LETTER OF INTENT

State of Tennessee
Health Facilities Commission

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov

LETTER OF INTENT

The Publication of Intent is to be published in The Clarksville Leaf Chronicle which is a newspaper of general circulation in Montgomery County, Tennessee, on or before 09/15/2026 for one day.

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Clarksville ASC Partners, LLC, a/an newly formed entity owned by Clarksville ASC Partners, LLC with an ownership type of Limited Liability Company and to be managed by Tennessee Orthopaedic Alliance, P. A., or an affiliate thereof intends to file an application for a Certificate of Need for the establishment of an Ambulatory Surgical Treatment Center (ASTC) limited to orthopedic surgery and pain management procedures. It will be licensed as an ASTC by the Tennessee Health Facilities Commission. It will initially have 4 staffed and equipped operating rooms and 1 procedure room, and shelled space for 2 additional operating rooms. The address of the project will be an unaddressed 8.53 acre parcel in the Northeast quadrant of a larger tract located at 1475 Hwy. 76, Clarksville, Montgomery County, Tennessee, 37043. The estimated project cost will be $26,151,610.

The anticipated date of filing the application is 10/01/2026

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

Jerry Taylor	09/15/2026	jtaylor@thompsonburton.com
Signature of Contact	**Date**	**Contact's Email Address**

The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the next business day. Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

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

wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

State of Tennessee
Health Facilities Commission

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov

PUBLICATION OF INTENT

The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Clarksville ASC Partners, LLC, a/an newly formed entity owned by Clarksville ASC Partners, LLC with an ownership type of Limited Liability Company and to be managed by Tennessee Orthopaedic Alliance, P. A., or an affiliate thereof intends to file an application for a Certificate of Need for the establishment of an Ambulatory Surgical Treatment Center (ASTC) limited to orthopedic surgery and pain management procedures. It will be licensed as an ASTC by the Tennessee Health Facilities Commission. It will initially have 4 staffed and equipped operating rooms and 1 procedure room, and shelled space for 2 additional operating rooms. The address of the project will be an unaddressed 8.53 acre parcel in the Northeast quadrant of a larger tract located at 1475 Hwy. 76, Clarksville, Montgomery County, Tennessee, 37043. The estimated project cost will be $26,151,610.

The anticipated date of filing the application is 10/01/2026

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

CRITERIA AND STANDARDS

ATTACHMENT 1N

RESPONSES TO CRITERIA AND STANDARDS FOR AMBULATORY SURGICAL TREATMENT CENTERS

Determination of Need

1. Need. The minimum numbers of 884 Cases per Operating Room and 1867 Cases per Procedure Room are to be considered as baseline numbers for purposes of determining Need.[2] An applicant should demonstrate the ability to perform a minimum of 884 Cases per Operating Room and/or 1867 Cases per Procedure Room per year, except that an applicant may provide information on its projected case types and its assumptions of estimated average time and clean up and preparation time per Case if this information differs significantly from the above-stated assumptions. It is recognized that an ASTC may provide a variety of services/Cases and that as a result the estimated average time and clean up and preparation time for such services/Cases may not meet the minimum numbers set forth herein. It is also recognized that an applicant applying for an ASTC Operating Room(s) may apply for a Procedure Room, although the anticipated utilization of that Procedure Room may not meet the base guidelines contained here. Specific reasoning and explanation for the inclusion in a CON application of such a Procedure Room must be provided. An applicant that desires to limit its Cases to a specific type or types should apply for a Specialty ASTC.

Response: The projected utilization of the 4 ORs and the 1 PR for the first 3 years is reflected in Attachment 1N(1). The projected utilization of 586 cases per OR in Year 3 is a conservative estimate. It is based on the number of qualifying cases performed by 8 TOA affiliated physicians in 2025, and applying varying migration factors as subjectively determined by each physician. The base year totals were projected to have an annual growth rate of approximately 5%. The growth rate is believed to be conservative because of the projected population growth, the opening of the new Ascension hospital in close proximity to the proposed ASTC, and the anticipated growth in the number of TOA physicians performing cases at the new ASTC.
The proposed ASTC will have 1 procedure room in which pain management cases will be performed. Although the projected utilization of the 1 PR is far below the optimal utilization threshold, the procedure room is needed because the pain management cases do not require the level of anesthesia, the sterile environment, and other resources of an OR.

2. Need and Economic Efficiencies. An applicant must estimate the projected surgical hours to be utilized per year for two years based on the types of surgeries to be performed, including the preparation time between surgeries. Detailed support for estimates must be provided.

Response: The applicant accepts as reasonable the default assumed operating times and clean-up times in these Criteria and Standards. Please see the attached Attachment 1N(2) for the schedulable surgical hours based on the assumed capacity, and the projected surgical hours to be used.

3. Need; Economic Efficiencies; Access. To determine current utilization and need, an applicant should take into account both the availability and utilization of either: a) all existing outpatient

Operating Rooms and Procedure Rooms in a Service Area, including physician office based surgery rooms (when those data are officially reported and available[3]) OR b) all existing comparable outpatient Operating Rooms and Procedure Rooms based on the type of Cases to be performed. Additionally, applications should provide similar information on the availability of nearby out-of-state existing outpatient Operating Rooms and Procedure Rooms, if that data are available, and provide the source of that data. Unstaffed dedicated outpatient Operating Rooms and unstaffed dedicated outpatient Procedure Rooms are considered available for ambulatory surgery and are to be included in the inventory and in the measure of capacity.

Response: A table reflecting the utilization of exiting ASTCs in the PSA, including the volume of orthopedic cases, pain management cases, and total cases, is attached at Attachment 1N(3).

There are 8 ASTCs in the PSA. There is no ASTC in the PSA which is limited to orthopedics and/or pain management. The benefits to patients and physicians alike of an orthopedics-specialized ASTC are significant, and this is not currently available in the PSA.

There are only 3 ASTCs in the PSA which even offer orthopedic surgery. These 3 ASTCs average 615 cases per OR per year, which is 69% of optimal capacity. However, one of these, which is in neighboring Dickson County, was utilized at only 29% of optimal capacity in 2025. If that facility, which is not really practical for usage by the applicant physicians, is not considered the two Montgomery County ASTCs which offer orthopedic surgery operated at 81% of optimal capacity in 2025.

Likewise, there is no ASTC in the PSA which is limited to or focused on pain management. There are 2 ASTCs in which pain management procedures were performed in 2025. Those ASTCs have PR capacity available, but it makes no sense and would be inefficient for one TOA physician to not be able to use the proposed new TOA-affiliated ASTC to perform pain management procedures.

4. Need and Economic Efficiencies. An applicant must document the potential impact that the proposed new ASTC would have upon the existing service providers and their referral patterns. A CON application to establish an ASTC or to expand existing services of an ASTC should not be approved unless the existing ambulatory surgical services that provide comparable services regarding the types of Cases performed, if those services are know and relevant, within the applicant's proposed Service Area or within the applicant's facility are demonstrated to be currently utilized at 70% or above.

Response: The only impact this would have on referral patterns is that the 8 TOA-affiliated physicians would be referring some of their cases, with varying migration factors, to the proposed new ASTC rather than to one or more of the multi-specialty ASTCs where the cases are currently performed, inside and outside of the PSA. While this could have some impact on existing providers, the benefits to the patients and physicians far outweigh any temporary burdens to those providers.

5. Need and Economic Efficiencies. An application for a Specialty ASTC should present its projections for the total number of cases based on its own calculations for the projected length of time per type of case, and shall provide any local, regional, or national data in support of its methodology.

An applicant for a Specialty ASTC should provide its own definitions of the surgeries and/or procedures that will be performed and whether the Surgical Cases will be performed in an Operating Room or a Procedure Room. An applicant for a Specialty ASTC must document the potential impact that the proposed new ASTC would have upon the existing service providers and their referral patterns. A CON proposal to establish a Specialty ASTC or to expand existing services of a Specialty ASTC shall not be approved unless the existing ambulatory surgical services that provide comparable services regarding the types of Cases performed within the applicant's proposed Service Area or within the applicant's facility are demonstrated to be currently utilized at 70% or above. An applicant that is granted a CON for a Specialty ASTC shall have the specialty or limitation placed on the CON.

Response: Two specialties will be practiced at the proposed ASTC: orthopedic surgery and pain management. The applicant accepts the default assumed length of time per case as stated in these Criteria and Standards. The utilization of existing ASTCs and the potential impact on those facilities are addressed in the response to Question 4, above.

Other Standards and Criteria

6. Access to ASTCs. The majority of the population in a Service Area should reside within 60 minutes average driving time to the facility.

Response: The table below shows the estimated drive times from each county in the PSA, and from the largest population center in each county, to the site of the proposed ASTC. The drive times ranged from a high of 60 minutes – 70 minutes, to a low of 21 minutes – 22 minutes. The average estimated drive time range was 39 minutes – 45 minutes.

From the foregoing it is reasonable to conclude that the majority of the population of the PSA resides within 60 minutes' drive time of the site. A more sophisticated drive-time study would be required to more definitely verify this.

Drive Times from PSACounties &Population Centers to ASTC Site	
County or City	Drive Time Range
Cheatham Co.	55 min. - 58 min.
Ashland City	29 min. - 36 min.
Dickson Co.	54 min. - 64 min.
Dickson	60 min. - 70 min.
Montgpomery Co.	36 min. - 40 min.
Clarksville	21 min. - 22 min.
Roberston Co.	33 min. - 36 min.
Springfield	27 min. - 31 min.
Average	39 min. - 45 min.
Source: Google Maps, 09.22.26, 2:00 PM	

7. Access to ASTCs. An applicant should provide information regarding the relationship of an existing or proposed ASTC site to public transportation routes if that information is available.

Response: The site is on State Highway 76, approximately 0.9 miles east from Interstate 24 in the Sango community. It is immediately adjacent to the south of the site of the future Ascension hospital. It is approximately 6.5 miles south of Vanderbilt Clarksville Hospital.
The site is easily accessible to vehicular traffic. There is a public bus system, the Clarksville Transit Authority, but it does not have a route that serves the area where the ASC will be located.

8. Access to ASTCs. An application to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project the origin of potential patients by percentage and county of residence and, if such data are readily available, by zip code, and must note where they are currently being served. Demographics of the Service Area should be included, including the anticipated provision of services to out-of-state patients, as well as the identity of other service providers both in and out of state and the source of out-of-state data. Applicants shall document all other provider alternatives available in the Service Area. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

Response: The table below shows the projected number of patients of the proposed ASTC from each county in the PSA in Year 1.

Service Area Counties	Projected Utilization- County Residents – Year 1	% of Total Patients
Montgomery	1196	50.0%
Cheatham	359	15.0%
Dickson	359	15.0%
Robertson	359	15.0%
All Others	120	5.0%
Total	**2391**	**100.0%**

The table in Attachment 1N(5) shows the total number of patients served in ASTCs in 2025, and the number of PSA residents served in the existing ASTCs in the PSA. A total of 22,262 residents of the PSA were served in Tennessee ASTCs in 2025. Of those, 7,241 received ASTC services in the PSA and 15,021 received ASTC services outside of the PSA. With the exception of Montgomery Conty, every PSA County had far more residents receiving ASTC services outside of the PSA than inside the PSA. As a whole the PSA had an out-migration rate of 67%. The proposed new ASTC will capture some of this out-migration, particularly from Robertson County.

9. Access and Economic Efficiencies. An application to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project patient utilization for each of the first eight quarters following completion of the project. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

Response: The projected utilization for the first two years by quarter is reflected in the table below. The projected utilization of 2,391 cases in Year 1 and 2,511 cases in Year 2 are conservative estimates. It is based on the number of qualifying cases performed by 8 TOA

affiliated physicians in 2025, applying varying migration factors as subjectively determined by each physician. The base year totals were projected to have an annual growth rate of approximately 5%. The growth rate is believed to be conservative because of the projected population growth, the opening of the new Ascension hospital in close proximity to the proposed ASTC, and the anticipated growth in the number of TOA physicians performing cases at the new ASTC.

The quarterly volume estimates are adjusted to take into account a ramp up period the first quarter of Year 1, and the first quarters of both years are adjusted downward due to insurance deductibles playing a role in the timing of elective surgeries.

Volume by Quarter – Year 1		
Q1	124	
Q2	658	
Q3	803	
Q4	806	
Total	**2,391**	
Volume by Quarter – Year 2		
Q1	627	
Q2	628	
Q3	628	
Q4	628	
Total	**2511**	

10. Patient Safety and Quality of Care; Health Care Workforce.

a. An applicant should be or agree to become accredited by any accrediting organization approved by the Centers for Medicare and Medicaid Services, such as the Joint Commission, the Accreditation Association of Ambulatory Health Care, the American Association for Accreditation of Ambulatory Surgical Facilities, or other nationally recognized accrediting organization.[4]

Response: The proposed new ASTC will become accredited by an approved accreditation organization, likely the Association for Accreditation of Ambulatory Health Care.

b. An applicant should estimate the number of physicians by specialty that are expected to utilize the facility and the criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel. An applicant should provide documentation on the availability of appropriate and qualified staff that will provide ancillary support services, whether on- or off-site.

Response: Eight physicians have committed to perform cases at the ASTC. Five of those physicians are also owners of the facility. All physicians performing procedures at the ASTC initially will be affiliated with TOA, but the applicant will have the option of making

ownership available to non-TOA physicians in the future if it so chooses.

The ASTC will contract with an anesthesiology group or groups to provide anesthesia services. The group or groups have not been selected yet, but there are several options available.

11. Access to ASTCs. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, Every citizen should have reasonable access to health care, the HSDA may decide to give special consideration to an applicant:

a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

Response: Montgomery, Cheatham, and Roberston Counites are designated as Medically Underserved Areas, and Dickson County is designated as a Medically Underserved Population, by the HRSA. Please see Attachment 1N(4).

b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program;

Response: N/A.

c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or
Response: The proposed new ASTC will Participate in TennCare and contract with at least one TennCare MCO, and it will also participate in Medicare.

d. Who is proposing to use the ASTC for patients that typically require longer preparation and scanning times. The applicant shall provide in its application information supporting the additional time required per Case and the impact on the need standard.

Response: N/A.

Projected Utilization Yr. 1				
Type of Case	**Total Cases**	**No. of Rooms**	**Cases per Room**	**% of Need Threshold Met**
OR	2,092	4	523	59.2%
PR	229	1	229	12.3%
Projected Utilization Yr. 2				
Type of Case	**Total Cases**	**No. of Rooms**	**Cases per Room**	**% of Need Threshold Met**
OR	2,271	4	568	64.2%
PR	240	1	240	12.9%

Operating Rooms	Cases	Average Case Time (minutes)	Average Turnaround Time (minutes)	Total Minutes Used	Schedulable Minutes* (Full Capacity)	% of Schedulable Time Used (% of Full Capacity)
OR #1	523	65	30	49,685	120,000	41%
OR #2	523	65	30	49,685	120,000	41%
OR #3	523	65	30	49,685	120,000	41%
OR #4	523	65	30	49,685	120,000	41%
TOTAL	2,092	65	30	198,740	480,000	41%
Procedure Room	**Cases**	**Average Case Time (minutes)**	**Average Turnaround Time (minutes)**	**Total Minutes Used**	**Schedulable Minutes* (Full Capacity)**	**% of Schedulable Time Used (% of Full Capacity)**
PR #1	229	30	15	10,305	135,000	8%
TOTAL	229	30	15	10,305	135,000	8%

Utilization of ASTCs in the PSA for Orthopedics & Pain Management - 2025						Orthopedic Cases			Pain Management Cases			All Cases			Avg. Per Room - All Cases		% Utilization Target Met	
Facility Name	**County**	**SS or MS**	**ORs**	**PRs**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**OR**	**PR**
Dickson Surgery Center	Dickson	MS	2	1	3	298	0	298	0	0	0	504	551	1055	252	551	29%	30%
Ramsey Way Surgery Center LLC	Dickson	SS	1	1	2	0	0	0	0	0	0	46	52	98	46	52	5%	3%
Oral and Facial Surgery Center of Dickson	Dickson	SS	1	0	1	0	0	0	0	0	0	657	0	657	657	N/A	74%	N/A
Surgery Center of Clarksville	Montgomery	MS	4	2	6	1325	0	1325	0	284	284	1636	284	1920	409	142	46%	8%
Clarksville Surgery Center	Montgomery	MS	3	2	5	302	0	302	20	0	20	3392	1	3393	1,131	1	128%	0%
Gastrointestinal Specialists of Clarksville	Montgomery	SS	0	1	1	0	0	0	0	0	0	0	1076	1076	N/A	1,076	N/A	58%
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	SS	0	9	9	0	0	0	0	0	0	0	28562	28562	N/A	3,174	N/A	170%
Clarksville Eye Surgery Center	Montgomery	SS	1	1	2	0	0	0	0	0	0	1053	134	1187	1053	134	119%	7%
Total/Average			**12**	**17**	**29**	**1925**	**0**	**1925**	**20**	**284**	**304**	**7288**	**30660**	**37948**	**607**	**1,804**	**69%**	**97%**

Source: Joint Annual Reports

Utilization of ASTCs in the PSA for Orthopedics & Pain Management - 2024						Orthopedic Cases			Pain Management Cases			All Cases			Avg. Per Room - All Cases		% Utilization Target Met	
Facility Name	**County**	**SS or MS**	**ORs**	**PRs**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**OR**	**PR**
Dickson Surgery Center	Dickson	MS	2	1	3	NR	NR	NR	NR	NR	NR	NR	NR	NR	N/A	N/A	N/A	N/A
Ramsey Way Surgery Center LLC	Dickson	SS	1	1	2	0	0	0	0	0	0	7	5	12	7	5	1%	0%
Oral and Facial Surgery Center of Dickson	Dickson	SS	1	0	1	0	0	0	0	0	0	379	0	379	379	NA	43%	N/A
Surgery Center of Clarksville	Montgomery	MS	4	2	6	1,051	0	1,051	0	1,148	1,148	1,428	1,148	2,576	357	574	40%	42%
Clarksville Surgery Center	Montgomery	MS	3	2	5	258	0	258	160	0	160	3,314	0	3,314	1,105	0	125%	N/A
Gastrointestinal Specialists of Clarksville	Montgomery	SS	0	1	1	0	0	0	0	0	0	0	1,084	1,084	N/A	1,084	N/A	79%
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	SS	0	9	9	0	0	0	0	0	0	0	28,232	28,232	N/A	3,137	N/A	229%
Clarksville Eye Surgery Center	Montgomery	SS	1	1	2	0	0	0	0	0	0	822	0	822	822	0	93%	N/A
Total/Average			**12**	**17**	**29**	**1,309**	**0**	**1,309**	**160**	**1,148**	**1,308**	**5,950**	**30,469**	**36,419**	**496**	**1,792**	**56%**	**131%**

