component of virtually every surgery-based ASTC.

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Attachment B

Variable	Davidson Co.	WilliamsonCo.	Cheatham Co.	RobertsonCo.	Rutherford Co.	Sumner Co	Wilson Co.	TN
Current Year (CY), Age 65+	72,486	18,589	4,846	8,329	24,822	21,732	14,229	904,587
Projected Year (PY), Age 65+	84,102	23,830	5,865	10,094	32,228	25,766	17,122	1,044,909
Age 65+, % Change	16.0%	28.2%	21.0%	21.2%	29.8%	18.6%	20.3%	15.5%
Age 65+, % Total (PY)	13.4%	11.5%	12.9%	13.5%	11.4%	14.8%	13.8%	15.7%
CY, Total Population	605,923	188,259	42,754	69,680	261,331	164,575	116,150	6,414,297
PY, Total Population	627,067	207,706	45,295	74,824	283,020	174,631	124,171	6,674,061
Total Pop. % Change	3.5%	10.3%	5.9%	7.4%	8.3%	6.1%	6.9%	4.0%
TennCare Enrollees	120,067	8,557	6,069	11,126	36,376	22,920	14,364	1,199,164
TennCare Enrollees as a % of Total Population	19.8%	4.5%	14.2%	16.0%	13.9%	13.9%	12.4%	18.7%
Median Age	33.9	38.7	40.2	38	32.4	38.9	39.4	38.3
Median Household Income	$46,737	$89,093	$53,337	$50,759	$54,433	$55,211	$61,400	$43,989
Population % Below Poverty Level	17.7%	5.5%	11.4%	13.2%	12.7%	9.9%	8.5%	16.9%

SUPPLEMENTAL- # 1
July 29, 2013
11:14 am

SUPPLEMENTAL- # 1
July 29, 2013
11:14 am

Attachment C

SUPPLEMENTAL- # 1
July 29, 2013
11:14 am

2013 JUL 29 AM 11:16

State of Tennessee
DEPARTMENT OF HEALTH
DIVISION OF HEALTH CARE FACILITIES
WEST TENNESSEE REGIONAL OFFICE
2975 Highway 45 Bypass, Suite C
Jackson, Tennessee 38305-2873
Phone: (731) 984-9684
Fax: (731) 512-0063

RECEIVED
JUN 15 2012

June 13, 2012

Michelle R. Dickison
Baptist Plaza Surgicare, L.P.
2011 Church Street, LL
Nashville, TN 37203

RE: Recertification Survey/Follow-Up
CCN 44C0001133

Dear Ms. Dickison:

The West Tennessee Regional Office of Health Care Facilities with the Tennessee Department of Health completed a recertification survey in your facility on **April 25, 2012** to verify that your facility had achieved and maintained compliance with state and federal regulations. Based on a review of your plan of correction, we are accepting your plan of correction and are assuming your facility is in compliance with all participation requirements. This office is recommending recertification in the Medicare and/or Medicaid program.

Thank you for your cooperation shown during the survey. If we may be of further assistance to you, please do not hesitate to call.

Sincerely,

P Diane Carter, PHNC2

P. Diane Carter, RN, LNCC
Public Health Nurse Consultant 2

PDC/ab

SUPPLEMENTAL - #1

PRINTED: 05/02/2012
FORM APPROVED
OMB NO. 0938-0391

July 29, 2013
11:14 am

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED
	44C0001133		04/25/2012

NAME OF PROVIDER OR SUPPLIER: BAPTIST PLAZA SURGICARE, LP

STREET ADDRESS, CITY, STATE, ZIP CODE: 2011 CHURCH STREET, LL, NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
Q 061	416.42(a)(1) ANESTHETIC RISK AND EVALUATION A physician must examine the patient immediately before surgery to evaluate the risk of anesthesia and of the procedure to be performed. This STANDARD is not met as evidenced by: Based on policy review, medical record review and interview, it was determined the facility failed to provide documentation that a physician had examined 9 of 20 (Patient's #1, #9, #11, #14, #15, #16, #17, #19 and #20) sampled patients immediately before surgery to evaluate the risk of anesthesia and of the procedure to be preformed. The findings included: 1. Review of the facility's "ANESTHETIC STANDARDS OF CARE" policy revealed, "...2. re-evaluation of the patient immediately prior to induction of anesthesia and prior to moderate or deep sedation..." 2. Medical record review for Patient #1 documented an admission date of 4/23/11 for right shoulder scope. The "MULTI-DISCIPLINARY PATIENT ASSESSMENT" form dated 4/23/12 did not document when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop (Preoperative) Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 3. Medical record review for Patient #9 revealed an admission date of 8/31/11 for septoplasty.	Q 061	# 1-11 Anesthesia records will be revised to include "reassessment immediately prior to transportation to the Operating Room Suite." This revision was presented and approved at the Medical Executive Committe on 5/8/12. - all anesthesiologists credentialed at the center will be educated of the standard and revised document by 5/31/12. - Chart audits will be completed to assure 100% compliance.	5/31/12