Source: Joint Annual Reports

Utilization of ASTCs in the PSA for Orthopedics & Pain Management - 2023						Orthopedic Cases			Pain Management Cases			All Cases			Avg. Per Room - All Cases		% Utilization Target Met	
Facility Name *	**County**	**SS or MS**	**ORs**	**PRs**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**OR**	**PR**
Surgery Center of Clarksville	Montgomery	MS	4	2	6	953	0	953	0	972	972	1,387	972	2,359	347	486	39%	26%
Clarksville Surgery Center	Montgomery	MS	3	2	5	141	0	141	307	0	307	3,312	1	3,313	1,104	1	125%	0%
Gastrointestinal Specialists of Clarksville	Montgomery	SS		1	1	0	0	0	0	0	0	0	1,352	1,352	N/A	1,352	N/A	72%
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	SS	0	9	9	0	0	0	0	0	0	0	25,289	25,289	N/A	2,810	N/A	151%
Clarksville Eye Surgery Center	Montgomery	SS	1	1	2	0	0	0	0	0	0	729	0	729	729	0	82%	0%
Total/Average			**8**	**15**	**23**	**1,094**	**0**	**1,094**	**307**	**972**	**1,279**	**5,428**	**27,614**	**33,042**	**679**	**1,841**	**77%**	**99%**

*** There were no licensed ASTCs in Dickson County in 2023**

Source: Joint Annual Reports

Attachment 1N(3)

Discipline	MUA/P ID	Service Area Name	Designation Type	Primary State Name	County	Index of Medical Underservice Score	Status	Rural Status	Designation Date	Update Date
Primary Care	1474432433	LI-Dickson County	Medically Underserved Population	Tennessee	Dickson County, TN	62.0	Designated	Rural	08/12/2019	06/21/2024

Component State Name	Component County Name	Component Name	Component Type	Component GEOID	Component Rural Status
Tennessee	Dickson	Dickson	County	47043	Rural

Discipline	MUA/P ID	Service Area Name	Designation Type	Primary State Name	County	Index of Medical Underservice Score	Status	Rural Status	Designation Date	Update Date
Primary Care	03219	MONTGOMERY SERVICE AREA	Medically Underserved Area	Tennessee	Montgomery County, TN	57.0	Designated	Non-Rural	11/01/1978	11/01/1978

Component State Name	Component County Name	Component Name	Component Type	Component GEOID	Component Rural Status
Tennessee	Montgomery	Montgomery	County	47125	Non-Rural

Discipline	MUA/P ID	Service Area Name	Designation Type	Primary State Name	County	Index of Medical Underservice Score	Status	Rural Status	Designation Date	Update Date
Primary Care	03180	CHEATHAM SERVICE AREA	Medically Underserved Area	Tennessee	Cheatham County, TN	60.7	Designated	Rural	11/01/1978	11/01/1978

Component State Name	Component County Name	Component Name	Component Type	Component GEOID	Component Rural Status
Tennessee	Cheatham	Cheatham	County	47021	Rural

Discipline	MUA/P ID	Service Area Name	Designation Type	Primary State Name	County	Index of Medical Underservice Score	Status	Rural Status	Designation Date	Update Date
Primary Care	03228	ROBERTSON SERVICE AREA	Medically Underserved Area	Tennessee	Robertson County, TN	60.9	Designated	Partially Rural	11/01/1978	11/01/1978

PSA Residents Served in ASTCs - 2025						
Facility Name	**County**	**Cheatham Co. Residents Served**	**Dickson Co. Residents Served**	**Montgomery Co. Residents Served**	**Robertson Co. Residents Served**	**Total**
Dickson Surgery Center	Dickson	11	569	55	1	636
Ramsey Way Surgery Center LLC	Dickson	0	62	0	0	62
Oral and Facial Surgery Center of Dickson	Dickson	9	155	32	2	198
Surgery Center of Clarksville	Montgomery	79	33	1,398	91	1,601
Clarksville Surgery Center	Montgomery	88	37	1,960	198	2,283
Gastrointestinal Specialists of Clarksville	Montgomery	0	0	1,076	0	1,076
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	10	0	332	21	363
Clarksville Eye Surgery Center	Montgomery	22	24	940	36	1,022
Served in PSA	**PSA Providers**	**219**	**880**	**5,793**	**349**	**7,241**
All others	Non-PSA Providers	2,977	2,940	4,461	4,643	15,021
Total PSA Patients Served		**3,196**	**3,820**	**10,254**	**4,992**	**22,262**

Source: Joint Annual Reports

Attachment 1N(5)

ORIGINAL APPLICATION

State of Tennessee
Health Facilities Commission
502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov

CERTIFICATE OF NEED APPLICATION

1A. Name of Facility, Agency, or Institution

Clarksville ASC Partners, LLC

Name

an unaddressed 8.53 acre parcel in the Northeast quadrant of a larger tract located at 1475 Hwy. 76

Street or Route

Montgomery County

County

Clarksville	Tennessee	37043
City	**State**	**Zip**

www.toa.com

Website Address

Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

2A. Contact Person Available for Responses to Questions

Jerry Taylor	Attorney
Name	**Title**
Thompson Burton PLLC	jtaylor@thompsonburton.com
Company Name	**Email Address**

One Franklin Park, 6100 Tower Circle, Suite 200

Street or Route

Franklin	Tennessee	37067
City	**State**	**Zip**
Attorney		615-275-8988
Association with Owner		**Phone Number**

3A. Proof of Publication

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

Date LOI was Submitted: 09/15/26

Date LOI was Published: 09/15/26

RESPONSE: A Publisher's Affidavit is attached as Attachment 3A.

4A. Purpose of Review *(Check appropriate box(es) – more than one response may apply)*

- [x] Establish New Health Care Institution
- [ ] Relocation
- [ ] Change in Bed Complement
- [ ] Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- [ ] Initiation of MRI Service
- [ ] MRI Unit Increase
- [ ] Satellite Emergency Department
- [ ] Addition of Therapeutic Catheterization
- [ ] Positron Emission Tomography (PET) Service
- [ ] Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

5A. Type of Institution *(Check all appropriate boxes – more than one response may apply)*

- [ ] Hospital
- [x] Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- [ ] Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- [ ] Home Health
- [ ] Hospice
- [ ] Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- [ ] Nursing Home
- [ ] Outpatient Diagnostic Center
- [ ] Rehabilitation Facility
- [ ] Residential Hospice
- [ ] Nonresidential Substitution Based Treatment Center of Opiate Addiction
- [ ] Other

Other -

Hospital -

6A. Name of Owner of the Facility, Agency, or Institution

Clarksville ASC Partners, LLC

Name

1000 South Gateway Blvd.		865-607-0620
Street or Route		**Phone Number**
Clarksville	Tennessee	37043
City	**State**	**Zip**

7A. Type of Ownership of Control *(Check One)*

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Partnership
- ☐ Corporation (For Profit)
- ☐ Corporation (Not-for-Profit)
- ☐ Government (State of TN or Political Subdivision)
- ☐ Joint Venture
- ☑ Limited Liability Company
- ☐ Other (Specify)

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at https://tnbear.tn.gov/ECommerce/FilingSearch.aspx If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

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% ownership (direct or indirect) interest.

RESPONSE: The applicant is newly formed Tennessee limited liability company. Five Tennessee Orthopaedic Alliance (TOA) affiliated physicians hold equal 20% ownership shares. An ownership chart is included in Attachment 7A.

8A. Name of Management/Operating Entity *(If Applicable)*

Tennessee Orthopaedic Alliance, P.A.

Name

8 City Boulevard		Davidson
Street or Route		**County**
Nashville	Tennessee	37209
City	**State**	**Zip**

www.toa.com

Website Address

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 schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- ☐ Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
- ☐ Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☐ Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
- ☑ Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
- ☐ Letter of Intent, or other document showing a commitment to lease the property - attach reference document
- ☐ Other (Specify)

RESPONSE: A copy of the Agreement to Lease is attached as Attachment 9A.

10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

RESPONSE: A floor plan is attached as Attachment 10A.

11A. Public Transportation Route

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. (Attachment 11A)

RESPONSE: The site is on State Highway 76, approximately 0.9 miles east from Interstate 24 in the Sango community. It is immediately adjacent to the south of the site of the future Ascension hospital. It is approximately 6.5 miles south of Vanderbilt Clarksville Hospital. The site is easily accessible to vehicular traffic. There is a public bus system, the Clarksville Transit Authority, but it does not have a route that serves the area where the ASTC will be located.

12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres);
- Location of structure on the site;
- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

(Attachment 12A)

RESPONSE: A plot plan is attached as Attachment 12A.

13A. Notification Requirements

- TCA §68-11-1607(c)(9)(B) states that "... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested." Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

  - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☑ Not Applicable

- TCA §68-11-1607(c)(9)(A) states that "... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.

  - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☐ Not Applicable

EXECUTIVE SUMMARY

1E. Overview

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.

  RESPONSE:

  This application is for the establishment of an Ambulatory Surgical Treatment Center (ASTC) limited to orthopedic surgery and pain management procedures. It will be licensed as an ASTC by the Tennessee Health Facilities Commission. It will initially have 4 staffed and equipped operating rooms and 1 procedure room, and shelled space for 2 additional operating rooms.

- Ownership structure

  RESPONSE: The applicant is newly formed Tennessee limited liability company. Five TOA affiliated physicians hold equal 20% ownership shares. An ownership chart is included in Attachment 7A.

- Service Area

  RESPONSE: The Primary Service Area ("PSA") consists of Montgomery, Cheatham, Dickson, and Robertson Counites. The facility will be located in Montgomery County. The other 3 counties in the PSA are adjacent to Montgomery County. The PSA is projected to account for 95% of the patients in Year 1.

- Existing similar service providers

  RESPONSE: There are 8 ASTCs in the PSA. There is no ASTC in the PSA which is limited to orthopedics and/or pain management. The benefits to patients and physicians alike of an orthopedics-specialized ASTC are significant, and this is not currently available in the PSA. There are only 3 ASTCs in the PSA which even offer orthopedic surgery. These 3 ASTCs average 615 cases per OR per year, which is 69% of optimal capacity. However, one of these, which is in neighboring Dickson County, was utilized at only 29% of optimal capacity in 2025. If that facility, which is not practical for usage by the applicant physicians, is not considered the two Montgomery County ASTCs which offer orthopedic surgery operated at 81% of optimal capacity in 2025. Likewise, there is no ASTC in the PSA which is limited to or focused on pain management. There are 2 ASTCs in which pain management procedures were performed in 2025. Those ASTCs have PR capacity available, but it makes no sense and would be inefficient for one TOA physician to not be able to use the proposed new TOA-affiliated ASTC to perform pain management procedures.

- Project Cost

  RESPONSE: The total estimated project cost is $26,151,610. The largest single cost is the f.m.v. of the lease, which is $23,256,610. The lease is a turnkey lease, and the lease payments include build- out of the space, and soft costs such as A & E fees, attorney fees, and consultant fees.

- Staffing

  RESPONSE: The Year 1 staffing includes 16 FTE direct patient care positions, 11 of which are RNs, and 5 non-patient care positions.

2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed ONE PAGE (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need

  RESPONSE: The 8 physicians who will be the primary users of the ASTC are affiliated with Tennessee Orthopaedic Alliance, one of the largest orthopedic groups in the state. TOA has clinical offices throughout Middle Tennessee, including an office in Clarksville. These physicians have no access to an orthopedics-focused ASTC. The TOA physicians perform numerous outpatient orthopedic surgeries, and a much smaller number of pain management procedures, in various ASTCs in Montgomery and Davidson Counties. They want to consolidate their practice sites to one orthopedic-focused ASTC. Doing so will increase patient convenience, improve physician efficiencies, and promote the highest level of quality patient care. There are 8 ASTCs in the PSA, but none limited to orthopedics and/or pain management. There are only 3 ASTCs in the PSA which even offer orthopedic surgery. These 3 ASTCs average 615 cases per OR per year, which is 69% of optimal capacity. However, one of these, which is in neighboring Dickson County, was utilized at only 29% of optimal capacity in 2025. If that facility, which is not practical for usage by the applicant physicians, is not considered, the two Montgomery County ASTCs which offer orthopedic surgery operated at 81% of optimal capacity in 2025.

- Quality Standards

  RESPONSE: The 8 TOA affiliated physicians who will be the primary users of the ASTCs have collectively performed thousands of orthopedic surgeries. All are board certified in their specialties and in some cases, sub-specialties. The ASTC will have a management agreement with Tennessee Orthopaedic Alliance (or possibly an affiliate of TOA). TOA is one of the largest orthopedic practice groups in the state and has successfully managed hundreds of physician practices within the group practice. TOA and/or its physicians hold ownership interests in 10 ASTCs in Tennessee. The ASTC will be licensed by the HFC Licensure Division, and it will be accredited by a duly qualified organization, probably the Accreditation Association for Ambulatory Health Care.

- Consumer Advantage

  - Choice

    RESPONSE: This proposed ASTC will give the patients the choice of a local orthopedics-specialized surgery center.

  - Improved access/availability to health care service(s)

    RESPONSE: The proposed ASTC will improve access by making an orthopedics-specialized surgery center available. The facility will be accessible to all patients of the TOA physicians, without regard to race, gender, or socio-economic status.

  - Affordability

    RESPONSE: Although there is no public data available which would allow a direct comparison of the proposed charges to the existing charges of an orthopedics-only ASTC (because there is no such existing facility in the PSA), the applicant believes its charges will be comparable to those of other providers for orthopedic procedures. This is partly because most third-party payment rates are related, at least in part, to the prevailing Medicare rates in the area.

3E. Consent Calendar Justification

- ☐ Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- ☑ Consent Calender NOT Requested

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency's Executive Director at the time the application is filed.

4E. PROJECT COST CHART

A. Construction and equipment acquired by purchase:	
1. Architectural and Engineering Fees	$0
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$0
3. Acquisition of Site	$0
4. Preparation of Site	$0
5. Total Construction Costs	$0
6. Contingency Fund	$0
7. Fixed Equipment (Not included in Construction Contract)	$1,300,000
8. Moveable Equipment (List all equipment over $50,000 as separate attachments)	$1,050,000
9. Other (Specify): Pre-Opening Expenses	$500,000
B. Acquisition by gift, donation, or lease:	
1. Facility (inclusive of building and land)	$23,256,610
2. Building only	$0
3. Land only	$0
4. Equipment (Specify):	$0
5. Other (Specify):	$0
C. Financing Costs and Fees:	
1. Interim Financing	$0
2. Underwriting Costs	$0
3. Reserve for One Year's Debt Service	$0
4. Other (Specify):	$0
D. Estimated Project Cost (A+B+C)	$26,106,610
E. CON Filing Fee	$45,000
F. Total Estimated Project Cost (D+E) **TOTAL**	$26,151,610

GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with TCA §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, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers." In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

1N. Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. https://www.tn.gov/hsda/hsda-criteria-and-standards.html (Attachment 1N)

RESPONSE:

Responses to the Criteria and Standards for ASTCs are attached as Attachment 1N.

2N. Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

RESPONSE:

The Primary Servia Area is Montgomery, Cheatham, Dickson , and Robertson Counties. The projected number of patients from each PSA County is reflected below. The projections are based on the subjective estimates of the 8 physicians who will be performing cases at the new ASTC. A map of the service area is attached as Attachment 2N.

Complete the following utilization tables for each county in the service area, if applicable.

PROJECTED UTILIZATION

Unit Type: ☐ Procedures ☐ Cases ☑ Patients ☐ Other _____

Service Area Counties	Projected Utilization Recent Year 1 (Year = 2028)	% of Total
Robertson	359	15.01%
Dickson	359	15.01%
Montgomery	1,196	50.02%
Cheatham	359	15.01%
Other not primary/secondary county	118	4.94%
Total	2,391	100%

3N. A. Describe the demographics of the population to be served by the proposal.

RESPONSE:

A table reflecting the population projections and the other requested demographics data for the PSA is attached as Attachment 3NB.

B. Provide the following data for each county in the service area:

- Using current and projected population data from the Department of Health. (www.tn.gov/health/health-program-areas/statistics/health-data/population.html);
- the most recent enrollee data from the Division of TennCare (https://www.tn.gov/tenncare/information-statistics/enrollment-data.html),
- and US Census Bureau demographic information (https://www.census.gov/quickfacts/fact/table/US/PST045219).

RESPONSE:

A table reflecting the population projections and the other requested demographics data for the PSA is attached as Attachment 3NB.

4N. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly those who are uninsured or underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, 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:

The demographics data which is attached as Attachment 3NB reveal the following characteristics and needs of the PSA, compared to those of the state as a whole:

1. The population growth rate is more than twice as high: 6.4% vs. 3.1%.

2. The median age is slightly younger: 38 vs. 39.1

3. Median household income is significantly higher: $80,879 vs. $69,595.

4. The proportion of population below poverty level is significantly lower: 9.6% vs. 14.7%.

5. The TennCare enrollment rate is slightly lower: 16.8% vs. 18/.6%.

5N. Describe the existing and approved but unimplemented services of similar healthcare providers 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. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g. cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

RESPONSE:

A table reflecting the utilization of exiting ASTCs in the PSA, including the volume of orthopedic cases, pain management cases, and total cases, is attached as Attachment 5N and Attachment 1N(3).

Ther are 8 ASTCs in the PSA. There is no ASTC in the PSA which is limited to orthopedics and/or pain management. The benefits to patients and physicians alike of an orthopedics-specialized ASTC are significant, and is not currently available in the PSA.

There are only 3 ASTCs in the PSA which even offer orthopedic surgery. These 3 ASTCs average 615 cases per OR per year, which is 69% of optimal capacity. However, one of these, which is in neighboring Dickson County, was utilized at only 29% of optimal capacity in 2025. If that facility, which is not practical for usage by the applicant physicians, is not considered the two Montgomery County ASTCs which offer orthopedic surgery operated at 81% of optimal capacity in 2025.

Likewise, there is no ASTC in the PSA which is limited to or focused on pain management. There are 2 ASTCs in which pain management procedures were performed in 2025. Those ASTCs have PR capacity available, but it makes no sense and would be inefficient for one TOA physician to not be able to use the proposed new TOA-affiliated ASTC to perform pain management procedures.

6N. Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two 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:

There is no historical utilization data because this is a proposed new facility. The projected utilization for the first two years by quarter is reflected in the table below. The projected utilization of 2,391 cases in Year 1 and 2,511 cases in Year 2 are conservative estimates. It is based on the number of qualifying cases performed by 8 TOA affiliated physicians in 2025, applying varying migration factors as subjectively determined by each physician. The base year totals were projected to have an annual growth rate of approximately 5%. The growth rate is conservative because the projected population growth rate for the PSA 2026-2030, according to the U.T. Boyd Center, is 6.4%. Other reasons the estimates are conservative include the future opening of the new Ascension hospital in close proximity to the proposed ASTC, and the anticipated growth in the number of TOA physicians performing cases at the new ASTC.

Volume by Quarter – Year 1		
Q1	124	
Q2	658	
Q3	803	
Q4	806	
Total	**2,391**	
Volume by Quarter – Year 2		
Q1	627	
Q2	628	
Q3	628	
Q4	628	
Total	**2511**	

7N. Complete the chart below by entering information for each applicable outstanding CON by applicant or share common ownership; and describe the current progress and status of each applicable outstanding CON and how the project relates to the applicant, and the percentage of ownership that is shared with the applicant's owners.

RESPONSE:

Not applicable. The applicant and/or its owners have no outstanding CONs.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

1C. List all transfer agreements relevant to the proposed project.

RESPONSE: The ASTC will have a transfer agreement with Vanderbilt Gateway Medical Center. Once the new Ascension hospital is completed and operational it will also have a transfer agreement with that hospital.

2C. List all commercial private insurance plans contracted or plan to be contracted by the applicant.