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE: Susan Hart | TITLE: Administrator | (X6) DATE: 5/11/12

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

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	44C0001133		04/25/2012

NAME OF PROVIDER OR SUPPLIER
BAPTIST PLAZA SURGICARE, LP

STREET ADDRESS, CITY, STATE, ZIP CODE
2011 CHURCH STREET, LL
NASHVILLE, TN 37203

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Q 061	Continued From page 1 The "MULTI-DISCIPLINARY PATIENT ASSESSMENT" form dated 8/31/11 did not documented when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 4. Medical record review for Patient #11 revealed an admission on 3/6/12 with diagnoses of Right Knee Meniscus Tear. The "MULTI-DISCIPLINARY PATIENT ASSESSMENT" form dated 3/6/12 did not document when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 5. Medical record review for Patient #14 revealed an admission date of 6/22/11 for right shoulder scope. The "MULTI-DISCIPLINARY ASSESSMENT" form dated 6/22/11 did not document when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 6. Medical record review for Patient #15 documented an admission date of 12/7/11 for Right Upper Lid Ptosis Repair. The	Q 061	See page 1 of 9.	

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

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	44C0001133		04/25/2012

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
BAPTIST PLAZA SURGICARE, LP	2011 CHURCH STREET, LL NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
Q 061	Continued From page 2 "MULTI-DISCIPLINARY PATIENT ASSESSMENT" form dated 12/7/11 did not document when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 7. Medical record review for Patient #16 revealed an admission date of 7/13/11 for right wrist fusion. The "MULTIDISCIPLINARY ASSESSMENT" form dated 7/13/11 did not document when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 8. Medical record review for Patient #17 revealed an admission date of 12/18/11 for Bilateral Myringotomy with Tubes. The "MULTIDISCIPLINARY ASSESSMENT" form dated 12/8/11 did not document when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 9. Medical record review for Patient #19 revealed an admission date of 3/9/12 for Bilateral Hernia Repair. The "MULTIDISCIPLINARY ASSESSMENT" form dated 3/9/12 did not	Q 061	See page 1 of 9.	

SUPPLEMENTAL - # 1

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 05/02/2012
July 29, 2013
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING	(X3) DATE SURVEY COMPLETED
	44C0001133		04/25/2012

NAME OF PROVIDER OR SUPPLIER
BAPTIST PLAZA SURGICARE, LP

STREET ADDRESS, CITY, STATE, ZIP CODE
2011 CHURCH STREET, LL
NASHVILLE, TN 37203

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Q 061	Continued From page 3 document when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 10. Medical record review for Patient #20 documented an admission date of 4/24/12 for Petit Lift. The"MULTI-DISCIPLINARY PATIENT ASSESSMENT" form dated 4/24/12 did not document when the anesthesia assessment was completed. Review of the Anesthesia Record revealed the Immediate Preop Assessment was blank. There was no documentation that a physician had examined the patient immediately before induction to evaluate the risk of anesthesia. 11. During an interview in the Business Office on 4/24/12 at 9:50 AM, Nurse #1 was asked where the Immediate Pre-Op assessment was documented. This surveyor pointed to the blank space under Immediate Preop Assessment on the Anesthesia Record, Nurse #1 confirmed, "...they [Anesthesia group] usually don't fill that out..." During an interview in the Business Office on 4/24/12 at 4:20 PM, Nurse #4 confirmed "...no time on them [the blank space under Immediate Preop Assessment]."	Q 061		
Q 181	416.48(a) ADMINISTRATION OF DRUGS Drugs must be prepared and administered according to established policies and acceptable standards of practice.	Q 181	#1: Expired medications noted in summary #1 have now been added to the "Expired Crash Cart" monthly review.	5/11/12

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44C0001133	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED 04/25/2012
NAME OF PROVIDER OR SUPPLIER BAPTIST PLAZA SURGICARE, LP		STREET ADDRESS, CITY, STATE, ZIP CODE 2011 CHURCH STREET, LL NASHVILLE, TN 37203	

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Q 181	Continued From page 4	Q 181	#2, 4, #5: Facility staff and anesthesia providers to be re-educated on medication management related to approved syringe/medication labeling and handling/disposal of medications. Facility performance improvement team will perform random audits for compliance.	by 5/31/12
	This STANDARD is not met as evidenced by: Based on policy review, observation and interview, it was determined the facility failed to remove expired medications, failed to properly label medications and failed to secure medications for 3 of 3 (PAIN Procedure Room, Post Anesthesia Care Unit, and Preoperative) medication storage areas. The findings included: 1. Review of the facility's "CRASH CART" policy documented, "...CRASH CART CHECKLIST...3. Drug outdates are checked monthly. Any drugs that will expire in the next month are replaced..." The facility's "Medication Management storage, Security, and Disposal of Medications" policy documented "...I. Medications are stored in designated secured areas in PACU [Post Anesthesia Care Unit] and PREOP [Preoperative] and the PAIN Procedure Room ...XI. Outdated medications will be removed from stock..." 2. Observation in the unattended unlocked Pain Room supply cabinet on 4/23/12 at 3:00 PM, revealed 6 syringes labeled Lidocaine 2% expiration 1700. The syringes were unattended, unsecured and were not labeled correctly. Further observation revealed 2 syringes with 2 cc (cubic centimeters) of clear liquid and 1 syringe with 1 cc. of clear liquid with no label. 3. Observation in the PACU on 4/24/12 at 7:50 AM, revealed 1 vial of Verapamil with an		#3) Critical medications needed for patient care but are on a "national back-order" and unavailable for immediate replacement will be evaluated by pharmacist and Medical Director for alternative medication selection until exact replacement can	5/11/12

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED
	44C0001133		04/25/2012

NAME OF PROVIDER OR SUPPLIER
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STREET ADDRESS, CITY, STATE, ZIP CODE
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NASHVILLE, TN 37203

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Q 181	Continued From page 5 expiration date of 1/12. 4. Observation of the Anesthesia Cart at the Nurses Station in the Preop Holding Area on 4/25/12 at 8:55 AM, revealed a syringe labeled 10 cc. Lidocaine. The syringe was labeled incorrectly. Observation at 8:58 AM, revealed the 10 cc. syringe of Lidocaine was unattended. 5. During an interview in the Pain Room on 4/25/12 at 8:50 AM, Nurse #1 confirmed the unlabeled syringes should not have been in the cabinet in the Pain Room. During an interview at the Nurses Station in the Preop Hall on 4/25/12 at 8:55 AM, Nurse #1 stated "...they [Anesthesia] are responsible for it [syringe with medication found on top of Anesthesia Cart] , we don't even touch it ..." During an interview in the Business Office on 4/25/12 at 9:30 AM, Nurse #1 stated "...We don't have a policy on unattended meds [medications], why do we need one..."	Q 181	occurs. This process will be documented and all staff will be notified of changes.	
Q 241	416.51(a) SANITARY ENVIRONMENT The ASC must provide a functional and sanitary environment for the provision of surgical services by adhering to professionally acceptable standards of practice. This STANDARD is not met as evidenced by: Based on policy review, observation, and interview it was determined the facility failed to ensure practices to prevent the spread of infection were maintained for glucometers and supplies.	Q 241	# 1 & #2 - All center staff will receive renewed educational material for assuring patients are cared for in a sanitary environment. This training and audit process will include appropriate	5/31/12