- [x] Aetna Health Insurance Company
- [ ] Ambetter of Tennessee Ambetter
- [x] Blue Cross Blue Shield of Tennessee
- [x] Blue Cross Blue Shield of Tennessee Network S
- [x] Blue Cross Blue Shiled of Tennessee Network P
- [x] BlueAdvantage
- [ ] Bright HealthCare
- [x] Cigna PPO
- [x] Cigna Local Plus
- [x] Cigna HMO - Nashville Network
- [x] Cigna HMO - Tennessee Select
- [x] Cigna HMO - Nashville HMO
- [x] Cigna HMO - Tennessee POS
- [x] Cigna HMO - Tennessee Network
- [ ] Golden Rule Insurance Company
- [ ] HealthSpring Life and Health Insurance Company, Inc.
- [x] Humana Health Plan, Inc.
- [x] Humana Insurance Company
- [ ] John Hancock Life & Health Insurance Company
- [ ] Omaha Health Insurance Company
- [ ] Omaha Supplemental Insurance Company
- [ ] State Farm Health Insurance Company
- [x] United Healthcare UHC
- [x] UnitedHealthcare Community Plan East Tennessee

- [x] UnitedHealthcare Community Plan Middle Tennessee
- [x] UnitedHealthcare Community Plan West Tennessee
- [x] WellCare Health Insurance of Tennessee, Inc.
- [x] Others

RESPONSE: Aetna Medicare Advantage, Wellcare Medicare Advantage, Devoted Health Medicare Advantage, PHCS, Christian Health Ministries

3C. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

RESPONSE:

The effects of increased competition will be positive for the health care system, and the benefits to the patients and physicians far outweigh any temporary burdens to existing providers. It will provide additional choices for TOA patients needing ASTC services and will allow many patients to receive services closer to their home. The only impact this may have on existing providers is that the 8 TOA-affiliated physicians would be referring some of their cases, with varying migration factors, to the proposed new ASTC rather than to one or more of the multi-specialty ASTCs where the cases are currently performed, inside and outside of the PSA. The physicians do not have readily available data on exactly which providers are handling those cases now, and in what quantiles.

It is important to consider the fact that in all the PSA counties except Montgomery, more residents of the PSA received ASTC services outside of the PSA than within the PSA. In 2025, a total of 22,262 residents of the PSA received ASTC services somewhere in the State. Of those, only 7,241 received ASTC services within the PSA, and 15,021 received such services outside the PSA. In other words, the PSA had a 67% outmigration rate for ASTC services. Please see Attachment 1N(5). This proposed new ASTC will give the residents of the PSA another choice of local providers, so more of them can receive ASTC services inside the PSA.

4C. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

RESPONSE:

The staffing plan calls for 16 FTE direct patient care staff in Year 1. TOA is experienced in hiring and retaining nurses and techs for its numerous clinks throughout Middle Tennessee, and does not expect any significant trouble in doing so for this new ASTC.

The ASTC will be licensed by the HFC, and will be accredited by a recognized accrediting organization, likely AAAHC. The applicant will comply with all licensing requirements and accreditation standards, including those concerning staffing.

5C. Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

RESPONSE:

The facility will be licensed as an ASTC by the HFC Licensing Division, and will meet or exceed all licensing requirements, including these in the referenced categories.

PROJECTED DATA CHART

☑ Project Only
☐ Total Facility

Give information for the *two (2)* years following the completion of this proposal.

		Year 1	Year 2
		2028	2029
A. Utilization Data			
Specify Unit of Measure Procedures; Case		2391	2511
B. Revenue from Services to Patients			
1. Inpatient Services		$0.00	$0.00
2. Outpatient Services		$87,402,482.00	$93,608,056.00
3. Emergency Services		$0.00	$0.00
4. Other Operating Revenue (Specify)		$0.00	$0.00
	Gross Operating Revenue	$87,402,482.00	$93,608,056.00
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments		$69,917,089.00	$74,881,200.00
2. Provision for Charity Care		$874,025.00	$936,081.00
3. Provisions for Bad Debt		$4,370,124.00	$4,680,403.00
	Total Deductions	$75,161,238.00	$80,497,684.00
NET OPERATING REVENUE		$12,241,244.00	$13,110,372.00

7C. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

Project Only Chart

	Previous Year to Most Recent Year	Most Recent Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge *(Gross Operating Revenue/Utilization Data)*	$0.00	$0.00	$36,554.78	$37,279.19	0.00
Deduction from Revenue *(Total Deductions/Utilization Data)*	$0.00	$0.00	$31,435.06	$32,058.02	0.00
Average Net Charge *(Net Operating Revenue/Utilization Data)*	$0.00	$0.00	$5,119.72	$5,221.18	0.00

8C. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

RESPONSE:

The proposed gross charges and the Medicare rate for each of the most commonly performed procedures at the proposed ASTC are shown below, and in Attachment 8C.

Charges for Most Common Procedures Projected for Clarksville ASC Partners			
Procedure	**Primary CPT**	**2026 Medicare Payment – Montgomery County**	**Gross Charge per Procedure**
Total Knee Arthroplasty	**27447**	**$8,602.72**	**$43,013.60**
Total Hip Arthroplasty	**27130**	**$8,805.08**	**$44,025.40**
Total Shoulder Arthroplasty	**23472**	**$12,741.00**	**$63,705.00**
Rotator Cuff Repair	**29827**	**$3,384.55**	**$16,922.75**
Carpal Tunnel Release	**64721**	**$868.83**	**$4,344.15**
Knee Scope / Meniscectomy	**29881**	**$1,506.46**	**$7,532.30**
Meniscus Repair	**29882**	**$1,506.46**	**$7,532.30**
Trigger Finger Release	**26055**	**$799.42**	**$3,997.10**
ORIF Distal Radius Fracture	**25607**	**$4,552.68**	**$22,763.40**
Achilles Tendon Repair	**27650**	**$4,288.28**	**$21,441.40**
Ankle Ligament Reconstruction	**27698**	**$4,563.47**	**$22,817.35**
ACL Reconstruction	**29888**	**$4,411.88**	**$22,059.40**

9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE:

Tables showing a comparison of average gross charges and average net charges of existing ASTCs in the PSA with the proposed charges of this project are attached as Attachment 9C. Although the applicant's proposed average charges are higher than those of the existing facilities, there are two

important considerations which affect the gap: (1) the charges of existing facilities are for 2025, whereas the applicant's proposed charges are for 2028 or 2029; (2) the acuity of the case mix, and thus the charges, are higher for orthopedics than for most of the other specialties offered in the existing ASTCs. Only 3 of the 8 facilities perform any orthopedic cases, and only one of them has more than a majority of orthopedic cases.

The Medicare rate for each of the most commonly performed procedures at the proposed ASTC are shown in the table in response to 8C, and in Attachment 8C.

10C. Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Applicant's Projected Payor Mix

Project Only Chart

Payor Source	Year-2028		Year-2029	
	Gross Operating Revenue	**% of Total**	**Gross Operating Revenue**	**% of Total**
Medicare/Medicare Managed Care	$30,590,869.00	35.00	$32,762,820.00	35.00
TennCare/Medicaid	$8,740,248.00	10.0	$9,360,806.00	10.00
Commercial/Other Managed Care	$37,583,067.00	43.00	$40,251,464.00	43.00
Self-Pay	$4,370,124.00	5.00	$4,680,402.00	5.00
Other(Specify)	$6,118,174.00	7.00	$6,552,564.00	7.00
Total	$87,402,482.00	100%	$93,608,056.00	100%
Charity Care	$874,025.00		$936,081.00	

**Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

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.

RESPONSE: The proposed ASTC will participate in Medicare, TennCare, and Tricare. Although charity care is rarely requested for elective surgeries in ASTCs, the applicant has allocated a fair share for charity care. However, most of the low-income services will come through the TennCare program. The applicant expects to contract with all TennCare MCOs operating in the region.

QUALITY STANDARDS

1Q. Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

- [x] Yes
- [ ] No

2Q. The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?
  - [x] Yes
  - [ ] No
- Does the applicant commit to obtaining and maintaining all applicable state licenses in good 3tanding?

- [x] Yes
- [ ] No

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?
  - [x] Yes
  - [ ] No

3Q. Please complete the chart below on accreditation, certification, and licensure plans. Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	☑ Health Facilities Commission/Licensure Division ☐ Intellectual & Developmental Disabilities ☐ Mental Health & Substance Abuse Services	Will Apply	ASTC
Certification	☑ Medicare ☑ TennCare/Medicaid ☐ Other _____	Will Apply Will Apply	ASTC ASTC
Accreditation(s)	AAAHC - Accreditation Association for Ambulatory Health Care	Will Apply	ASTC

4Q. If checked "TennCare/Medicaid" box, please list all Managed Care Organization's currently or will be contracted.

- ☐ AMERIGROUP COMMUNITY CARE- East Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - Middle Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - West Tennessee
- ☐ BLUECARE - East Tennessee
- ☑ BLUECARE - Middle Tennessee
- ☐ BLUECARE - West Tennessee
- ☐ UnitedHealthcare Community Plan - East Tennessee
- ☑ UnitedHealthcare Community Plan - Middle Tennessee
- ☐ UnitedHealthcare Community Plan - West Tennessee
- ☐ TENNCARE SELECT HIGH - All
- ☐ TENNCARE SELECT LOW - All
- ☐ PACE
- ☐ KBB under DIDD waiver
- ☐ Others

5Q. Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

- ☑ Yes
- ☐ No

6Q. For an existing healthcare institution applying for a CON:

- Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.

  - ☐ Yes
  - ☐ No
  - ☑

- [x] N/A

- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

  - [ ] Yes
  - [ ] No
  - [x] N/A

7Q. Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

Has any of the following:

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or.

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;

  - [ ] Yes
  - [x] No

- Criminal fines in cases involving a Federal or State health care offense;

  - [ ] Yes
  - [x] No

- Civil monetary penalties in cases involving a Federal or State health care offense;

  - [ ] Yes
  - [x] No

- Administrative monetary penalties in cases involving a Federal or State health care offense;

  - [ ] Yes
  - [x] No

- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;

  - [ ] Yes
  - [x] No

- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or

  - [ ] Yes
  - [x] No

- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.

  - [ ] Yes
  - [x] No

8Q. Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

☑ Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs(enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
OR Circulator (RN)	0.00	4.00
Scrub Tech/SPD	0.00	5.00
Preop Nurse (RN)	0.00	3.00
PACU (RN)	0.00	3.00
PAT Nurse (RN)	0.00	1.00
Total Direct Patient Care Positions	N/A	16

B. Non-Patient Care Positions		
Administrator	0.00	1.00
Material Manager	0.00	1.00
Scheduler	0.00	1.00
Registration/Medical Records	0.00	2.00
Total Non-Patient Care Positions	N/A	5
Total Employees *(A+B)*	0	21

C. Contractual Staff		
Contractual Staff Position	0.00	0.00
Total Staff *(A+B+C)*	0	21

DEVELOPMENT SCHEDULE

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate 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 authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Commission, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the "good cause" for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

Phase	Days Required	Anticipated Date (Month/Year)
1. Initial HFC Decision Date		12/16/26
2. Building Construction Commenced	240	08/12/27
3. Construction 100% Complete (Approval for Occupancy)	605	08/11/28
4. Issuance of License	635	09/10/28
5. Issuance of Service	665	10/10/28
6. Final Project Report Form Submitted (Form HR0055)	695	11/09/28

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

USA TODAY CO.

LocaliQ

PO Box 631340 Cincinnati, OH 45263-1340

AFFIDAVIT OF PUBLICATION

Jerry Jerry Taylor
Kim Cook
Toa- Tn Orthopedic Alliance
608 Norris AVE
Nashville TN 37204-3708

STATE OF WISCONSIN, COUNTY OF BROWN

The Leaf Chronicle, a newspaper published in the city of Clarksville, Montgomery County, State of Tennessee, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue dated and was published on the publicly accessible website:

CLR Clrk The Leaf-Chronicle 09/15/2026
CLR theleafchronicle.com 09/15/2026

and that the fees charged are legal.
Sworn to and subscribed before on 09/15/2026

Legal Clerk

Notary, State of WI, County of Brown

8.25.30

My commission expires

Publication Cost:	$322.60	
Tax Amount:	$0.00	
Payment Cost:	$322.60	
Order No:	12614008	# of Copies:
Customer No:	1300081	1
PO #:	Notice of Intent	

THIS IS NOT AN INVOICE!

Please do not use this form for payment remittance.

MARIAH VERHAGEN
Notary Public
State of Wisconsin

12614008

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

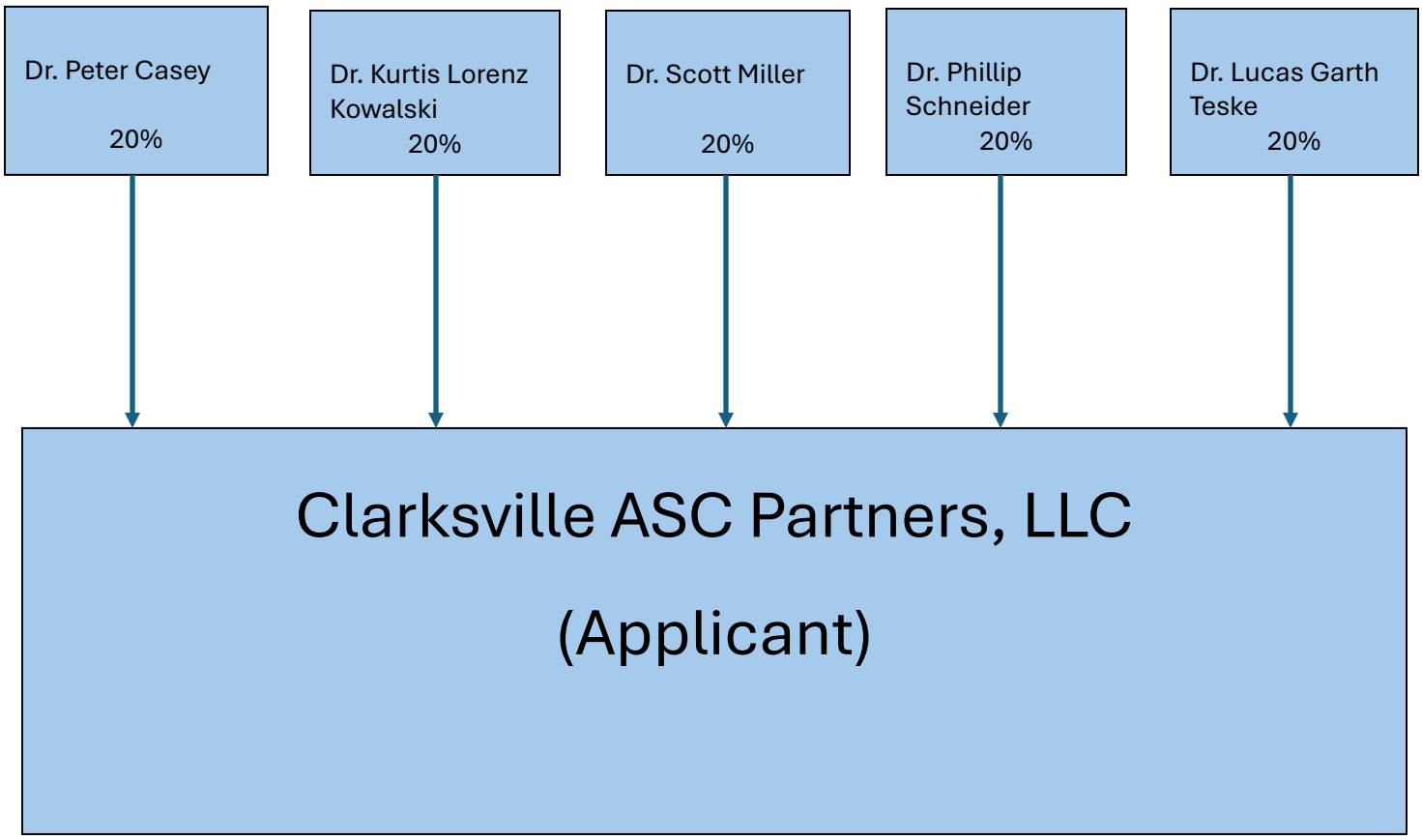
This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Clarksville ASC Partners, LLC a/an newly formed entity owned by Clarksville ASC Partners, LLC with an ownership type of Limited Liability Company and to be managed by Tennessee Orthopaedic Alliance, P. A., or an affiliate thereof intends to file an application for a Certificate of Need for the establishment of an Ambulatory Surgical Treatment Center (ASTC) limited to orthopedic surgery and pain management procedures. It will be licensed as an ASTC by the Tennessee Health Facilities Commission. It will initially have 4 staffed and equipped operating rooms and 1 procedure room, and shelled space for 2 additional operating rooms. The address of the project will be an unaddressed 8.53 acre parcel in the Northeast quadrant of a larger tract located at 1475 Hwy. 76, Clarksville, Montgomery County, Tennessee, 37043. The estimated project cost will be $26,151,610.

The anticipated date of filing the application is 10/01/2026.

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

Attachment 3A


Dr. Peter Casey
20%
Dr. Kurtis Lorenz Kowalski
20%
Dr. Scott Miller
20%
Dr. Phillip Schneider
20%
Dr. Lucas Garth Teske
20%
Clarksville ASC Partners, LLC
(Applicant)

Julie C. Runyon, Register
Montgomery County Tennessee
Rec #: 679726 Instrument #: 1550527
Rec'd: 5.00 Recorded
State: 0.00 7/8/2026 at 12:21 PM
Clerk: 0.00 in Volume
Other: 4.00 2498
Total: 9.00 Pages 1411-1415

Tracking Number
B2026597605

Articles Of Organization

Division of Business and Charitable Organizations
Department of State
State of Tennessee
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243
Phone: 615-741-2286
tncab.tnsos.gov/portal/

Control #: 002127642
Filed: 07/08/2026 12:18 PM
Tre Hargett
Secretary of State

Tre Hargett
Secretary of State

Entity Information

Entity Name: CLARKSVILLE ASC PARTNERS, LLC

Entity Type: Limited Liability Company

Fiscal Year Ending Month: December

Additional Designation: *(No additional designation)*

Series LLC ?
☐ Yes ☑ No

Principal Office Address
1000 S GATEWAY BLVD
CLARKSVILLE, TN 37043
Montgomery County, USA

Mailing Address
1000 S GATEWAY BLVD
CLARKSVILLE, TN 37043
Montgomery County, USA

Period of Duration:
Perpetual

Will this filing have a delayed effective date?
☐ Yes ☑ No

Other Provisions:
(No other provisions)

Do you have additional uploads you would like to attach to this filing?
☐ Yes ☑ No

Registered Agent Information

KURTIS L. KOWALSKI, M.D.
1000 S GATEWAY BLVD
CLARKSVILLE, TN 37043
Montgomery County, USA

Member Information

The Limited Liability Company will be: Member Managed

Do you have six or fewer members at the date of this filing?
☑ Yes ☐ No

Will this entity be registered as an Obligated Member Entity (OME)
☐ Yes ☑ No

Organizer's Signature

☑ By entering my name in the space provided below, I certify that I am authorized to file this document on behalf of this entity, have examined the document and, to the best of my knowledge and belief, it is true, correct and complete as of this day.

☑ The undersigned, acting as organizer of the limited liability company under the provisions of the Tennessee Revised Limited Liability Company Act, adopt the above Articles of Organization.

Signed Electronically: MICHAEL R. HILL **Date:** 07/08/2026

Division of Business and Charitable Organizations
Department of State
State of Tennessee
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243
Phone: 615-741-2286
tncab.tnsos.gov/portal/

Tre Hargett
Secretary of State

Date: 07/08/2026 **Invoice:** 2026-691469

Customer Information

Capital Filing Service
CLARKSVILLE ASC PARTNERS, LLC
992 DAVIDSON DRIVE SUITE B
NASHVILLE, TN 37205, USA

Tracking #	Description	Amount Paid
B2026597605	Articles of Organization - Limited Liability Company for CLARKSVILLE ASC PARTNERS, LLC (LLC Filings)	$ 300.00

Payment Details

Fee Total:	$ 300.00
Payment Total:	$ 300.00
Amount Due:	$ 0.00

Payment Method

Payment Type: Credit Card
Check/Confirmation Number: [redacted]

Division of Business and Charitable Organizations
Department of State
State of Tennessee
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243
Phone: 615-741-2286
tncab.tnsos.gov/portal/

Tre Hargett
Secretary of State

Capital Filing Service
992 DAVIDSON DRIVE SUITE B
NASHVILLE, TN 37205, USA

07/08/2026

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepencies.

Entity Name:	CLARKSVILLE ASC PARTNERS, LLC		
SOS Control #:	002127642	Initial Filing Date:	07/08/2026
Entity Type:	Limited Liability Company (LLC)	Formation Locale:	TENNESSEE
Status:	Active	Duration Term:	Perpetual
Fiscal Year Close:	December	Annual Report Due:	04/01/2027
Business County:	Montgomery		
Managed By:	Member Managed		
Obligated Member Entity:	No		

Document Receipt

Receipt #: 2026-691469		Filing Fee:	$300.00
Payment: Credit Card - [redacted]			$300.00

Registered Agent Address:
KURTIS L. KOWALSKI, M.D.
1000 S GATEWAY BLVD
CLARKSVILLE, TN 37043

Principal Office Address:
1000 S GATEWAY BLVD
CLARKSVILLE, TN 37043
Montgomery County, USA

Congratulations on the successful filing of your Articles of Organization - Limited Liability Company for **CLARKSVILLE ASC PARTNERS, LLC** in the State of Tennessee which is effective **07/08/2026**. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (www.tn.gov/revenue) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett
Secretary of State

Tennessee Certification of Electronic Document

I, Alex Maxfield, do hereby make oath that I am a licensed attorney and/or the custodian of the original version of the electronic document tendered for registration herewith and that this electronic document is a true and exact copy of the original document executed and authenticated according to law on 7/7/2026 (date of document).

Affiant Signature

07/07/2026

Date

State of Tennessee

County of Davidson

Sworn to and subscribed before me this 07 day of July, 2026.

Notary's Signature

MY COMMISSION EXPIRES: 09-07-2026

NOTARY'S SEAL

EMERALD S. BURNS
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires

MANAGEMENT AGREEMENT
(Clarksville ASC Partners)

This Management Agreement ("**Agreement**") is made and entered into effective as of this **[___]** day of **[_____]** 202[•] ("**Effective Date**") by and between Tennessee Orthopaedic Alliance, P.A., a Tennessee professional association ("**Manager**"), and Clarksville ASC Partners, LLC, a Tennessee limited liability company ("**Company**"), with reference to the following facts:

R E C I T A L S

A. Company plans to own and operate an ambulatory surgery center to be known as [•], which is expected to be located at [•], Clarksville, Tennessee (the "**Surgery Center**").

B. Manager and Company desire to enter into an agreement whereby Manager will manage the Surgery Center for Company.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Company and Manager hereby agree as follows:

A G R E E M E N T

1. Management Services.

(a) Company 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 Company as provided in Section 1(k) below. Such services shall include but are not limited to financial and operating system management, preparation of proposed annual budgets, purchasing, managed care relationships, expansion of the Surgery Center or its services, preparation of staffing plans, recruitment of personnel and medical staff and general supervision of the day-to-day operations of the Surgery Center.

(b) In carrying out its duties, Manager shall have authority over charges, cash flow, planning, accounts receivable and third party payor reimbursements. Manager shall have the further authority and responsibility to manage all of the departments of the Surgery Center, establish charge schedules and promulgate personnel policies, including but not limited to qualifications and criteria for hiring and discharge of personnel; provided, however, that all medical and professional matters shall be the responsibility of Company, its medical director and medical staff of the Surgery Center.

(c) Manager shall do or cause 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, provider numbers and approvals from all regulatory authorities having jurisdiction over the Surgery Center and/or its operations and accreditation by The Joint Commission, Accreditation Association for Ambulatory Health Care or other accrediting agencies designated by Company.

(d) Manager shall maintain one or more local bank accounts for Company in which it shall deposit the receipts from the business of the Surgery Center. Manager shall be entitled to make withdrawals from such account to pay authorized Surgery Center expenses, including payments to Manager in accordance with Section 3 hereof. The handling of receipts and disbursements with respect to such bank accounts shall be in accordance with customary business practices. Manager shall be entitled to invest such funds in connection with any cash management system employed by Manager (or its affiliate).

Attachment 8A

(e) Manager shall design, institute, supervise and from time to time revise and amend 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 any cost reports required to be submitted pursuant to the requirements of third party payors or any authority having jurisdiction over the Surgery Center.

(f) Manager shall negotiate and consummate agreements and contracts for and on behalf of the Surgery Center in the usual course of business, including without limitation managed care contracts (subject to pricing parameters established by Company), radiology, laboratory and anesthesia contracts and contracts of insurance pursuant to the master insurance policies and programs maintained by Manager. All such insurance policies shall name as insured parties Company, Manager and such other persons as may be requested by Company. Manager shall promptly notify Company of all actual or threatened legal claims or actions affecting Company and shall coordinate all legal matters and proceedings with counsel for Company.

(g) Manager or one of its affiliates shall be the employer of all Surgery Center personnel. All employees of Manager or its affiliates provided to Company shall participate in and be compensated through the employee benefit programs and payroll systems established from time to time by or for the benefit of Manager. All Surgery Center personnel shall be provided to Company and shall be supervised by Manager as provided herein, regardless of the entity that is the employer.

(h) Manager will assist Surgery Center with such cash management programs, business office management, quality monitoring and assurance program, patient grievance programs, performance measurement systems, practice improvement programs, compliance plans for government regulations (including Medicare and the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and regulations promulgated thereunder by the U.S. Department of Health and Human Services ("**HIPAA**")) and other similar programs. The services above are generally included in the management fee payable to Manager pursuant to Section 3. Manager shall be entitled to charge Company for incremental programs and systems. These services may include approved services contracted to third parties, group-purchased services such as liability insurance, IT hosting fees, some types of approved staff training, association dues and certain satisfaction surveys.

(i) Manager shall undertake all of its obligations and duties hereunder for the account of Company 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 Company 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 Company 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.

(j) Manager shall have the right to act as the agent of Company 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.

(k) Anything in this Section 1 to the contrary notwithstanding, Manager expressly acknowledges and agrees that Company 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 Company and communicated to

Manager by Company, 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 Company to engage in any illegal or unethical acts.

2. Term of Agreement.

(a) The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as provided in the following subsections of this Section 2, shall continue in effect for a term of five (5) years. Thereafter, this Agreement shall automatically renew for successive [five (5)] year terms unless either party gives at least ninety (90) days prior written notice of its intent not to renew.

(b) This Agreement shall also terminate in the event of a Default (as defined in Section 8 hereof) by one party, upon the non-defaulting party's giving written notice of termination to the defaulting party.

3. Management Fee.

(a) As Manager's fee for its management services hereunder, Manager shall receive monthly an amount equal to ***[[•]percent ([•]%) of the net revenues of the Surgery Center during each year during which this Agreement is in effect)]***. For purposes of this Section 3, "**net revenues**" shall be the Surgery Center's gross revenues from the delivery of medical and facility services at the Surgery Center (which does not include any physician professional fees), 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.

(b) In addition to the above fees, Manager shall be reimbursed by Company for out-of-pocket expenses incurred on behalf of Company, but shall not be reimbursed for any indirect or overhead expenses of Manager or its affiliates. Such reimbursement shall include, but is not limited to, all costs to Manager of providing the Surgery Center employees pursuant to Section 1(g) hereof (including without limitation all compensation and employee benefit costs).

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

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

(c) Authorized agents of Company 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 Company maintained by Manager. Such right may be exercised through any agent, independent public accountant or employee of Company designated by Company. Company shall bear all expenses incurred in any examination it makes pursuant hereto.

(d) If this Agreement is determined at any time during its term to be subject to the provisions of 42 Code of Federal Regulations, or any successor regulation which governs access to books and records of subcontractors of services to Medicare providers with a value or cost of $10,000 or more during a 12 month period, then Manager and its subcontractors shall make available, upon the request of the Secretary of Health and Human Services or the Comptroller General, the contracts, books, documents, and records necessary to verify the nature and extent of the cost of providing Medicare services under this Agreement, if any; provided, however, that any applicable attorney-client accountant-client or other legal privilege shall not be deemed waived by virtue of this Section 4(d). Such inspection shall be available up to four years after the rendering of such services.

5. Representations of Manager. Manager represents and warrants that it has been duly organized and is validly existing as a professional association 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 such laws.

6. Use of Name, Logos, etc.. During the term of this Agreement, Manager shall have the right to utilize the name, trademarks, logos and symbols identifying the Surgery Center, including the right to represent to the public and the health care industry that the facilities and operations of the Surgery Center are managed by Manager. Company shall not, however, make any use of the name of Manager, or any of its trademarks, logos or symbols, without the prior written consent of Manager.

7. Indemnification.

(a) Manager does not hereby assume any of the obligations, liabilities or debts of Company or the Surgery Center, 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 Company or the Surgery Center. Company hereby agrees to indemnify, defend 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 Company or the Surgery Center. Company further agrees to defend, hold harmless and indemnify Manager and its officers, directors, employees and agents (each a "**Manager Indemnified Party**") 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 such Manager Indemnified Party so long as such actions do not constitute gross negligence or intentional misconduct by the Manager Indemnified Party.

(b) Manager hereby agrees to indemnify and hold harmless the Company and its members, managers, employees and agents (each a "**Company Indemnified Party**") from and against any and all Losses which may be asserted against a Company Indemnified Party as a result of the gross negligence or willful misconduct of Manager, its affiliates and owners, and their respective officers, directors, employees, agents, owners and affiliates, in connection with the performance by or on behalf of Manager of its duties hereunder.

8. Default. The following events shall each constitute a "**Default**" under this Agreement: (a) the filing by either party hereto 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 either party unless such steps to dissolve or suspend are promptly removed; (b) the consent by either party hereto to an order for relief under the federal bankruptcy laws or the failure to vacate such an order for relief within sixty (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 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 sixty (60) days; and (d) any failure by either party to perform any of the material covenants, conditions or obligations of this Agreement in any material respect if such a failure shall continue for a period of thirty (30) days after delivery to the defaulting party, by another party, of a written notice specifying such failure in sufficient detail, unless such failure is not susceptible of being cured within such thirty (30) day period and the defaulting party commences such cure within such period and diligently prosecutes said cure to completion.

9. Competitive Services. Nothing in this Agreement shall prohibit Manager or any of its affiliates from owning, developing, and/or operating surgical hospitals, ambulatory surgery centers or other health facilities or from providing such management services or other administrative support services to any such entity.

10. Assignment. Except as specifically provided in this Section 10, Manager shall not have the right to assign its rights or delegate its duties hereunder to any unrelated organization without the written consent of Company. Manager may assign this Agreement without consent to (a) a majority owned subsidiary of Manager, or (b) another corporation or entity that is succeeding to all or substantially all of the assets and liabilities of Manager. All 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.

11. Notices. Except as otherwise expressly permitted herein, all notices, demands or requests required or permitted to be given hereunder shall be in writing and shall be deemed to have been properly given or served when personally delivered or, if mailed, when deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, or by email transmission (with a confirmation by overnight registered or certified mail or overnight courier service placed in the mail no later than the following business day), or by sending the same by a nationally recognized overnight delivery service. Unless changed by written notice given by either party to the other party pursuant hereto, such notices shall be given to the parties at the following addresses:

If to Company:

Attention:
Email:

If to Manager:

12 Cadillac Drive, Suite 440
Brentwood, TN 37027
Attention:
Email:

All notices, demands or requests by personal delivery or by email transmission shall be effective and deemed served upon transmittal thereof. All notices, demands and requests sent by mail shall be effective and deemed served three days after being deposited in the United States mail. All notices, demands and requests sent by overnight delivery service shall be effective and deemed served on the day after being deposited with such overnight delivery service.

12. 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, as determined by the applicable court.

13. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior agreements, either oral or written, between the parties with respect thereto.

14. Enforceability. 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.

15. Governing Law. This Agreement shall be governed by and construed in accordance with Tennessee law, without regard to its conflicts of law principles.

16. Counterparts; Execution. This Agreement may be executed in multiple counterparts which, when taken together, shall constitute one instrument. Signatures transmitted by facsimile or via other electronic transmission system shall be accepted as original signatures.

17. HIPAA Compliance. The parties agree that, in order to comply with HIPAA, Manager and its affiliates shall meet all requirements and obligations contained in the Business Associate Agreement attached hereto as Exhibit A and incorporated herein by this reference.

18. Amendments; Waiver. This Agreement may be amended, modified, superseded or canceled, and any of the terms, provisions, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by Company and Manager or, in the case of a waiver, by the party waiving compliance.

[Signatures on next page]

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

TENNESSEE ORTHOPAEDIC ALLIANCE, P.A.

By _____
Name_____
Title_____

CLARKSVILLE ASC PARTNERS, LLC

By _____
Name_____
Title_____

Exhibit A

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the "**BAA**") is made and entered into as of **[_____]**, 202[•] ("**Effective Date**"), by and between Clarksville ASC Partners, LLC, a Tennessee limited liability company ("**Covered Entity**") and Tennessee Orthopaedic Alliance, P.A., a Tennessee professional association ("**Business Associate**") (each a "**Party**" and collectively the "**Parties**").

WHEREAS, Covered Entity and Business Associate have entered into an agreement under which Business Associate provides certain specified services to Covered Entity (the "**Agreement**"); and

WHEREAS, in providing services pursuant to the Agreement, Business Associate will have access to Protected Health Information ("**PHI**") (as defined below); and

WHEREAS, the services provided by Business Associate to Covered Entity cause Business Associate to be considered a "business associate" under the Health Insurance Portability and Accountability Act of 1996, as amended by the HITECH Act and regulations promulgated thereunder by the U.S. Department of Health and Human Services, and any subsequent amendments or modifications thereto (collectively, "**HIPAA**"); and

WHEREAS, Covered Entity represents and warrants to Business Associate that its Affiliates (as defined below) have elected "affiliated covered entity" status under 45 C.F.R. §164.105 (b), and Covered Entity agrees that this BAA shall be binding upon and shall govern the use and disclosure of PHI received by Business Associate from any of those Affiliates; and

WHEREAS, Covered Entity and Business Associate desire to modify the Agreement to include certain provisions required by the HIPAA Privacy Rule, Security Rule, and Breach Notification Rule.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and the continued provision of PHI by Covered Entity to Business Associate under the Agreement in reliance on this BAA, the Parties agree as follows:

1. **Definitions**. For purposes of this BAA, the terms below shall have the meanings given to them in this Section 1.

(a) **Affiliate** shall mean a subsidiary or affiliate Covered Entity that is, or has been, considered a covered entity, as defined by HIPAA.

(b) **Breach** shall mean the acquisition, access, use, or disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule which compromises the security or privacy of the PHI, as defined in 45 C.F.R. § 164.402.

(c) **Breach Notification Rule** shall mean the portion of HIPAA set forth in Subpart D of 45 C.F.R. Part 164.

(d) **Covered Entity** shall have the meaning given to that term in 45 C.F.R. § 164.103.

(e) **Data Aggregation** shall mean, with respect to PHI created or received by Business Associate in its capacity as the business associate of Covered Entity, the combining of such PHI by Business Associate with the PHI received by Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the Health Care

Operations (defined below) of the respective Covered Entities. The meaning of "**data aggregation**" in this BAA shall be consistent with the meaning given to that term in the HIPAA Privacy Rule.

(f) **Designated Record Set** shall mean a group of Records maintained by or for Covered Entity that: (a) consists of medical records and billing records about individuals maintained by or for Covered Entity; (b) consists of the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (c) consists of Records used, in whole or part, by or for Covered Entity to make decisions about individual patients. As used herein, the term "**Record**" shall mean any item, collection or grouping of information that includes PHI and is maintained, collected, used or disseminated by or for Covered Entity. The term "**designated record set**", however, shall not include (1) any information compiled in reasonable anticipation of, or for use in, a civil, criminal, or administrative action or proceeding, including but not limited to, any information subject to the attorney-client privilege, trial preparation immunity, attorney work product, peer review privilege or other privilege under applicable law, (2) any information in the possession of Business Associate that is the same as information in the possession of Covered Entity (information shall be considered the same information even if the information is held in a different format, medium or presentation or it has been standardized), or (3) any information that constitutes "psychotherapy notes" as defined in 45 C.F.R. § 164.501.

(g) **De-Identify** shall mean to alter the PHI such that the resulting information meets the requirements described in 45 C.F.R. § 164.514(a) and (b).

(h) **Electronic PHI** shall mean any PHI maintained in or transmitted by electronic media as defined in 45 C.F.R. § 160.103.

(i) **Health Care Operations** shall have the meaning given to that term at 45 C.F.R. § 164.501.

(j) **HHS** shall mean the U.S. Department of Health and Human Services.

(k) **HITECH Act** shall mean the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, Public Law 111-005.

(l) **Privacy Rule** shall mean that portion of HIPAA set forth in 45 C.F.R. Part 160 and in Subparts A and E of 45 C.F.R. Part 164.

(m) **Protected Health Information or PHI** shall mean information transmitted or maintained in any form or medium, including demographic information collected from an individual, that

(i) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and

(ii) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual, and (a) identifies the individual or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

The meaning of "protected health information" or "**PHI**" in this BAA shall be consistent with the meaning given to that term in the HIPAA Privacy Rule.

(n) **Security Incident** shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

(o) **Security Rule** shall mean that portion of HIPAA set forth in Subpart C of 45 CFR Part 164 which sets standards for the protection of electronic PHI.

(p) **Unsecured Protected Health Information or PHI** shall mean any "protected health information" or "**PHI**" that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in the guidance issued pursuant to Section 13402(h) (42 U.S.C. § 17932(h)) of the HITECH Act.

2. Use and Disclosure of PHI.

(a) Except as otherwise provided in this BAA, Business Associate may use or disclose PHI as reasonably necessary to provide the services described in the Agreement to Covered Entity, and to undertake other activities of Business Associate permitted or required of Business Associate by this BAA or as required by law.

(b) Except as otherwise limited by this BAA, Covered Entity authorizes Business Associate to use the PHI in its possession for the proper management and administration of Business Associate's business and to carry out its legal responsibilities. Business Associate may disclose PHI for its proper management and administration, provided that (i) such disclosures are required by law; or (ii) Business Associate obtains, in writing, prior to making any disclosure to a third party (a) reasonable assurances from such third party that the PHI will be held confidential as provided under this BAA and used or further disclosed only as required by law or for the purpose for which it was disclosed to such third party; and (b) an agreement from such third party to notify Business Associate immediately of any breaches of the confidentiality of the PHI, to the extent it has knowledge of such breach.

(c) Covered Entity does not authorize Business Associate to De-Identify the PHI without separate prior written approval.