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

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Q 241	Continued From page 6 The findings included: 1. Review of the facility's "INFECTION CONTROL SURVEILLANCE" policy, documented "...To monitor and evaluate potential infections using the definitions of infections based on guidelines provided by the Centers for Disease Control [CDC]..." 2. Observation in the medication room on 4/23/12 at 1:00 PM, revealed dried blood on the screen of glucometer #1. During an interview in the Medication Room on 4/23/12 at 1:00 PM, Nurse #1 was asked how often the staff cleans the glucometers. Nurse #1 stated, "...suppose to be after every use..." During an interview in the Business Office on 4/25/12 at 8:20 AM, Nurse #3 stated, "...Pretty sure we use CDC guidelines..." Nurse #3 was then asked if the glucometers were cleaned after each use. Nurse #3 stated "probably not". Nurse #1 then stated, "no they're [nurses] not, they [surveyors] know they are not because they [surveyor] saw blood on one of them..." During an interview in the PACU (Post Anesthesia Care Unit) on 4/24/12 at 7:40 AM, Nurse #2 stated, " clean twice a day" when asked how often the glucometers are cleaned. During an interview in the business office on 4/25/12 at 9:15 AM, Nurse #3 was asked for clarification if the facility does follow CDC guidelines. Nurse #3 responded, " mm-hmm..."	Q 241	cleaning of equipment between patients and CDC guidelines. #3, #4 : #5 - All staff have been educated to review expiration dates on the EKG electrodes. The expiration date of the PACU crash cart has been updated with regards to the pediatric electrodes and will be reviewed monthly. -Braslow box now has a list of equipment with expiration dates and located on the PACU crash cart. All expired items have been removed and will be	5/31/12

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

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	44C0001133		04/25/2012

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Q 241	Continued From page 7 3. Observation in the clean utility room supply area on 4/23/12 at 12:55 PM, revealed 1 package of multifunction electrodes with an expiration date of 2/12. Observation in the preoperative holding area on a table in the hall beside the clean utility room on 4/23/12 at 12:55 PM, revealed 3 opened packages of resting electrocardiogram electrodes with an expiration date of 5/2008. During an interview in the preoperative holding area on 4/23/12 at 12;55 PM, Nurse #1 confirmed the staff does use the electrodes and the expiration date of both items. 4. Observation in the Post Anesthesia Care Unit (PACU) crash cart on 4/24/12 at 7:40 AM, revealed 1 package of infant polyhesive electrodes expired 1/12. During an interview in the PACU on 4/24/12 at 8:10 AM, Nurse #1 stated "...the electrodes are on back order..." 5. Observations of the Broselow bag in the PACU on 4/24/12 at 7:55 AM, revealed Intravenous (IV)Delivery Modules for the pink, purple, yellow, white, blue, orange, and green modules expired 9/11. During an interview in the PACU on 4/24/12 at 7:55 AM, the Regional Vice President confirmed the IV delivery modules were expired. During an interview in the PACU on 4/24/12 at 8:10 AM, Nurse #1 stated, "we just got the Broselow bag 13-14 months ago, it is suppose to	Q 241	checked monthly.	

SUPPLEMENTAL #1

PRINTED: 05/02/2012
FORM APPROVED
OMB NO. 0938-0391

July 29, 2013
11:14 am

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED
	44C0001133		04/25/2012

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
BAPTIST PLAZA SURGICARE, LP	2011 CHURCH STREET, LL NASHVILLE, TN 37203

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Q 241	Continued From page 8 be good for 2 years..."	Q 241		

SUPPLEMENTAL #1

PRINTED: 04/26/2012
FORM APPROVED
July 29, 2013
11:14 am

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP535157	(X2) MULTIPLE CONSTRUCTION A. BUILDING ____ B. WING ____	(X3) DATE SURVEY COMPLETED 04/25/2012
NAME OF PROVIDER OR SUPPLIER: BAPTIST PLAZA SURGICARE, LP	STREET ADDRESS, CITY, STATE, ZIP CODE: 2011 CHURCH STREET, LL NASHVILLE, TN 37203		

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A 614	1200-8-10-.06 (1)(n) Basic Services (1) Surgical Services. (n) Properly executed informed consent, advance directive, and organ donation forms must be in the patient ' s chart before surgery, except in emergencies. This Rule is not met as evidenced by: Based on medical record record review and interview, it was determined the facility failed to obtain organ donation preference for 20 of 20 (Patient's #1-20) sampled patients. The findings included: Medical record review for patient's 1 through 20 revealed no documentation of organ donation preference in the medical records. During an interview in the business office on 4/12/12 at 9:50 AM, the Clinical Director stated, "We don't ask for that."	A 614	Organ donation information will be obtained from each patient and center documents will be revised to reflect this improvement. The facility Medical Executive Committee has approved the document on 5/8/12. All staff who are responsible for obtaining this information have been educated and chart audits will be conducted for compliance.	5/31/12

Division of Health Care Facilities

Susan Hart

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE: Administrator

(X6) DATE: 5/11/12

STATE FORM 6899 SBUD11

SUPPLEMENTAL # 1

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 04/26/2012
FORM APPROVED
OMB NO: 0938-0391
July 29, 2013
11:14 am