(d) Business Associate shall not use or disclose PHI in a manner other than as provided in this BAA, as permitted under the HIPAA Privacy Rule, or as required by law. Business Associate shall use or disclose PHI, to the extent practicable, as a Limited Data Set or limited to the minimum necessary amount of PHI to carry out the intended purpose of the use or disclosure, in accordance with Section 13405(b) (42 U.S.C. § 17935(b)) of the HITECH Act, and any implementing regulations adopted thereunder, for each use or disclosure of PHI hereunder.

(e) Upon request, Business Associate shall make available to Covered Entity any of Covered Entity's PHI that Business Associate or any of its agents or subcontractors have in their possession.

3. Safeguards Against Misuse of PHI. Business Associate shall use appropriate safeguards to prevent the use or disclosure of PHI other than as provided by the Agreement or this BAA; and Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and

appropriately protect the confidentiality, integrity and availability of the Electronic PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity, including implementing requirements of 45 C.F.R. Part 164 Subpart C with regard to Electronic PHI. Business Associate agrees to take reasonable steps to ensure that the actions or omissions of its employees or agents do not cause Business Associate to breach the terms of this BAA.

4. **Reporting Security Incidents and Breaches of Unsecured PHI**. Business Associate agrees to report to Covered Entity any Security Incident affecting Electronic PHI of Covered Entity of which it becomes aware within ten (10) business days of becoming aware of the event. Business Associate shall notify Covered Entity in writing promptly upon the discovery of any use or disclosure of PHI not provided for by this BAA of which it becomes aware and any Breach of Unsecured PHI in accordance with 45 C.F.R. § 164.410, but in no case later than sixty (60) calendar days after discovery. Business Associate will reimburse Covered Entity for any costs incurred by it in complying with the requirements of Subpart D of 45 C.F.R. § 164 imposed on Covered Entity as a result of a Breach committed by Business Associate.

5. **Mitigation of Disclosures of PHI**. Business Associate shall take reasonable measures to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of any use or disclosure of PHI by Business Associate or its agents or subcontractors in violation of the requirements of this BAA.

6. **Agreements with Agents or Subcontractors**. Business Associate shall ensure that any of its agents or subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree in writing to the restrictions and conditions concerning uses and disclosures of PHI contained herein and agrees to implement reasonable and appropriate safeguards to protect any Electronic PHI that it creates, receives, maintains or transmits on behalf of Business Associate or Covered Entity.

7. **Access to PHI by Individuals**.

   (a) Upon request, Business Associate agrees to furnish Covered Entity with copies of the PHI maintained by Business Associate in a Designated Record Set in the time and manner designated by Covered Entity to enable Covered Entity to respond to an individual request for access to PHI under 45 C.F.R. § 164.524.

   (b) In the event any individual or personal representative requests access to the individual's PHI directly from Business Associate, Business Associate within ten (10) business days, shall forward that request to Covered Entity. Any disclosure of, or decision not to disclose, the PHI requested by an individual or a personal representative and compliance with the requirements applicable to an individual's right to obtain access to PHI shall be the sole responsibility of Covered Entity.

8. **Amendment of PHI**.

   (a) Upon request and instruction from Covered Entity, Business Associate shall amend PHI or a Record about an individual in a Designated Record Set that is maintained by, or otherwise within the possession of, Business Associate as directed by Covered Entity in accordance with procedures established by 45 C.F.R. § 164.526. Any request by Covered Entity to amend such information shall be completed by Business Associate within fifteen (15) business days of Covered Entity's request.

(b) In the event that any individual requests that Business Associate amend such individual's PHI or Record in a Designated Record Set, Business Associate within ten (10) business days, shall forward such request to Covered Entity. Any amendment of, or decision not to amend, the PHI or Record as requested by an individual and compliance with the requirements applicable to an individual's right to request an amendment of PHI shall be the sole responsibility of Covered Entity.

9. Accounting of Disclosures.

(a) Business Associate shall document any disclosures of PHI made by it to account for such disclosures as required by 45 C.F.R. § 164.528(a). Business Associate also shall make available information related to such disclosures as would be required for Covered Entity to respond to a request for an accounting of disclosures in accordance with 45 C.F.R. § 164.528. At a minimum, Business Associate shall furnish Covered Entity the following with respect to any covered disclosures by Business Associate: (i) the date of disclosure of PHI; (ii) the name of the entity or person who received PHI, and, if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of the disclosure which includes the basis for such disclosure.

(b) Business Associate hereby agrees to implement an appropriate recordkeeping system to enable it to comply with the requirements of this Section 9. Business Associate agrees to retain such records for a minimum of six (6) years.

(c) Business Associate acknowledges that the excepted disclosures at 45 C.F.R. § 164.528(a)(1)(i), not requiring an accounting of disclosures of PHI for purposes of carrying out Treatment, Payment, and Health Care Operations, are inapplicable and that these disclosures must be accounted for during the three (3) years prior to the date on which the accounting is requested by the individual, to the extent required under Section 13405(c) (42 U.S.C. § 17935(c)) of the HITECH Act.

(d) Business Associate shall furnish to Covered Entity information collected in accordance with this Section 9, within ten (10) days after written request by Covered Entity, to permit Covered Entity to make an accounting of disclosures as required by 45 C.F.R. § 164.528, or in the event that Covered Entity elects to provide an individual with a list of its business associates, Business Associate will provide an accounting of its disclosures of PHI upon request of the individual, if and to the extent that such accounting is required under the HITECH Act or under regulations adopted thereunder.

(e) In the event an individual delivers the initial request for an accounting directly to Business Associate, Business Associate shall within ten (10) days forward such request to Covered Entity.

10. Availability of Books and Records. Business Associate shall make available its internal practices, books, agreements, records, and policies and procedures relating to the use and disclosure of PHI, upon request, to the Secretary of HHS for purposes of determining Covered Entity's and Business Associate's compliance with HIPAA, and this BAA.

11. Obligations of Covered Entity.

(a) Covered Entity shall provide Business Associate with a current copy of and notify Business Associate of any changes to the limitation(s) in its Notice of Privacy Practices issued

pursuant to 45 C.F.R. § 164.520, to the extent that such limitation(s) may affect Business Associate's use or disclosure of PHI.

(b) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(c) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an individual to use or disclose PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(d) Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity, except with regard to data aggregation services or Business Associate's proper management, administration or legal responsibilities.

12. Term and Termination.

(a) This BAA shall become effective as of the Effective Date, and shall continue in effect until all obligations of the Parties have been met under the Agreement and under this BAA.

(b) Covered Entity may terminate immediately this BAA, the Agreement, and any other related agreements if Covered Entity makes a determination that Business Associate has breached a material term of this BAA and Business Associate has failed to cure that material breach, to Covered Entity's reasonable satisfaction, within thirty (30) days after written notice from Covered Entity. Covered Entity may report the problem to the Secretary of HHS if termination is not feasible.

(c) Upon termination of the Agreement or this BAA for any reason, all PHI maintained by Business Associate shall be returned to Covered Entity or, upon approval of Covered Entity, destroyed by Business Associate. Business Associate shall not retain any copies of such information. This provision shall apply to PHI in the possession of Business Associate's agents and subcontractors. If return or destruction of the PHI is not feasible, in Business Associate's reasonable judgment, Business Associate shall furnish Covered Entity with notification, in writing, of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of the PHI is infeasible, Business Associate will extend the protections of this BAA to such information for as long as Business Associate retains such information and will limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible. This Section 12(c) shall survive any termination of this BAA.

13. Effect of BAA.

(a) This BAA is a part of and subject to the terms of the Agreement, except that to the extent any terms of this BAA conflict with any term of the Agreement, the terms of this BAA shall govern.

(b) Except as expressly stated herein or as provided by law, this BAA shall not create any rights in favor of any third party.

14. Regulatory References. A reference in this BAA to a section in HIPAA means the section as in effect or as amended.

15. **Notices.** All notices, requests and demands or other communications to be given hereunder to a Party shall be made via first class mail, registered or certified or express courier to such Party's address given below, and/or via email:

If to Covered Entity, to:

Attention:

If to Business Associate, to:

Attention:

16. **Amendments; Waiver**. This BAA may not be modified, nor shall any provision be waived or amended, except in writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

COVERED ENTITY:

Clarksville ASC Partners, LLC

By: _____
Name: _____
Title: _____

BUSINESS ASSOCIATE:

Tennessee Orthopaedic Alliance, P.A.

By: _____
Name: _____
Title: _____

October 8, 2026

Bond Oman
CEO
Oman-Gibson Associates
2935 Foster Creighton Dr.
Nashville, TN 37204

Re: Approximately 3.23± Acre Parcel located adjacent to Highway 76 in Clarksville, Montgomery County, Tennessee and generally depicted on **Exhibit A** (the "Property")

Set forth below is a summary of the basic terms and conditions upon which Saint Thomas Health, a Tennessee not-for-profit corporation ("Seller"), proposes to sell the Property to Tennessee Orthopedic Alliance, P.C., a Tennessee professional corporation ("Buyer"). Upon Seller's execution of this letter, Seller will instruct its counsel to prepare a purchase and sale agreement based on the terms set forth herein (the "Purchase Agreement").

I. NON-BINDING PROVISIONS:

SALE OF PROPERTY:	Subject to and in accordance with the terms and conditions set forth in the Purchase Agreement, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller. The Property is a portion of the hospital campus being developed by Seller or its affiliate and generally depicted on **Exhibit B** (the "Campus Property"); provided, the depiction of any buildings, structures, roads, parking areas and other improvements on **Exhibit B** is conceptual only and is subject to change by Seller and its affiliates, from time to time, unless otherwise expressly provided in the Purchase Agreement.
PURCHASE PRICE:	The purchase price for the Property (the "Purchase Price") shall be the product obtained by multiplying (i) Seven and 75/100 Dollars ($7.75), by (ii) the gross square footage of the Property, determined based on the final boundaries of the Property set forth on the Approved Subdivision Plat (hereinafter defined). Buyer shall pay the entire Purchase Price to Seller at the closing and consummation of the transaction contemplated by the Purchase Agreement (the "Closing"), by wire transfer of immediately available funds. In addition to the Purchase Price, at Closing, Buyer shall pay Seller:

Attachment 9AR

(i) an amount (the "Infrastructure Contribution") equal to Buyer's proportionate share of all costs and expenses incurred by Seller and its affiliates to design, permit and complete the infrastructure improvements and rough grading described on **Exhibit C** (the "Infrastructure Improvements"), including, without limitation, the detention ponds, utility mains and related infrastructure, and on-site and offsite roads improvements (e.g., road widenings, turn lanes and traffic signals), with Buyer's proportionate share of these costs and expenses being calculated by dividing the gross square footage of the Property by the gross square footage of the portion of the Campus Property identified as "Phase 1" on **Exhibit B** (the "Phase 1 Hospital Campus"); and

(ii) an amount (the "Southeastern Private Driveway Contribution") equal to fifty percent (50%) of the costs and expenses incurred by Seller to design, permit and complete the "Southeastern Private Driveway" shown on **Exhibit B** serving the Property and the abutting commercial section of the Phase 1 Hospital Campus (the "Southeastern Private Driveway").

Seller shall be responsible for substantially completing the Infrastructure Improvements, the Southeastern Private Driveway and the "Future Public Roads" shown on **Exhibit B** (the "Future Roads") prior to Closing. The Purchase Agreement shall address the extent to which Buyer is entitled to receive a portion of the Tax Increment Financing ("TIF") proceeds received by Seller as a direct result of the buildings and other improvements constructed on the Property by Buyer following the Closing, provided, any allocation of such TIF proceeds (i) shall only be made to the extent the same is permitted under the documents, resolutions, statutes, ordinances and regulations governing the same and (ii) shall not result in Buyer receiving TIF proceeds in excess of the Infrastructure Contribution.

EARNEST MONEY: Within three (3) business days after the Purchase Agreement is fully executed and delivered by the parties, Buyer shall deposit the sum of Fifty Thousand and No/100 Dollars ($50,000.00) (the "Initial Deposit") with Fidelity National Title Insurance Company (the "Title Company"). For purposes hereof, the term "Earnest Money" means the Initial Deposit, the Extension Deposits, and the Additional Deposit to the extent deposited with the Title Company by Buyer, together with all interest earned thereon while such amounts are held by the Title Company. The entire Earnest Money shall be credited against the Purchase Price at Closing and shall non-refundable upon

expiration of the Inspection Period, except the Earnest Money shall be refunded to Buyer if the Purchase Agreement is terminated due to Seller's default or as otherwise expressly provided herein.

INSPECTION PERIOD: Buyer shall have a period of one hundred twenty (120) days after the Effective Date to undertake its inspections with respect to the Property (the "Inspection Period"); provided, Buyer shall not conduct (i) any intrusive or invasive inspections with respect to the Property, except geotechnical assessments approved by Seller, which approval shall not be unreasonably withheld, or (ii) any environmental assessments, testing or other inspections for hazardous substances, except a Phase 1 environmental site assessment. Buyer shall give Seller at least forty-eight (48) hours advanced, written notice before Buyer or any of its agents, employees, contractors, consultants or representatives enters upon the Property to conduct any inspections, and Buyer shall comply with all reasonable rules and regulations established by Seller with respect thereto. Buyer shall promptly repair any damage to the Property caused by or in connection with any of Buyer's inspections of the Property. Buyer shall maintain, or cause to be maintained, commercial general liability insurance covering the acts and omissions of Buyer and its agents, employees, contractors, consultants or representatives in connection with such inspections which is reasonably acceptable to Seller and names Seller and its affiliates as additional insureds,

If Buyer determines that the Property is not suitable for Buyer's purposes or that Buyer does not want to proceed with its purchase of the Property for any reason or no reason, in its sole and absolute discretion, then Buyer may terminate the Purchase Agreement by giving written notice to Seller on or before the date the Inspection Period expires, in which case the Earnest Money shall be refunded to Buyer, except the Extension Consideration, if any, shall be paid to Seller.

Buyer shall have four (4) options to extend the Inspection Period (individually, an "Extension Option" and collectively, the "Extension Options"), each of which, if exercised, will extend the Inspection Period for an additional thirty (30) days. Upon Buyer's exercise of any Extension Option, Buyer shall deposit an additional Five Thousand and No/100 Dollars ($5,000.00) with the Title Company (such amounts, to the extent deposited by Buyer, are collectively referred to as the "Extension Deposits"). The Extension Deposits shall be non-refundable, applicable to the Purchase Price, and paid to Seller

in the event the Purchase Agreement is terminated for any reason, except the Extension Deposits shall be refunded to Buyer if the Purchase Agreement is terminated due to Seller's default or as otherwise expressly provided herein.

Unless the Purchase Agreement has been terminated, Buyer shall deposit an additional sum of One Hundred Thousand and No/100 Dollars ($100,000.00) (the "Additional Deposit") with the Title Company no later than three (3) business days after the expiration of the Inspection Period. The Additional Deposit shall be non-refundable, applicable to the Purchase Price, and paid to Seller in the event the Purchase Agreement is terminated for any reason, except the Additional Deposit shall be refunded to Buyer if the Purchase Agreement is terminated due to Seller's default or as otherwise expressly provided herein.

TITLE: At Closing, Seller shall convey the Property to Buyer, subject to all matters of record, all agreements required or permitted under the Purchase Agreement, all matters that would be revealed by an accurate survey or inspection, and other permitted encumbrances identified in the Purchase Agreement, except Seller shall convey the Property to Buyer free and clear of (i) all liens, monetary judgments, mortgages, deeds of trust, deeds to secure debt, fixture filings, financing statements and security interests granted by or directly resulting from any act or omission of Seller (collectively, "Monetary Liens"), and (ii) all leases and tenants.

SUBDIVISION: Seller shall use reasonable efforts to subdivide the Campus Property, at Seller's expense, so the Property is a separate legal lot (such subdivision being referred to herein as the "Required Subdivision"). Seller shall submit the proposed plat required to complete the Required Subdivision (the "Subdivision Plat") to Buyer for review and approval prior to the date the Inspection Period is originally scheduled to expire, which approval shall not be unreasonably withheld, qualified or delayed; provided, Buyer shall not object to any component of the Subdivision Plat that is substantially consistent with **Exhibit A**. If Buyer fails to notify Seller of Buyer's comments or objections to any draft of the Subdivision Plat within ten (10) business days after Buyer's receipt thereof, Buyer shall be conclusively deemed to have approved the same. If Buyer does not approve the Subdivision Plat, in writing, within thirty (30) days after the first draft of the Subdivision Plat is delivered to Buyer by Seller, then Seller may terminate the Purchase Agreement, in which case the Earnest Money shall

be refunded to Buyer. After Buyer approves (in writing) or is deemed to have approved the Subdivision Plat, Seller shall diligently endeavor to obtain all governmental approvals of the Subdivision Plat required to complete the Required Subdivision; provided, Seller may postpone recording the final version of the Subdivision Plat approved by the applicable governmental authorities (the "Final Subdivision Plat") until the Closing. In the event the Subdivision Plat has not been finally approved by all applicable governmental authorities by the date the Closing is scheduled to occur, either Buyer or Seller may terminate the Purchase Agreement, in which case the Earnest Money shall be refunded to Buyer.

CLOSING: Unless extended in accordance with the terms of the Purchase Agreement or any other written agreement between Seller and Buyer, the Closing shall take place on the date (the "Scheduled Closing Date") that is thirty (30) days after the later of (i) the expiration of the Inspection Period, or (ii) the substantial completion of the Infrastructure Improvements and the Southeastern Private Driveway.

CLOSING COSTS: Buyer and Seller shall each pay one-half (1/2) of any fees charged by the Title Company to hold the Earnest Money and coordinate the Closing. At Closing, (i) Buyer shall pay all recording costs and transfer taxes associated with the conveyance of the Property to Buyer, and (ii) Seller shall pay the cost of a title insurance commitment and an Owner's Policy of Title Insurance (in the amount of the Purchase Price) issued to Buyer by the Title Company in connection with Buyer's purchase of the Property, except Buyer shall be responsible for the cost of all endorsements to such Owner's Policy of Title Insurance. Each party will pay its own legal expenses.

PRORATIONS: Real property taxes and assessments levied against the Property for the year of Closing shall be prorated between Seller and Buyer at Closing. In addition, Seller shall pay all real property taxes and assessments levied against the Property with respect to prior periods and all "rollback taxes" allocable to periods prior to Closing, if any.

POSSESSION: Seller shall deliver possession of the Property to Buyer at Closing, free of tenants and other occupants, excluding parties with the right to use or occupy the Property under the terms of any instrument encumbering title to the Property.

DECLARATION: Prior to the date the Inspection Period is originally scheduled to expire, Seller shall furnish Buyer with the proposed

Declaration of Covenants, Conditions, Restrictions and Easements with respect to the Phase 1 Hospital Campus, which shall (among other things):

(i) impose restrictions on the Property of the type customarily imposed by Seller and its affiliates on medical office buildings and ambulatory surgery centers owned by third-parties that are located on their hospital campuses;

(ii) prohibit (A) all uses, activities and operations on the Property that violate the Ethical and Religious Directives for Catholic Health Care Services, as promulgated by the National Conference of Catholic Bishops, Washington, D.C. of the Roman Catholic Church, or any successor thereto, (B) abortions and abortion related services on the Property, (C) counseling, education and other programs that advise on abortions or abortion related services, including, but not limited to, any counseling or education programs operated by or affiliated with Planned Parenthood or any similar organization, (D) non-medically indicated sterilizations, (E) euthanasia, assisted suicide and counseling or services related to euthanasia or assisted suicide, and (F) research and experiments involving any stem cells, embryos or fetuses, cryopreservation of any stem cells, embryos or fetuses, and activities that may result in the destruction of any stem cells, embryos or fetuses;

(iii) provide that the Property may be used only for an ambulatory surgery center, containing up to approximately twenty-four thousand (24,000) square feet, that is used to provide outpatient orthopedic surgical procedures by Buyer's physicians;

(iv) require that all physicians and other eligible healthcare professionals who own, lease or occupy any portion of the Property or any space thereon (directly or indirectly) be members of the active medical staff or allied health professional staff, as applicable, of the hospital located on the Phase 1 Hospital Campus;

(v) establish a perpetual, non-exclusive (A) storm water drainage easement, benefiting the Property, over and across any detention ponds and related facilities forming a part of the Infrastructure Improvements that serve or are intended to serve the Property, and (B) a utility easement along the eastern boundary of the Property approximately as shown on **Exhibit B**;

(vi) establish a perpetual, non-exclusive access easement, benefiting the Property and the abutting commercial section of the Phase 1 Hospital Campus, over and across (A) the Southeastern Private Driveway, and (ii) the driveways located on the Property;

(vii) grant the owner of the Property and its agents, employees, contractors, representatives, tenants and invitees the non-exclusive right to use the common areas of the Phase 1 Campus Property that serve the Property for their intended purposes, and obligate the owner of the Property to pay its proportionate share of the cost of operating, insuring, lighting, cleaning, maintaining, repairing and replacing such common areas and the Southeastern Private Driveway;

(viii) restrict the height of the buildings and other vertical improvements on the Property to a maximum of thirty (30) feet and two (2) stories, and create a view corridor over and across the Property that prohibits buildings and other material vertical improvements from being located therein; and

(ix) require that the site plan and exterior design of all new construction on, and all alterations, additions and improvements to, the Property (including, without limitation, exterior building design and materials, landscaping, walkways, and parking areas) be approved, in writing, by Seller's design team and conform to Seller's design criteria for the Phase 1 Hospital Campus.

CONSTRUCTION COVENANT/REPURCHASE RIGHT:	Buyer shall be obligated to construct an ambulatory surgery center on the Property within two (2) years after Closing; provided, such two (2) year period shall be extended by up to one hundred eighty (180) days in the event construction of such ambulatory surgery center is delay by any event of force majeure. In addition to its other rights and remedies, if Buyer fails to timely construct such ambulatory surgery center, Seller shall have the right to repurchase the Property (the "Repurchase Rights"). If Seller exercises the Repurchase Right, the purchase price for the Property shall equal (i) the product obtained by multiplying Seven and 75/100 Dollars ($7.75) by the gross square footage of the Property, plus (ii) one hundred percent (100%) of the Infrastructure Contribution paid by Buyer, plus (iii) one hundred percent of the Southeastern Private Driveway Contribution paid by Buyer,

less (iv) one hundred percent (100%) of any TIF proceeds paid to Buyer.

RIGHT OF FIRST REFUSAL: Seller shall have a continuing right of first refusal to purchase the Property, or any portion of the same, in the event Buyer desires to sell, transfer or convey the Property, or a portion thereof, to an unaffiliated third party. In addition, Seller shall have a continuing right of first refusal to lease any portion of the Property or any space located on the Property in the event Buyer desire to lease the same to an unaffiliated third party.

II. BINDING PROVISIONS:

CONFIDENTIALITY: Buyer will not make or permit any of its affiliates, principals, agents, employees, contractors, consultants, brokers or representatives to make, or cause to be made, any public announcements or statements to third parties regarding the transaction contemplated herein or Buyer's interest in acquiring, developing or utilizing the Property, without the prior written consent of Seller. The transaction contemplated herein, the terms of this letter, and any information, documents and materials supplied to Buyer by Seller or any of its affiliates, agents, employees, contractors or representatives related to the Property, the Campus Property or any portion thereof shall not be disclosed by Buyer and shall be kept confidential by Buyer, unless such information is publicly available or Seller has approved the disclosure thereof, in writing. Buyer acknowledge and agrees that Seller is not making any representations or warranties whatsoever with respect to the information, documents and materials supplied to Buyer by Seller or any of its affiliates, agents, employees, contractors or representatives related to the Property, the Campus Property or any portion thereof, and Buyer uses and relies on the same at its risk. The provisions of this section shall survive the termination of this letter.

EXPIRATION: This letter will automatically expire at 5:00 p.m. (Central Time) on the date that is ten (10) business days after Buyer's execution hereof, unless Buyer has received a copy of this letter duly executed by Seller.

The provisions of Section II of this letter shall be binding on and enforceable against Buyer and its successors and assigns. Except for the provisions of Section II hereof, the letter is not binding on either Buyer or Seller and does not constitute an offer, contract or agreement. Of course, the Purchase Agreement will contain additional provisions that are customary for real estate transactions of this nature, but such provisions will be subject to our mutual agreement.

VERY TRULY YOURS,

St. Thomas Health

By: Signed by: Brandon Williams 3144875940BE488...

Title: Chief Financial Officer

Agreed and accepted this 10th day of October, 2026:

Clarksville ASC Medical Properties, LLC

By: Rob Simmons (Oct 12, 2026 12:34:00 CDT)

Title: CEO

EXHIBIT A
DESCRIPTION OF PROPERTY

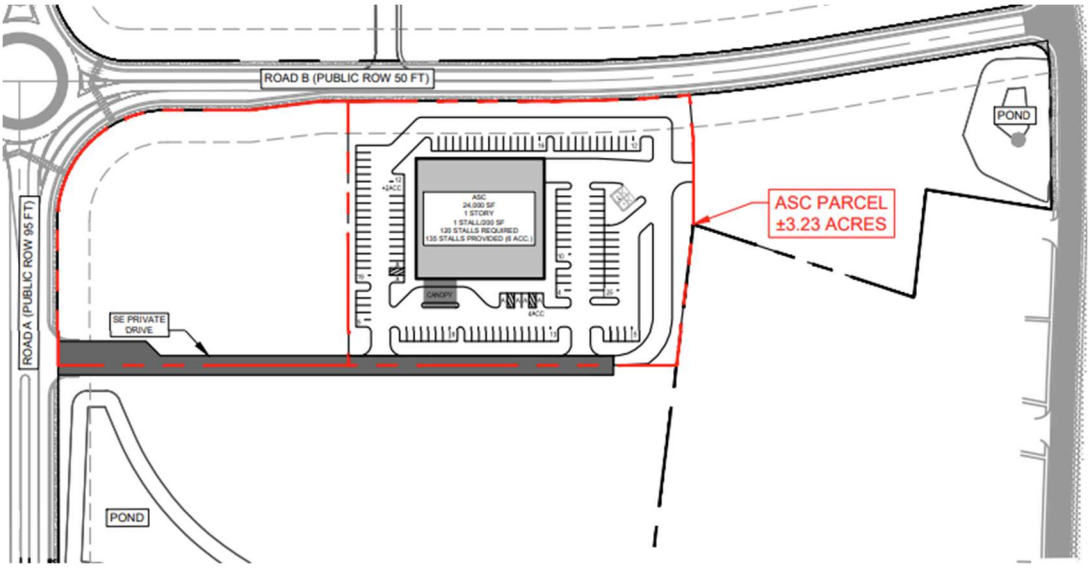


EXHIBIT B
CAMPUS PROPERTY

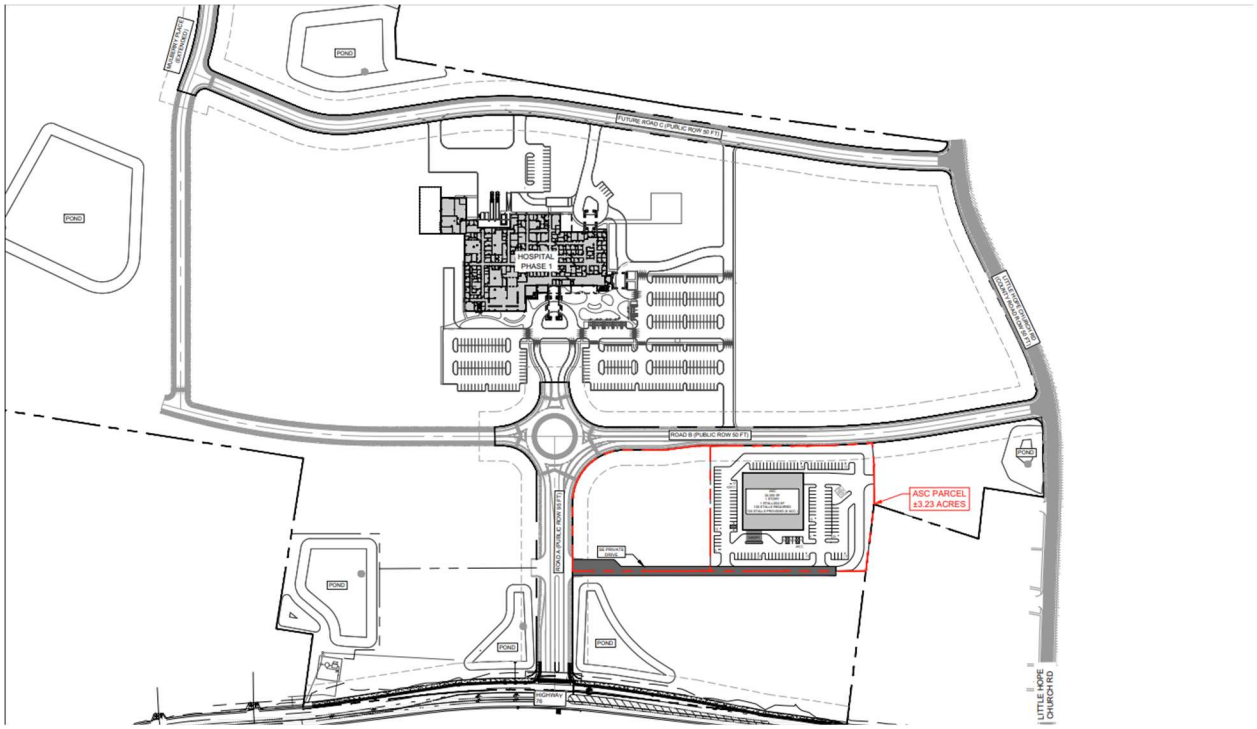


EXHIBIT C
INFRASTRUCTURE IMPROVEMENTS

September 28, 2026

Tennessee Orthopaedic Alliance, P.A.

Attention: Rob Simmons, CEO

Dear Mr. Simmons,

This Agreement to Lease ("ATL") summarizes the basic terms and conditions for Clarksville ASC Partners, LLC or its affiliate ("Tenant"), to Lease the premises as designated in Exhibit A, hereinafter referred to as the "Property," at the address shown in Exhibit A, from Clarksville ASC Medical Properties, LLC ("Landlord") (collectively the "Parties"), through a Lease Agreement ("Agreement") for the purpose of Lessee operating an ambulatory surgery center on the Property (the "Project").

PREMISES:

The entire single-story building consisting of approximately 24,000 rentable square feet of space as illustrated on the attached **Exhibit A**.

LEASE COMMENCEMENT DATE:

The Lease Commencement Date shall be the date that Substantial Completion has been achieved on the Project. Substantial Completion shall occur when (i) all improvements (excluding long lead time items) have been completed in accordance with approved final construction documents, subject only to minor punch-list items of work which do not substantially interfere with Tenant's intended use of Premises and (ii) all governmental requirements applicable to the construction and occupancy of the Premises are satisfied.

LEASE TERM:

Fifteen (15) years.

BASE RENTAL:

The following table illustrates what the Base rental rate per rentable square foot, per annum on a triple net basis will be for each year of the Lease:

Year 1	$2,075,856.27
Year 2	$2,127,752.68
Year 3	$2,180,946.50
Year 4	$2,235,470.16
Year 5	$2,291,356.91
Year 6	$2,348,640.84

Year 7	$2,407,356.86
Year 8	$2,467,540.78
Year 9	$2,529,229.30
Year 10	$2,592,460.03
Year 11	$2,657,271.53
Year 12	$2,723,703.32
Year 13	$2,791,795.90
Year 14	$2,861,590.80
Year 15	$2,933,130.57

CALCULATION OF BASE RENT:

The parties agree that the initial Base Rent set forth above is based on a Base Rental Rate of $86.49 per square foot. This is derived from the total project costs of $26,193,770.00 multiplied by the Rent Constant of 7.925%. Within sixty (60) days following the Commencement Date, Landlord shall provide Tenant with a summary of the actual total project costs (the "Actual Total Project Costs"), which shall include, but not be limited to:

1. All costs associated with the due diligence, inspections, investigations conducted by Landlord or its agents or representative with respect to the Property;

2. All closing expenses, including but not limited to, any escrow or closing charges of the closing escrow agent, any brokerage fees, the title exam fees and the premiums for the Landlord's and its lender's title policies and the cost of all title endorsements required by Landlord or its lender, any recording fees, all grantor's indebtedness recording tax or other similar transfer taxes, all legal fees associated with the acquisition and financing of the Property by Landlord, and all expenses incident to any financing obtained for the purchase of the Premises; and

3. Total hard and soft costs incurred by Landlord in connection with the design of the Leased Premises, and construction costs for the build-out of the Premises, including the cost of the Work.

The parties shall then calculate the final initial Base Rent by multiplying the sum of the Actual Total Project Costs times a rent constant of 7.925 %. Any adjustment, upward or downward, to the initial Base Rent originally set forth herein shall be documented by the parties by an addendum to the Lease mutually executed by the parties. Any deficiency in Base Rent already having been paid by Tenant resulting from any increase of Base Rent because of such calculation shall be paid by Tenant within thirty (30) days after the final initial Base Rent is determined. Any overpayment due to a reduction in the Base Rent because of such calculation shall be credited against the next monthly installment of Base Rent.

RENT COMMENCEMENT DATE:

The Rent Commencement Date shall be that date that is Ninety (90) days following the Lease Commencement Date.

TAXES AND OPERATING CHARGES:

Beginning upon Rent Commencement and during each year thereafter during the lease term, Tenant agrees to pay its pro rata share of increases in Annual Operating Charges and Real Estate Taxes.

Operating Charges and Real Estate Taxes shall be pro-rated as though the building is one hundred percent (100%) leased, provided, however, such total Charges and Taxes as calculated, shall not exceed the actual amounts incurred for the specific time period involved.

BASE RENTAL ESCALATIONS:

Beginning on the Rent Commencement Date, and on each anniversary thereafter during the lease term, the Base Rental shall be increased by two and ½ percent (2.5%). In no event shall the annual increase exceed two and ½ percent (2.5%).

IMPROVEMENTS:

Landlord shall, at Landlord's sole cost and expense, cause its contractor to construct all Tenant improvements within the Premises in accordance with plans and specifications mutually agreed upon by Landlord and Tenant. All architectural, mechanical, and engineering plans for the Tenant's improvements shall be prepared by Landlord at Landlord's cost and shall be subject to Tenant's reasonable approval.

Landlord shall provide and install all required base building construction and complete all work as reasonably required to deliver the Premises in move-in ready (turnkey) condition, including all building standard items and services necessary for Tenant's initial occupancy, subject to the mutually approved plans. Furniture, Fixtures and Equipment are to be provided by the Tenant.

Landlord shall be fully responsible for all costs, including but not limited to design, permitting, fees, materials, labor, and inspections, required to complete the Tenant improvements. The Premises shall be delivered free of any construction liens and in compliance with all applicable laws and regulations, and with all necessary governmental permits and approvals so Tenant may lawfully occupy and use the space as intended.

Tenant shall not be responsible for any cost overruns, change orders, or additional expenses related to the construction or delivery of base building or mutually approved improvements, unless additional work is requested by Tenant. Upon Substantial Completion, Tenant shall have the right to inspect the Premises and require correction of any work that is defective or not in accordance with the approved plans and specifications.

During construction, Tenant and its designated representatives shall have reasonable right-of-access to the Premises for inspection and coordination purposes. Landlord shall remain responsible for securing all construction permits and passing all required inspections.

If required by applicable authorities, any additional work necessary for code compliance—such as installation of sprinklers, upgrades to building systems, or similar matters—shall be performed at Landlord's sole expense.

After Tenant's occupancy, Landlord shall ensure that no additional construction will occur in areas contiguous to, above, or below the Premises that would unreasonably interfere with Tenant's use and enjoyment, and, during normal business hours, no work will be performed in such areas that creates excessive noise, odor, or other disruption.

PARKING:

Tenant shall be guaranteed the availability of parking at a ratio of 4 spaces per 1,000 rentable square feet.

EXTENSION OPTION:

Tenant shall have the right to extend the lease term for two (2) additional five (5) year periods at the Tenant's fully escalated rental at the end of the original lease term with a two and ½ percent (2.5%) annual increase thereafter.

Landlord shall provide a construction allowance of $10.00 per rentable square foot for the refurbishment of the Premises.

EARLY POSSESSION:

Upon Substantial Completion of Premises, Tenant shall have access to the Premises thirty (30) days prior to the Lease Commencement Date for purposes of installing special equipment such as telephone systems, computer systems and furniture move-in. This early possession shall in no manner trigger commencement of base rental or taxes and operating expense charges.

BUILDING ACCESS:

Tenant shall have access to the Building and Premises seven (7) days a week, twenty-four (24) hours a day.

klk

BINDING EFFECT:

The parties acknowledge and agree that this Agreement to Lease ("ATL") is intended to constitute a valid, binding, and enforceable agreement upon execution by both parties. Landlord hereby grants Tenant the irrevocable option to lease the Premises upon the terms and conditions set forth herein. Upon Tenant's timely exercise of the ATL in accordance with this Agreement, Landlord and Tenant shall be legally obligated to enter into the Lease substantially upon the terms set forth herein and, if applicable, in the form attached hereto as an exhibit.

Neither party may withdraw from or terminate this ATL except as expressly permitted herein. The parties acknowledge that the material terms of the proposed lease are sufficiently stated in this Agreement and that the subsequent preparation and execution of a more detailed lease document shall not affect the binding nature or enforceability of this ATL.