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - BAPTIST SURGICARE B. WING	(X3) DATE SURVEY COMPLETED
	44C0001133		04/24/2012

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
BAPTIST PLAZA SURGICARE, LP	2011 CHURCH STREET, LL NASHVILLE, TN 37203

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K 021	416.44(b)(1) LIFE SAFETY CODE STANDARD Any door with a required fire protection rating, such as stairways, exit passageways, horizontal exits, smoke barriers, or hazardous area enclosures, if held open, is arranged to close automatically by the actuation of the manual fire alarm system and either smoke detectors arranged to detect smoke on either side of the opening or a complete automatic sprinkler system. 20.2.2.3, 21.2.2.3 This STANDARD is not met as evidenced by: Based on observation, it was determined the facility failed to protect the support corridor. The findings included: Observation of the support corridor on 4/24/12 at 9:43 AM, revealed the two doors to the bulk supply room and door to the bio-hazard room room were blocked open with door wedges. This finding was verified by the administrator during the exit conference on 4/24/12.	K 021	Both doors will be connected to the fire alarm release system with the magnetic controllers. The center has obtained a work order and quote from the electrician for the work to be completed.	5/31/12
K 130	NFPA 101 MISCELLANEOUS OTHER LSC DEFICIENCY NOT ON 2786 This STANDARD is not met as evidenced by: 1. National Fire Protection Association (NFPA) 80, 15-1.2 Operability. Doors, shutters, and windows shall be operable at all times. They shall be kept closed and latched or arranged for automatic closing.	K 130	#1: New door latching mechanisms have been purchased for the fire rated doors. #2: Fire wall penetration was corrected on 4/24/12. All construction vendors will be monitored going forward.	5/31/12 4/24/12

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE — TITLE — (X6) DATE

Susan Hunt — Administrator — 5/11/12

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	44C0001133	A. BUILDING 01 - BAPTIST SURGICARE B. WING _____	04/24/2012

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
BAPTIST PLAZA SURGICARE, LP	2011 CHURCH STREET, LL NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 130	Continued From page 1 2. NFPA 101, 8.3.6 Penetrations and Miscellaneous Openings in Floors and Smoke Barriers. 8.3.6.1 Pipes, conduits, bus ducts, cables, wires, air ducts, pneumatic tubes and ducts, and similar building service equipment that pass through floors and smoke barriers shall be protected as follows: (1) The space between the penetrating item and the smoke barrier shall meet one of the following conditions: a. It shall be filled with a material that is capable of maintaining the smoke resistance of the smoke barrier. b. It shall be protected by an approved device that is designed for the specific purpose. (2) Where the penetrating item uses a sleeve to penetrate the smoke barrier, the sleeve shall be solidly set in the smoke barrier, and the space between the item and the sleeve shall meet one of the following conditions: a. It shall be filled with a material that is capable of maintaining the smoke resistance of the smoke barrier. b. It shall be protected by an approved device that is designed for the specific purpose. (3) Where designs take transmission of vibration into consideration, any vibration isolation shall meet one of the following conditions: a. It shall be made on either side of the smoke barrier. b. It shall be made by an approved device that is designed for the specific purpose. Based on observations, it was determined the facility failed to maintain the fire doors and fire walls.	K 130		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	44C0001133	A. BUILDING 01 - BAPTIST SURGICARE B. WING _____	04/24/2012
NAME OF PROVIDER OR SUPPLIER BAPTIST PLAZA SURGICARE, LP		STREET ADDRESS, CITY, STATE, ZIP CODE 2011 CHURCH STREET, LL NASHVILLE, TN 37203	

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 130	Continued From page 2	K 130		

The findings included:

1. Observation of the pre operation and recovery room on 4/24/12 at 9:53 AM, revealed the fire door would not positively latch.

2. Observation on 4/24/12 at 10:10 Am, revealed a fire wall penetration above the ceiling next to the employee entrance.

These findings were verified by the administrator during the exit conference on 4/24/12.

SUPPLEMENTAL- # 1
July 29, 2013
11:14 am

Attachment D

SUPPLEMENTAL- # 1
July 29, 2013
11:14 am

AFFIDAVIT

2013 JUL 29 AM 11 17

STATE OF TENNESSEE
COUNTY OF Williamson

NAME OF FACILITY: Baptist Plaza Surgicare, LP

I, M. Corey Ridgway, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Market President
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29th day of July, 2013 witness my hand at office in the County of Williamson, State of Tennessee.

Gail D. Pratt
NOTARY PUBLIC

My commission expires 11/2/2013.

HF-0043

Revised 7/02

GAIL D. PRATT
STATE OF TENNESSEE NOTARY PUBLIC
WILLIAMSON COUNTY
My Commission Expires November 2, 2013

ORIGINAL-

SUPPLEMENTAL-2

Baptist Plaza Surgicare

CN1307-029

SUPPLEMENTAL- # 2
July 31, 2013
11:41 am

United Surgical Partners
INTERNATIONAL

2013 JUL 31 AM 11 32

July 31, 2013

Via Hand Delivery

Philip M. Earhart
Health Services Development Examiner
Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, TN 37243

RE: Certificate of Need Application CN1307-029
Baptist Plaza Surgicare – Relocation of an existing ASTC

Dear Mr. Earhart:

Thank you for your letter of July 30, 2013 acknowledging receipt of our supplemental response for our Certificate of Need application for the relocation of our existing ASTC. At your request, we are responding to one more item, below. This information is provided in triplicate, including a signed affidavit.

1. **Section C. Need Item 1. (Specific Criteria – Construction, Renovation) Item 2. A.**

   The applicant states the Tennessee Department of Health, Division of Health Care Facilities also identified similar physical plant and life safety issues. Furthermore, the applicant reports the 2009 State investigation concluded those issues were beyond the control of the ASTC, were unresolved and remain an on-going concern. Please discuss the issues identified by the Division of Health Care Facilities. Please provide a copy of the Tennessee Department of Health, Division of Health Care Facilities 2009 survey and/or reports.

   Response: A copy of the Tennessee Department of Health, Division of Health Care Facilities 2009 survey and five-page report is presented in **Attachment A**. Please refer to pages two and three, in particular, extracted below.

   416.44(b)(1) LIFE SAFETY CODE STANDARD

   Heating, ventilating, and air-conditioning comply with the manufacturer's specifications and section 9.2.
   20.5.2.1, 21 .5.2.1

   This STANDARD is not met as evidenced by:

Creekside Crossing III • 8 Cadillac Drive, Suite 200 • Brentwood, Tennessee 37027
Telephone: (615) 376-7300 • Facsimile: (615) 376-7480

SUPPLEMENTAL- # 2
July 31, 2013
11:41 am

> Based on observation and interview, it was determined the facility failed to maintain the Heating Ventilation and the Air-Condition system as required. National Fire Protection Association 90A; 90B-4; 101,21 . 5.2.1.
>
> The findings included:
>
> During the facility tour on 10/6/09 the following deficiencies were noted and verified by the facility Administrator.
>
> At approximately 11:50AM, observation within the loading dock area revealed the air-intake supply for the heating and cooling system (air handling unit) was located in the direct path of automobile emission.
>
> Further discussion with the facility administrator revealed, the ambient air supply smelled contaminated with gas fumes on a number of occasions.

As stated in the plan of corrective action, "This issue was discussed with *Property Mgr.*, who will be contacting *building architect* for *possible solution* for this violation" (emphasis added). These building issues are beyond the control of the ASTC tenant, Baptist Plaza Surgicare.

Please refer to page 12 of the original CON application for current site photographs. The sign in the photograph of the Baptist Plaza Surgicare entrance/loading dock area, in front of the electrical boxes, states, "WARNING – Air Intake – Turn Engine Off! – Violators Towed!" Almost four years later, these life safety code violation issues have not been resolved satisfactorily. Diesel fumes still infiltrate the ASTC air handling system at least twice a month.

As stated previously, the existing operating rooms need to be enlarged and the layout needs to be reconfigured. These additional factors also render the existing site no longer feasible.

A signed affidavit is provided in **Attachment B**.

On behalf of Baptist Plaza Surgicare, thank you again for your assistance with this project.

Sincerely,

M. Corey Ridgway
Market President

Attachments

SUPPLEMENTAL- # 2
July 31, 2013
11:41 am

Attachment A

SUPPLEMENTAL- # 2
July 31, 2013
11:41 am

State of Tennessee
DEPARTMENT OF HEALTH
WEST TENNESSEE REGIONAL OFFICE
HEALTH CARE FACILITIES
2975-C Highway 45 Bypass
Jackson, Tennessee 38305
Telephone: (731) 984-9684

November 03, 2009

Ms. Laurie McColl, Administrator
Baptist Plaza Surgicare, LP
2011 Church Street, LL
Nashville, TN 37203

RE: Fire Safety Survey

Dear Ms. McColl:

A fire safety recertification/licensure survey was conducted at your facility on October 06, 2009. Your plan of correction for this survey has been received and is found to be acceptable.