Sincerely,

Kurtis L. Kowalski, Manager

BY LANDLORD:

Agreed to and accepted this

29th day of September, 2026

Kurtis Kowalski
Kurtis Kowalski (Sep 29, 2026 09:52:14 CDT)

Clarksville ASC Medical Properties, LLC ("Landlord")

BY TENANT:

Agreed to and accepted this

29th day of September, 2026

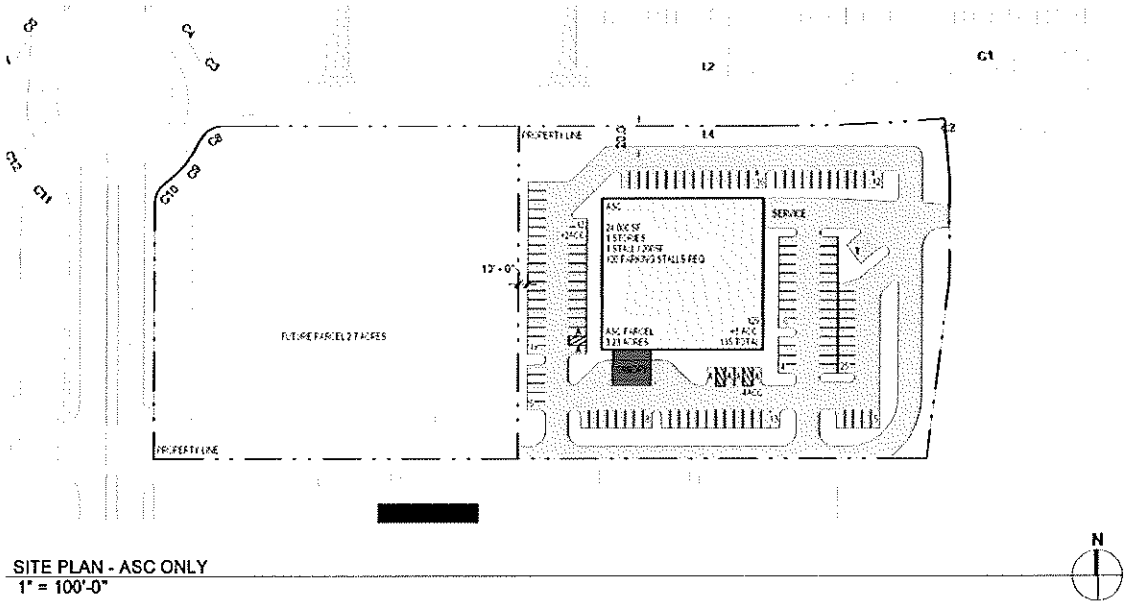
Rob Simmons (Sep 29, 2026 11:21:26 CDT)

Clarksville ASC Partners, LLC ("Tenant")

EXHIBIT "A"

PREMISES

BOYD FARMS, LOT TBD, CLARKSVILLE, TN 37174



SITE PLAN - ASC ONLY
1" = 100'-0"

Clarksville ASC - Floor Plan

24,000 SF | 4 OPERATING ROOMS | 1 PROCEDURE ROOM | 2 FUTURE OPERATING ROOMS



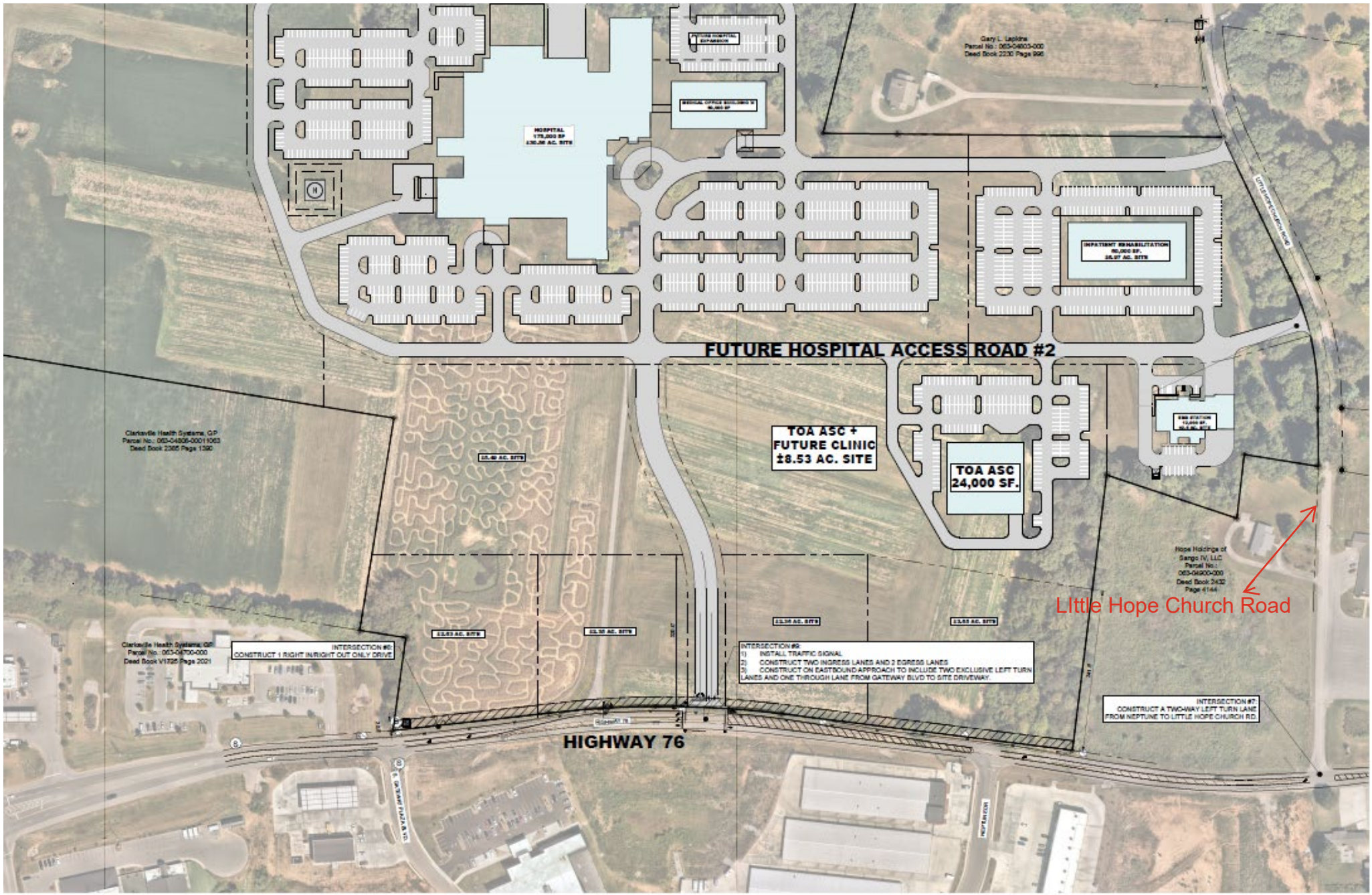
Public / Patient | Pre-Op / PACU | Operating Suite (Sterile) | Administration | Support | Future Expansion

Attachment 10A

0' 10' 20' 40'

N

NOTE: PLAN DIAGRAMMATIC - SUBJECT TO FINAL DESIGN AND CODE REQUIREMENTS.

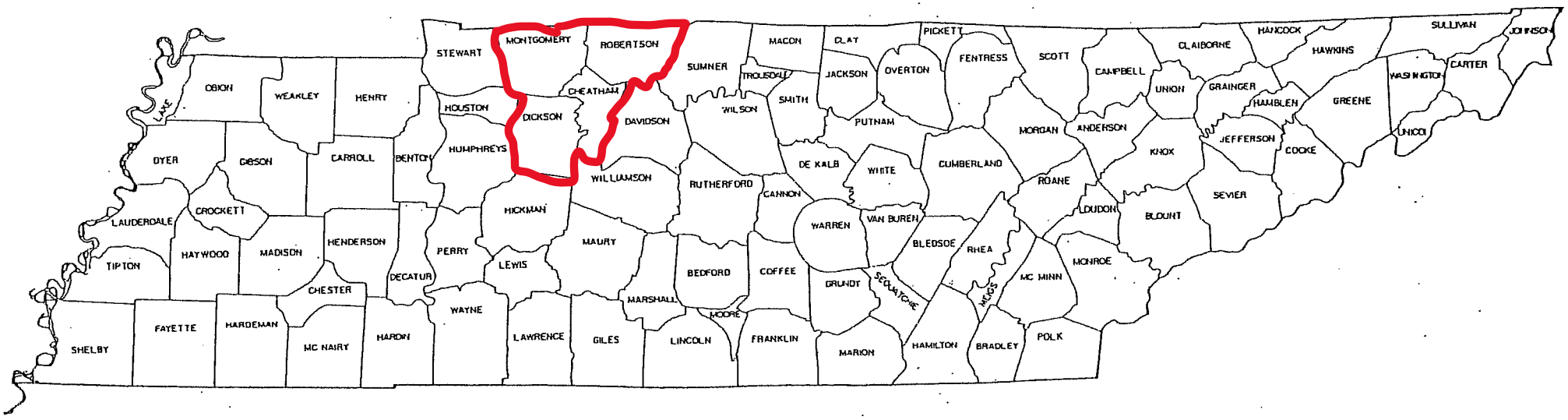


TOA ASC CLARKSVILLE SITE PLAN CONCEPT

0 50 100 200 300

Attachment 12A

PROPOSED SERVICE AREA FOR
CLARKSVILLE ASC PARTNERS, LLC



Attachment 2N

	Department of Health/Health Statistics							Bureau of the Census				TennCare	
Demographic Variable/ Geographic Area	**Total Population-Current Year (2026)**	**Total Population-Projected Year (2030)**	**Total Population-% Change**	***Target Population-(20+) Current Year**	**Target Population-(20+) Project Year**	**Target Population-% Change**	**Target Population Projected Year as % of Total**	**Median Age**	**Median Household Income**	**Person Below Poverty Level as % of Total**	**Person Below Poverty Level**	**TennCare Enrollees**	**TennCare Enrollees as % of Total**
Montgomery County	257,280	279,340	8.57%	182,010	197,207	8.35%	71%	32.5	$75,613	25,939	10.2%	43,728	17.0%
Cheatham County	42,806	43,436	1.47%	33,236	33,878	1.93%	78%	41.4	$89,852	3,330	8.4%	5,990	14.0%
Dickson County	58,312	60,389	3.56%	44,337	46,026	3.81%	76%	39	$75,003	5,375	10.1%	10,624	18.2%
Robertson County	78,381	81,003	3.35%	58,324	60,272	3.34%	74%	38.9	$83,047	7,503	9.2%	12,891	16.4%
PSA Total	436,779	464,168	6.27%	317,907	337,383	6.13%	73%	38.0	$80,879	42,147	9.6%	73,233	16.8%
State of TN Total	7,300,003	7,513,757	2.93%	5,541,590	5,705,973	2.97%	76%	39.1	$69,595	1,073,100	13.5%	1,357,979	18.6%

* The Boyd Center population projections do not include an 18+ age cohert.

Attachment 3NBR

Utilization of ASTCs in the PSA for Orthopedics & Pain Management - 2025						Orthopedic Cases			Pain Management Cases			All Cases			Avg. Per Room - All Cases		% Utilization Target Met	
Facility Name	**County**	**SS or MS**	**ORs**	**PRs**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**OR**	**PR**
Dickson Surgery Center	Dickson	MS	2	1	3	298	0	298	0	0	0	504	551	1055	252	551	29%	30%
Ramsey Way Surgery Center LLC	Dickson	SS	1	1	2	0	0	0	0	0	0	46	52	98	46	52	5%	3%
Oral and Facial Surgery Center of Dickson	Dickson	SS	1	0	1	0	0	0	0	0	0	657	0	657	657	N/A	74%	N/A
Surgery Center of Clarksville	Montgomery	MS	4	2	6	1325	0	1325	0	284	284	1636	284	1920	409	142	46%	8%
Clarksville Surgery Center	Montgomery	MS	3	2	5	302	0	302	20	0	20	3392	1	3393	1,131	1	128%	0%
Gastrointestinal Specialists of Clarksville	Montgomery	SS	0	1	1	0	0	0	0	0	0	0	1076	1076	N/A	1,076	N/A	58%
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	SS	0	9	9	0	0	0	0	0	0	0	28562	28562	N/A	3,174	N/A	170%
Clarksville Eye Surgery Center	Montgomery	SS	1	1	2	0	0	0	0	0	0	1053	134	1187	1053	134	119%	7%
Total/Average			**12**	**17**	**29**	**1925**	**0**	**1925**	**20**	**284**	**304**	**7288**	**30660**	**37948**	**607**	**1,804**	**69%**	**97%**

Source: Joint Annual Reports

Utilization of ASTCs in the PSA for Orthopedics & Pain Management - 2024						Orthopedic Cases			Pain Management Cases			All Cases			Avg. Per Room - All Cases		% Utilization Target Met	
Facility Name	**County**	**SS or MS**	**ORs**	**PRs**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**OR**	**PR**
Dickson Surgery Center	Dickson	MS	2	1	3	NR	NR	NR	NR	NR	NR	NR	NR	NR	N/A	N/A	N/A	N/A
Ramsey Way Surgery Center LLC	Dickson	SS	1	1	2	0	0	0	0	0	0	7	5	12	7	5	1%	0%
Oral and Facial Surgery Center of Dickson	Dickson	SS	1	0	1	0	0	0	0	0	0	379	0	379	379	NA	43%	N/A
Surgery Center of Clarksville	Montgomery	MS	4	2	6	1,051	0	1,051	0	1,148	1,148	1,428	1,148	2,576	357	574	40%	31%
Clarksville Surgery Center	Montgomery	MS	3	2	5	258	0	258	160	0	160	3,314	0	3,314	1,105	0	125%	N/A
Gastrointestinal Specialists of Clarksville	Montgomery	SS	0	1	1	0	0	0	0	0	0	0	1,084	1,084	N/A	1,084	N/A	58%
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	SS	0	9	9	0	0	0	0	0	0	0	28,232	28,232	N/A	3,137	N/A	168%
Clarksville Eye Surgery Center	Montgomery	SS	1	1	2	0	0	0	0	0	0	822	0	822	822	0	93%	N/A
Total/Average			**12**	**17**	**29**	**1,309**	**0**	**1,309**	**160**	**1,148**	**1,308**	**5,950**	**30,469**	**36,419**	**496**	**1,792**	**56%**	**96%**

Source: Joint Annual Reports

Utilization of ASTCs in the PSA for Orthopedics & Pain Management - 2023						Orthopedic Cases			Pain Management Cases			All Cases			Avg. Per Room - All Cases		% Utilization Target Met	
Facility Name *	**County**	**SS or MS**	**ORs**	**PRs**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**Total**	**OR**	**PR**	**OR**	**PR**
Surgery Center of Clarksville	Montgomery	MS	4	2	6	953	0	953	0	972	972	1,387	972	2,359	347	486	39%	26%
Clarksville Surgery Center	Montgomery	MS	3	2	5	141	0	141	307	0	307	3,312	1	3,313	1,104	1	125%	0%
Gastrointestinal Specialists of Clarksville	Montgomery	SS		1	1	0	0	0	0	0	0	0	1,352	1,352	N/A	1,352	N/A	72%
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	SS	0	9	9	0	0	0	0	0	0	0	25,289	25,289	N/A	2,810	N/A	151%
Clarksville Eye Surgery Center	Montgomery	SS	1	1	2	0	0	0	0	0	0	729	0	729	729	0	82%	0%
Total/Average			**8**	**15**	**23**	**1,094**	**0**	**1,094**	**307**	**972**	**1,279**	**5,428**	**27,614**	**33,042**	**679**	**1,841**	**77%**	**99%**

*** There were no licensed ASTCs in Dickson County or Robertson County in 2023**

Source: Joint Annual Reports

Attachment 5NR

Projected Utilization Yr. 1				
Type of Case	**Total Cases**	**No. of Rooms**	**Cases per Room**	**% of Need Threshold Met**
OR	2,092	4	523	59.2%
PR	229	1	229	12.3%
Projected Utilization Yr. 2				
Type of Case	**Total Cases**	**No. of Rooms**	**Cases per Room**	**% of Need Threshold Met**
OR	2,271	4	568	64.2%
PR	240	1	240	12.9%

Attachment 6N

Charges for Most Common Procedures Projected for Clarksville ASC Partners			
Procedure	**Primary CPT**	**2026 Medicare Payment – Montgomery County**	**Gross Charge per Procedure**
Total Knee Arthroplasty	**27447**	**$8,602.72**	**$43,013.60**
Total Hip Arthroplasty	**27130**	**$8,805.08**	**$44,025.40**
Total Shoulder Arthroplasty	**23472**	**$12,741.00**	**$63,705.00**
Rotator Cuff Repair	**29827**	**$3,384.55**	**$16,922.75**
Carpal Tunnel Release	**64721**	**$868.83**	**$4,344.15**
Knee Scope / Meniscectomy	**29881**	**$1,506.46**	**$7,532.30**
Meniscus Repair	**29882**	**$1,506.46**	**$7,532.30**
Trigger Finger Release	**26055**	**$799.42**	**$3,997.10**
ORIF Distal Radius Fracture	**25607**	**$4,552.68**	**$22,763.40**
Achilles Tendon Repair	**27650**	**$4,288.28**	**$21,441.40**
Ankle Ligament Reconstruction	**27698**	**$4,563.47**	**$22,817.35**
ACL Reconstruction	**29888**	**$4,411.88**	**$22,059.40**

Attachment 8C

COMPARISON OF AVERAGE GROSS CHARGES - EXISTING ASTCs & APPLICANT							
ASTC	**County**	**Year**	**Specialty**	**% Cases Ortho**	**Total Gross Pt. Charges**	**Total # Procedures**	**Average Gross Charge**
Dickson Surgery Center	Dickson	2025	MS	28.2%	$15,764,722.00	1055	$14,942.86
Ramsey Way Surgery Center LLC	Dickson	2025	SS - Plastic	0.0%	$104,590.00	98	$1,067.24
Oral and Facial Surgery Center of Dickson	Dickson	2025	SS - Oral/Facial	0.0%	$2,025,136.00	657	$3,082.40
Surgery Center of Clarksville	Montgomery	2025	MS	69.0%	$48,284,450.00	1920	$25,148.15
Clarksville Surgery Center	Montgomery	2025	MS	8.9%	$41,223,140.00	3393	$12,149.47
Gastrointestinal Specialists of Clarksville	Montgomery	2025	SS - Gastro	0.0%	$950,000.00	1076	$882.90
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	2025	SS - Cancer	0.0%	$68,253,643.00	28562	$2,389.67
Clarksville Eye Surgery Center	Montgomery	2025	SS- Eyes	0.0%	$5,212,487.00	1187	$4,391.31
Clarksville ASC Partners (Applicant)	Montgomery	2028	Ortho & Pain	98.6%	$87,402,482.00	2391	$36,554.78

Source: Joint Annual Reports

COMPARISON OF AVERAGE NET CHARGES - EXISTING ASTCs & APPLICANT							
ASTC	**County**	**Year**	**Specialty**	**% Cases Ortho**	**Total Net Pt. Revenue**	**Total # Procedures**	**Average Net Charge**
Dickson Surgery Center	Dickson	2025	MS	28.2%	$2,490,433.00	1055	$2,360.60
Ramsey Way Surgery Center LLC	Dickson	2025	SS - Plastic	0.0%	$64,540.00	98	$658.57
Oral and Facial Surgery Center of Dickson	Dickson	2025	SS - Oral/Facial	0.0%	$564,756.00	657	$859.60
Surgery Center of Clarksville	Montgomery	2025	MS	69.0%	$5,308,074.00	1920	$2,764.62
Clarksville Surgery Center	Montgomery	2025	MS	8.9%	$5,743,973.00	3393	$1,692.89
Gastrointestinal Specialists of Clarksville	Montgomery	2025	SS - Gastro	0.0%	$507,260.00	1076	$471.43
Vanderbilt Ingram Cancer Center at Tennova	Montgomery	2025	SS - Cancer	0.0%	$8,865,728.00	28562	$310.40
Clarksville Eye Surgery Center	Montgomery	2025	SS- Eyes	0.0%	$3,138,004.00	1187	$2,643.64
Clarksville ASC Partners (Applicant)	Montgomery	2028	Ortho & Pain	98.6%	$13,110,372.00	2391	$5,483.22

Source: Joint Annual Reports

Attachment 9C

Project Name : Clarksville ASC Partners, LLC

Supplemental Round Name : 1 **Due Date :** 10/13/2026
Certificate No. : CN2609-019 **Submitted Date :** 10/5/2026

1. **8A. Name of Management/Operating Entity**

Please explain whether Tennessee Orthopaedic Alliance, P.A. maintains any similar management agreements with other ASTC facilities in Tennessee.