Thank you for your cooperation shown during this survey.

Sincerely,

Diane Carter

Diane Carter, TN, LNCC
Public Health Nurse Consultant 2

DC/rm

SUPPLEMENTAL- # 2

PRINTED: 10/19/2009
FORM APPROVED
OMB NO. 0938-0391

July 31, 2013
11:49 am

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	44C0001133	A. BUILDING 01 - BAPTIST SURGICARE B. WING _____	10/06/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
BAPTIST PLAZA SURGICARE, LP	2011 CHURCH STREET, LL NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 017	416.44(b)(1) LIFE SAFETY CODE STANDARD Corridors used as access to exits are separated from use areas by partitions with a fire resistance rating of at least one hour. Fire resistance rating is not required if building fully sprinklered. Doors have at least one 20 minute fire protection rating and are equipped with a positive latch and closing device. Vision panels, if provided, in partitions or doors therein do not exceed 20 inches and install at or below half the distance from the floor to the room ceiling. 20.3.6.2, 38.3.6.1 This STANDARD is not met as evidenced by: Based on observation, it was determined the facility failed to protect the fire barriers as required. National Fire Protection Association. (NFPA) 101, 8.3.6.1. The findings included: During the facility tour on 10/6/09 the following deficiencies were noted and verified by the facility Administrator. At approximately 12:30 PM, observation within the Sub Sterile areas between Operating Rooms 3 and 4 and Operating Rooms 5 and 6 revealed there were penetrations in the smoke/fire rated ceiling and walls.	K 017	Hole in ceiling over autoclave between OR 5 + 6 will be repaired. All pipes entering into walls from autoclaves will be caulked with fire rated caulk. Met with Property Manager @ 11:00 am on 10-21-09. He will put work order in for the above items that will be completed within a (2) two week period, by 11-4-09. Administrator will verify that quarterly facility inspections are done to address any violations as they occur and prevent further infractions from occurring.	11-4-09
K 051	416.44(b)(1) LIFE SAFETY CODE STANDARD A manual fire alarm system, not a pre-signal type, is provided to automatically warn the building occupants. Fire alarm system has initiation	K 051		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE TITLE (X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

SUPPLEMENTAL- # 2

PRINTED: 10/19/2009
FORM APPROVED
OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - BAPTIST SURGICARE B. WING	(X3) DATE SURVEY COMPLETED
	44C0001133		10/06/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
BAPTIST PLAZA SURGICARE, LP	2011 CHURCH STREET, LL NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 051	Continued From page 1 notification and control function. The fire alarm system is arranged to automatically transmit an alarm to summon the fire department. 20.3.4.1, 21.3.4.1 . This STANDARD is not met as evidenced by: Based on observation, it was determined the facility failed to maintain the corridor fire doors as required. National Fire Protection Association (NFPA) 72; 101, 21.3.4.1. The findings included: During the facility tour on 10/6/09 the following deficiency was noted and verified by the facility Maintenance Director At approximately 1:20 PM observation within the main corridor fire doors next to Operating Room #7 revealed the magnetic block was loose in the wall.	K 051	Repair of mag-lock on fire door in sterile corridor to be repaired by Demay Construction Co.	10-26-09
K 067	416.44(b)(1) LIFE SAFETY CODE STANDARD Heating, ventilating, and air-conditioning comply with the manufacturer's specifications and section 9.2. 20.5.2.1, 21.5.2.1 This STANDARD is not met as evidenced by: Based on observation and interview, it was determined the facility failed to maintain the Heating Ventilation and the Air-Condition system as required. National Fire Protection Association 90A; 90B-4; 101, 21. 5.2.1. The findings included:	K 067		

SUPPLEMENTAL- # 2

PRINTED: 10/19/2009
FORM APPROVED
OMB NO. 0938-0391

July 31, 2013
am

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - BAPTIST SURGICARE B. WING	(X3) DATE SURVEY COMPLETED
	44C0001133		10/06/2009