Response : **A TOA affiliate, Alliance Management Company, has a management agreement with Parkwest Surgery Center, LLC in Knoxville.**

2. **7A. Type of Ownership of Control**

Do any of the five physician owners of the applicant have an ownership interest in Tennessee Orthopaedic Alliance, P.A.?

Response : **Yes, all 5 hold ownership interests in TOA.**

3. **1E. Overview**

Do the applicant's owners, or the owners of Tennessee Orthopaedic Alliance, P.A. have any ownership interests or management agreements with Ascension Saint Thomas Health?

Where are TOA clinics located in the service area currently? Are there any ASTCs operated under a similar ownership / management structure to the proposed facility, i.e. physician owned, TOA managed?

Response : **Response: No, they do not.**

Response: There are three TOA clinics currently in the PSA:

(1) 1000 S Gateway Plaza Blvd, Clarksville, Montgpomery County TN

(2) 1804 Pinnacle Rd A, Pleasant View, Robertson County TN

(3) 450 Northcrest Dr. Springfield, Roberston County TN

TOA plans to have a new clinic located adjacent to this proposed ASTC in Clarksville.

There is no TOA physician owned or TOA managed ASTCs in the PSA.

4. **1E. Overview**

Are all pain management procedures performed in the ASTC projected to be related to orthopedic patients?

It is noted that there are no ASTCs limited to or focused on pain management in the service area. Do the physician owners of the proposed facility currently perform pain management procedures in these area ASTCs or in an office-based setting?

The CON requirement for ASTC's will be eliminated on December 1, 2027. The applicant forecasts the CON project will open for service on October 10, 2028, how will that impact the limitation of only providing orthopedic and pain management procedures and the plans for the two (2) additional shelled ORs?

Response : **Response: Yes.**

Response: Last year the TOA physicians performed 738 pain management procedures in ASTCs and 145 in office-based settings.

Response: There are no plans to do any procedures other than orthopedic or pain management procedures regardless of the CON laws. The two shelled ORs are for anticipated organic growth inside of TOA.

5. **3N. Demographics**

Please revise the following items in the demographic table - Attachment 3NB.

Target Population - Current Year: All Rows

Target Population - Projected Year: All Rows

Persons Below Poverty Level - State of TN

TennCare Enrollees as a % of Total - Montgomery County.

What percentage of the applicant's historical orthopedic and pain management case are performed on patients under the age of 65?

Response : **Response: A corrected Population and Demographics table is attached as Attachment 3NBR.**

Response: 55%

6. **5N. Unimplemented services**

Please describe the historical orthopedic and pain management patient growth for the applicant's physicians among service area residents over the past three years.

Attachment 5N - Please revise the following:

2024 Utilization of ASTCs in the PSA for Orthopedics and Pain Management:

Percentage of Utilization Target Met for Procedure Rooms:

- Surgery Center of Clarksville
- Gastrointestinal Specialists of Clarksville
- Vanderbilt Ingram Cancer Center at Tennova
- Total / Average

Response : **Response: 39% growth in new patients and 20% growth in total patients.**

Response: A corrected table is attached as Attachment 5NR

7. **9A. Legal Interest in the Site**

Please attach documentation demonstrating the current ownership of the project site and authority of Clarksville ASC Medical Properties, LLC to lease the property to the applicant.

Response : A Letter of Intent from Ascension St. Thomas to sell the land to Clarksville ASC Medical Properties, LLC and an Agreement to Lease from Clarksville ASC Medical Properties to the applicant are attached as Attachment 9AR.

8. **6N. Utilization and/or Occupancy Statistics**

Please respond to Item 6N.

Response : **Response: The omission of the response to Item 6N was an oversight. The application has been revised by adding the response.**

9. **3C. Effects of Competition and/or Duplication**

Please discuss whether the applicant's historical patients are experiencing wait times for scheduling outpatient orthopedic and pain management procedures.

Are there any specific procedure types that cannot currently be performed by the applicant's physicians in Montgomery County at an HOPD or ASTC that will be performed in the new ASTC due to facility capacity enhancements, i.e. space, equipment, or technology not currently available?

Response : **Response: Yes, wait times are approximately 3 to 4 weeks.**

Response: Yes, existing ASTCs cannot accommodate total joint replacements and certain spine cases.

10. **4C. Accessibility to Human Resources**

Does the applicant plan to utilize robotics at the new facility?

How many TOA clinics operate in the service area currently?

Please describe TOAs recruitment, training and professional development infrastructure as the management company for the project.

Will TOA have any role in the governing body of the ASTC?

What accreditations do other TOA ASTCs in the region maintain?

Please discuss the availability of anesthesia providers in the service area with the rapid expansion of hospital-based surgical capacity in Montgomery County. Does the applicant project any challenges in securing adequate coverage for its facility?

Response :

Response: Yes.

Response: There are three TOA clinics currently in the PSA:

(1) 1000 S Gateway Plaza Blvd, Clarksville, Montgpomery County TN

(2) 1804 Pinnacle Rd A, Pleasant View, Robertson County TN

(3) 450 Northcrest Dr. Springfield, Roberston County TN

TOA plans to have a new clinic located adjacent to this proposed ASTC in Clarksville.

Response: As the management company for the project, TOA brings an established recruitment, training, and professional development infrastructure developed through its management of a large, multi-market orthopedic organization and existing ambulatory surgery center operations. TOA has dedicated human resources, clinical, compliance, credentialing, revenue cycle, and operational leadership that supports recruitment, onboarding, competency-based training, regulatory education, and ongoing staff development.

TOA also leverages its existing ASC operations, including Parkwest Surgery Center in Knoxville to share best practices, standardize policies and procedures, and provide cross-training and operational support for new facilities. This established infrastructure will allow the proposed ASTC to recruit qualified personnel efficiently while maintaining consistent clinical, operational, and regulatory standards across TOA-managed facilities.

Response: No

Response: The Joint Commission.

Response: No, by the time this proposed ASTC opens, TOA will have established an internal anesthesia service line.

11. **5C. License/Certification**

Please provide a more detailed response detailing regulations concerning clinical leadership, physican supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements and staff education.

Response : **Response: TOA will utilize its established ambulatory surgery center governance and clinical oversight infrastructure for the proposed Clarksville ASTC. Clinical leadership will include a Governing Board, Medical Director, Medical Advisory Committee (MAC), Administrator, clinical leadership, and Quality Assessment and Performance Improvement (QAPI) Committee. The Governing Board maintains ultimate responsibility for quality and patient safety, with defined clinical and operational responsibilities delegated to the Medical Director, MAC, administration,**

and QAPI Committee. Medical staff will be credentialed and privileged through a formal process involving review by the Medical Director and MAC, with final approval of privileges by the Governing Board.

The facility will maintain a comprehensive, facility-wide quality assurance and performance improvement program that monitors patient outcomes, clinical processes, adverse events, infection prevention, medication safety, anesthesia outcomes, patient experience, medical records, and other quality and safety indicators. A multidisciplinary Quality Committee will meet at least quarterly, with findings and corrective actions reported through the MAC and Governing Board. Utilization and appropriateness of care will also be evaluated through medical staff monitoring, peer review, review of clinical practice patterns, resource utilization, and ongoing performance improvement activities.

The Clarksville ASTC will utilize an electronic medical record system to maintain accurate, timely, secure, and accessible clinical records, with medical-record review incorporated into the facility's quality oversight processes. Clinical staffing will consist of qualified and appropriately supervised personnel, with competency and performance evaluated on an ongoing basis. Staff education will include orientation, regulatory and accreditation education, patient-safety training, competency-based education, and additional education identified through quality monitoring and performance improvement activities.

These policies and programs will be implemented in accordance with applicable Tennessee licensure requirements, CMS Conditions for Coverage, accreditation standards, and the facility's Medical Staff Bylaws and policies.

12. **9C. Other Facilities Charges**

Please provide a comparison between the HOPD vs. ASTC setting for the procedure coded listed using the Medicare Procedure Price Lookup tool for outpatient services.

Procedure Price Lookup for Outpatient Services | Medicare.gov.

Please discuss the acuity of the orthopedic case type that will be performed in the ASTC vs. those that are currently performed in the proposed service area ASTCs.

Response : **Response: Please see the table below for a comparison of the charges for the listed procedures performed in an ASTC and in an HOPD.**

COMPARISON OF PROPOSED CLARKSVILLE ASC PARTNERS CHARGES TO MEDICARE HOPD CHARGES					
Procedure	**CPT**	**ASC Propsed Charge**	**Medicare.gov HOPD Facility Fee**	**HOPD – ASC Difference**	**ASC Savings**
Total Knee Arthroplasty	27447	8,602.72	13,116.00	4,513.28	34.41%
Total Hip Arthroplasty	27130	8,805.08	13,116.00	4,310.92	32.87%
Total Shoulder Arthroplasty	23472	12,741.00	17,913.00	5,172.00	28.87%
Rotator Cuff Repair	29827	3,384.55	7,413.38	4,028.83	54.35%
Carpal Tunnel Release	64721	868.83	1,995.00	1,126.17	56.45%
Knee Scope / Meniscectomy	29881	1,506.46	3,342.00	1,835.54	54.92%
Meniscus Repair	29882	1,506.46	3,342.00	1,835.54	54.92%
Trigger Finger Release	26055	799.42	1,642.82	843.40	51.34%
ORIF Distal Radius	25607	4,552.68	7,413.38	2,860.70	38.59%
Achilles Tendon Repair	27650	4,288.28	7,413.38	3,125.10	42.15%
Ankle Ligament Reconstruction	27698	4,563.47	7,413.38	2,849.91	38.44%
ACL Reconstruction	29888	4,411.88	7,413.38	3,001.50	40.49%

Response: The existing ASTCs cannot accommodate total joint replacements and certain spine cases.

13. **10C. Project Only Payor Mix**

Please detail the basis for charity care projections of the proposed ASTC against other TOA ASTCs operating in TN as reported to the Joint Annual Report for 2025.

What is the “other” payor source representing $6,118,174 in the chart in 10.C?

Response :

Response: The applicant has an allocation for charity care equal to 1% of gross revenue on the Projected Data Chart which is a pro-forma budget, but not an actual income and expense report. The Joint Annual Reports are more akin to an Income and Expense Statement, reporting actual dollars. The

fact is true charity care cases rarely present at an ASTC for an elective surgery case. So, there is no inconsistency in budgeting an amount for charity care, but then not actually reporting such charity care as an adjustment to income or as an expense. This for example was the case for Parkwest Surgery Center which reported $0 charity care on its most recent JAR.

Response: That is all Workers Comp. Although the PDC lists both Workers Comp and TriCare as sources of "Other " revenue, TriCare is actually included in the Medicare category on the Payor Mix Chart.

14. **4Q. TennCare MCO's**

Does the applicant intend to accept Wellpoint Tennessee?

Response : **Response: Yes, it does.**

15. **1N. Criteria and Standards**

Attachment 1N, ASTC Criteria and Standards, Criterion #1 Determination of Need

Please discuss the expected impact of the three CON approved hospitals with surgical capacity being developed in Montgomery County on the applicant's projected utilization of the new ASTC. Which of these hospital systems, Ascension Saint Thomas, TriStar Health and Vanderbilt Health, do the applicant's physicians currently perform in?

Please discuss the overall service area need for orthopedic surgeries including the extent to which the applicant believes retention of service area residents can increase the number of total cases performed locally.

Response :

Response: The TOA physicians perform cases at Ascension St. Thomas, Tri Star, and the local Vanderbilt hospital. The expansion of inpatient OR's are great for the community of Clarksville but have no bearing on the projected utilization of the proposed ASTC. The cases that will be moved from the hospital or HOPD setting to the new ASTC are being moved primarily for the cost savings, not due to a lack of hospital OR capacity.

Response: The physicians estimate that approximately 50% of the approximately 6,000 cases they performed n PSA residents last year or about 3,000 cases, were performed outside of the PSA, mostly in Davidson County. So by keeping even 50% of those cases in the PSA, that would increase the number of case performed locally by 1500 cases.

16. **1N. Criteria and Standards**

Attachment 1N, ASTC Criteria and Standards, Criterion #4 Need and Economic Efficiencies

Please identify the 8 physicians who will be the primary users of the ASTC.

Please provide a breakdown of where the outpatient orthopedic and pain management cases have been performed historically by setting.

Please explain in greater detail what the practice site consolidation represents in terms of the expected shift in cases from regional ASTC, hospitals and practice offices.

Response:

Dr. Kurt Kowalski

Dr. Lucas Teske

Dr. Philip Schneider

Dr. Justin Moo Young

Dr. Peter Casey

Dr. Rueben Macias

Dr. Derick Mordus

Dr. William Devries

Response:

Category of Procedure	Performed in ASTC	Performed in Office	Performed in HOPI
Ortho Surgery		51%	46%
Pain Management	83%	17%	0.2%

Response: Taking the projected number of Year 1 cases and assuming they will be shifted in cases to the ASTC would occur:

Category of Procedure	Shifted from ASTC	Shifted fron Office	Shifted from HOPD
Ortho Surgery* 1,067	63	962	
Pain Management**	248	51	<1

*2,092 Year 1 surgical (OR) cases

**299 Year 1 pain management (PR) cases

17. **1N. Criteria and Standards**

Attachment 1N, ASTC Criteria and Standards, Criterion #8 Access to ASTCs

Please detail the historical inmigration and outmigration of orthopedic and pain management patients specific to the physicians who are expected to perform at the new ASTC.

What reductions in patient outmigration are projected to occur once the project is implemented?

What travel time savings are expected to benefit patients in the proposed service area?

What percentage of the physician's historical caseloads have been appropriate for an ASTC setting?

Response :

Response: As shown in response to Question 2N of the application, the in-migration to the proposed ASTC is

projected to be approximately 5% of the patients. As noted in the response to Supplemental Question 15, the physicians estimate their outmigration rate is approximately 50%. They estimate they can cut the outmigration rate of their patients by about 50%, which would leave them with a patient outmigration rate of about 25%.

Response: Approximately 50%

Response: Based on the reduction in outmigration discussed above there will be travel-time savings, but to try to quantify it would be speculation.

Response: In any given year between 60-75%

18. **1N. Criteria and Standards**

Attachment 1N, ASTC Criteria and Standards, Criterion #10 Patient Safety and Quality of Care

Please describe any publicly available documentation of quality operations of TOA ASTC facilities historically.

Response :

Response: The HFC Health Care Facilities website notes that Parkwest Surgery

Center entered into a Consent Decree to resolve alleged non-compliance with certain life safety regulations regarding disposal of hazardous wastes and infection control. The instances of alleged non-compliance were alleged to have occurred in March of 2024. The Consent Decree resolving the matter and determining the facility was in substantial compliance was approved by the HFC on February 26, 2025.

19. **4E. Project Cost Chart**

What are the “pre-opening expenses” of $500,000 in the Project Cost Chart?

Response : The Pre-Opening Expenses are itemized in the Table below:

Pre-Opening Expense	Budget
Pre-Opening Payroll & Benefits	$165,000
Recruiting, Credentialing & Onboarding	$25,000
Licensing, Accreditation & Payer Enrollment	$30,000
Legal, Compliance & Consulting	$35,000
Initial Clinical Supplies & Pharmaceuticals	$80,000
IT / EMR / Billing Startup	$40,000
Staff Training & Mock Surveys	$25,000
Insurance Startup Costs	$20,000
Facility / Operating Startup Costs	$15,000
Office Supplies, Signage & Marketing	$10,000
Contingency / Opening Delay Reserve	$55,000
Total Pre-Opening Budget	**$500,000**

Project Name : Clarksville ASC Partners, LLC

Supplemental Round Name : 2 **Due Date :** 10/14/2026

Certificate No. : CN2609-019 **Submitted Date :** 10/13/2026

1. **3N. Demographics**

Please update the % Persons Below Poverty Level - State of TN to 13.5%.

Response : A corrected Attachment 3NBR is attached.

2. **1N. Criteria and Standards**

Attachment 1N, ASTC Criteria and Standards, Criterion #4 Need and Economic Efficiencies

Please paste an image or submit as an attachment the response to the following supplemental question "Please provide a breakdown of where the outpatient orthopedic and pain management cases have been performed historically by setting." as the original response is difficult to read.

Response : The numbers and percentages of cases performed in the various settings, and the numbers and percentages of cases expected to be shifted from each setting are reflected below:

Category of Procedure	# Cases Performed in ASTC	% Cases Performed in ASTC	#Cases Performed in Office	% Cases Performed in Office	#Cases Performed in HOPD	% Cases Performed in HOPD
Orthopedic Surgery*	1,872	51%	110	3%	1,689	46%
Pain Management**	633	83%	130	17%	2	0.20%
* Basesd on 3,671 Historical Surgery Cases						
**Based on 763 Historical Pain Mangement Casees						
Category of Procedure	**# Cases Shifted from ASTC**	**% Cases Shifted from ASTC Yr. 1**	**#Cases Shifted from Office Yr. 1**	**% Cases Shifted from Office Yr. 1**	**#Cases Shifted from HOPD Yr 1**	**% Cases Shifted from HOPD Yr. 1**
Orthopedic Surgery*	1,067	51%	63	3%	962	46%
Pain Management	248	83%	51	17%	<1	0.20%
*Based on 2,092 Year 1 Surgical Cases						
**Based on 299 Yerar 1 Pain Management Cases						

3. **1N. Criteria and Standards**

Attachment 1N, ASTC Criteria and Standards, Criterion #8 Access to ASTCs

Please include numbers of patients in addition to percentages of outmigration in response to the following question from Supplemental #1 Question 17: "Please detail the historical in migration and outmigration of orthopedic and pain management patients specific to the physicians who are expected to perform at the new ASTC."

Please include the specific counties where historical patients are traveling from and to.

Response : The level of detailed data being requested - specifically which counties and in what numbers did the patients out-migrate to and in-migrate from - is not reasonably available to the applicant. The general in-migration and outmigration patterns, as estimated by the physicians, is discussed below.

As shown in response to Question 2N of the application, the in-migration to the proposed ASTC is projected to be approximately 5% of the patients. We don't know which specific counties and in what specific numbers those patients came from. Based on a total patient base of 5,086 in a recent 12-month period, the in-migration rate of 5% would equate to approximately 254 cases.

As noted in the response to Supplemental Question 15, the physicians estimate their outmigration rate is approximately 50%. Based on 5,086 patients, that means approximately 2,543 patients out-migrated, but we don't know to which specific counties and the specific number for each county. It is believed almost all of this outmigration is to Davidson County.

The physicians estimate they can cut the outmigration rate of their patients by about 50%, which would leave them with a patient outmigration rate of about 25%. Based on 5,0867 cases, the projected number of out-migrated cases after the new ASTC is operating would be 1,272 cases.

4. **1N. Criteria and Standards**

Attachment 1N, ASTC Criteria and Standards, Criterion #10 Patient Safety and Quality of Care

Are there any positive recognitions, or confirmation of good standing with accrediting bodies, etc. associated with other TOA managed or owned ASTCs?

Response : The only TOA managed ASTC is Parkwest Surgery Center. Parkwest is in good standing with the HFC Licensing Division, and is accredited by and in good standing with the Joint Commission.