NAME OF PROVIDER OR SUPPLIER
BAPTIST PLAZA SURGICARE, LP

STREET ADDRESS, CITY, STATE, ZIP CODE
2011 CHURCH STREET, LL
NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 067	Continued From page 2 During the facility tour on 10/6/09 the following deficiencies were noted and verified by the facility Administrator. At approximately 12:15 PM, observation within the central restroom revealed the exhaust system unit was not working. At approximately 11:50AM, observation within the loading dock area revealed the air-intake supply for the heating and cooling system (air handling unit) was located in the direct path of automobile emission. Further discussion with the facility administrator revealed, the ambient air supply smelled contaminated with gas fumes on a number of occasions.	K 067	Met with building Property Mgr. @ 11 AM on 10/21/09. Work order will be put in for repair of exhaust system serving the facility. Property Mgr. will be responsible for periodic checks on exhaust system to verify ongoing operation. This issue was discussed with Property mgr, who will be contacting building architect for possible solution for this violation.	11-4-09
K 114	416.44(b)(1) LIFE SAFETY CODE STANDARD Ambulatory health care occupancies are separated from other tenants and occupancies by fire barriers with at least a 1 hour fire resistance rating. Doors in such barriers are solid bonded core wood of 1¾ inches or equivalent and are equipped with a positive latch and closing device. Vision panels, if provided in fire barriers or doors, are fixed fire window assemblies in accordance with 8.2.3.2.2. This STANDARD is not met as evidenced by: Based on observation, it was determined the	K 114	Case 67 contact pr architect - when can the completely will get done? no particular date will be given	

SUPPLEMENTAL - # 2

PRINTED: 10/19/2009
FORM APPROVED
OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	44C0001133	A. BUILDING 01 - BAPTIST SURGICARE B. WING _____	10/06/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
BAPTIST PLAZA SURGICARE, LP	2011 CHURCH STREET, LL NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 114	Continued From page 3 facility failed to protect the fire barriers as required. National Fire Protection Association. (NFPA)101, 8.3.6.2. The findings included: During the facility tour on 10/6/09 the following deficiencies were noted and verified by the facility Administrator. At approximately 2:10 PM observation within the east exit corridor and storage area revealed there was a penetrations around a two inch sprinkler pipe in the fire rated wall. At approximately 1:58 PM observation within the Pain Center exit ceiling area revealed here were penetration in the two hour fire wall.	K 114	Inspected facility with Property Mgr. Identified areas needing fire caulk. Work Order to be put in for Completion by 11-4-09. Future events to be prevented by closer monitoring of outside construction projects by Facility Property management.	11-4-09

SUPPLEMENTAL - # 2

PRINTED: 10/19/2009
FORM APPROVED
July 31, 2013
11:41 am

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNP535157	A. BUILDING 02 - MAIN BUILDING B. WING _____	10/06/2009

NAME OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE, ZIP CODE
BAPTIST PLAZA SURGICARE, LP	2011 CHURCH STREET, LL NASHVILLE, TN 37203

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
A 801	1200-8-10-.08 (1) Building Standards (1) The Ambulatory Surgical Treatment Center must be constructed, arranged, and maintained to ensure the safety of the patient. This Rule is not met as evidenced by: Based on observation, it was determined the facility failed to maintain the overall surgical center to assure the safety of both staff and patients as required by the Tennessee Department of Health 1200-08-10-08(1). The findings included: During the facility tour on 10/6/09 the following deficiency was noted and verified by the facility Administrator. At approximately 2:30 PM observation within the storage # 2 room revealed a portion of the wall was deeply scotched.	A 801	Hole in wall in Storage Room #2 will be repaired by Demay Construction. Further or future repairs will be detected proactively by implementing quarterly life safety inspections of the facility, the results of which will be forwarded to the Administrator for correction immediately.	10-26-09

Division of Health Care Facilities

TITLE (X6) DATE

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

SUPPLEMENTAL- # 2
July 31, 2013
11:41 am

Attachment B

SUPPLEMENTAL- # 2
July 31, 2013
11:41 am

AFFIDAVIT

2013 JUL 31 AM 11 32

STATE OF TENNESSEE

COUNTY OF Williamson

NAME OF FACILITY: Baptist Plaza Surgicare, LP

I, M. Corey Ridgway, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Market President

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 31 day of JULY, 2013, witness my hand at office in the County of WILLIAMSON, State of Tennessee.

NOTARY PUBLIC

My commission expires JUNE 26, 2016.

STUART M. MILLER
STATE OF TENNESSEE NOTARY PUBLIC
WILLIAMSON COUNTY

HF-0043

Revised 7/02