



Key thoughts on Urology in the ASC

Successful ambulatory urology in the time of
health care reform.

Urology at The Knightsbridge Surgery Center

- A multispecialty center with urology as the dominant service
- Established because of the inability of hospital ORs to efficiently accommodate many urology cases
- Became a high volume center, but more than once flirted with bankruptcy

KSC Problems

- Management
- Contract Negotiation
- Who is the Customer ?
- Surgical Scheduling
- Insurance Market Dominated by 3 Cos.

Key KSC Actions

- Replaced Management
- Developed Out of Network Strategy
- Improved the practices ability to schedule cases by adding remote scheduling (SCOR)
- Developed a JV Strategy with Ohio Health

Management

- 2004 Developed a Management Relationship with Regent Surgical Health
 - a.) Developed RN & Support Staff
 - b.) Charge Master for Contract Negotiation
 - c.) Developed In/Out of Network Strategy
 - e.) Reined in Cost of Operations

Remote Scheduling

- **Physician Practices are Primary ASC Customer**
Office staff can find openings and schedule at anytime maximizing surgeon efficiency & utilization.
 - a.) Released Block Time Immediately Visible
 - b.) Available Special Technology Visible
 - c.) Quick Online Confirmation

Maintain ASC staff control of schedule and resources

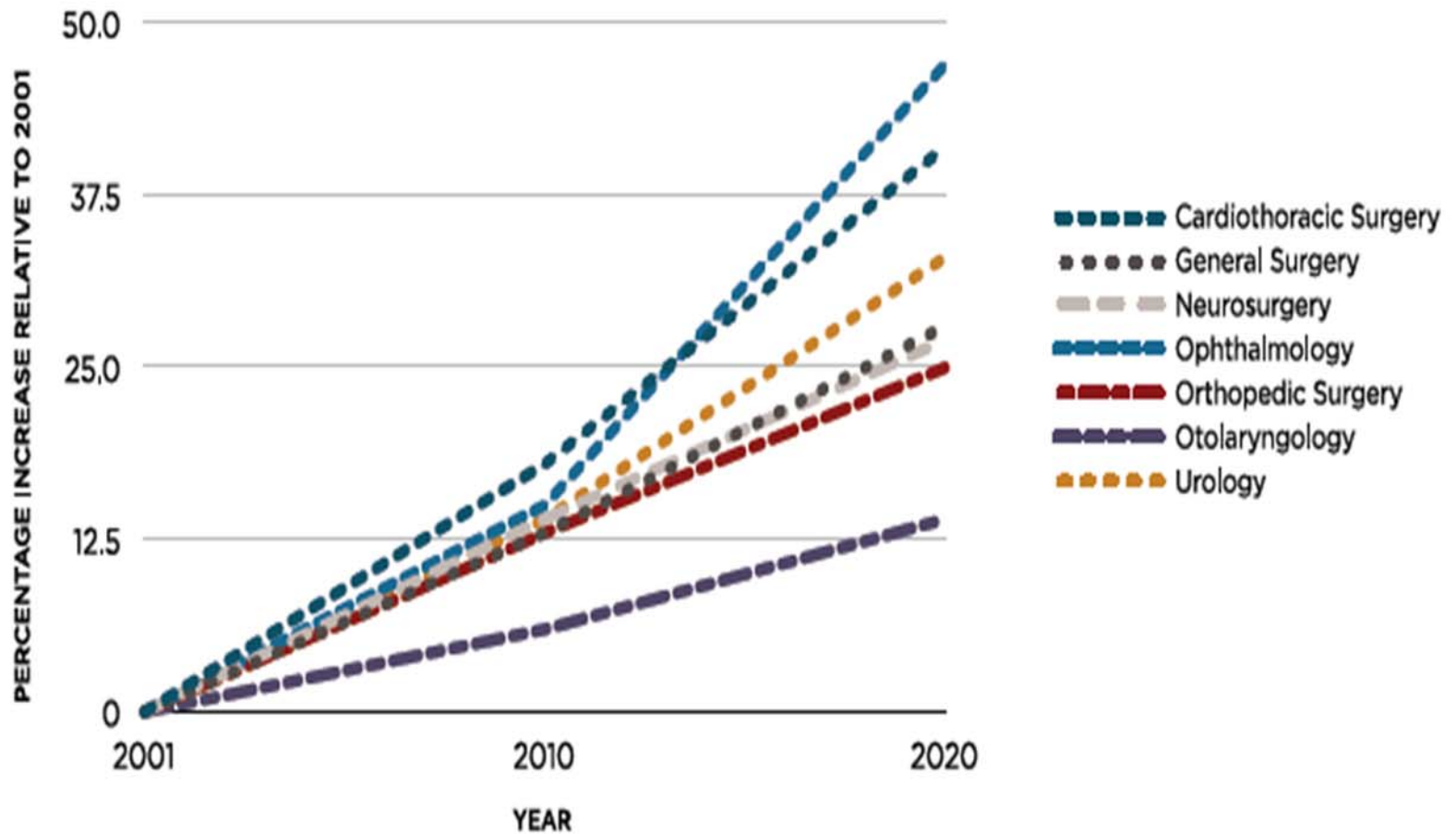
Improved scheduling has meant improved customer experience for surgeon, practice and patient, and improved efficiency for the ASC staff.

Insurance Dominated Market

- 2006 the squeeze began
- 2007 KSC completes a JV with OH (49% and some supermajority rights). Good ROI for partners.
- The Physician owners, through their select management organization and negotiation of their legal counsel (Marshall & Melhorn) Toledo, Ohio retain control of D to D operations.

The KSC/OH JV has produced profitable IN NETWORK CONTRACTS

FORECASTED DEMAND GROWTH IN THE NUMBER OF PROCEDURES BY SPECIALTY

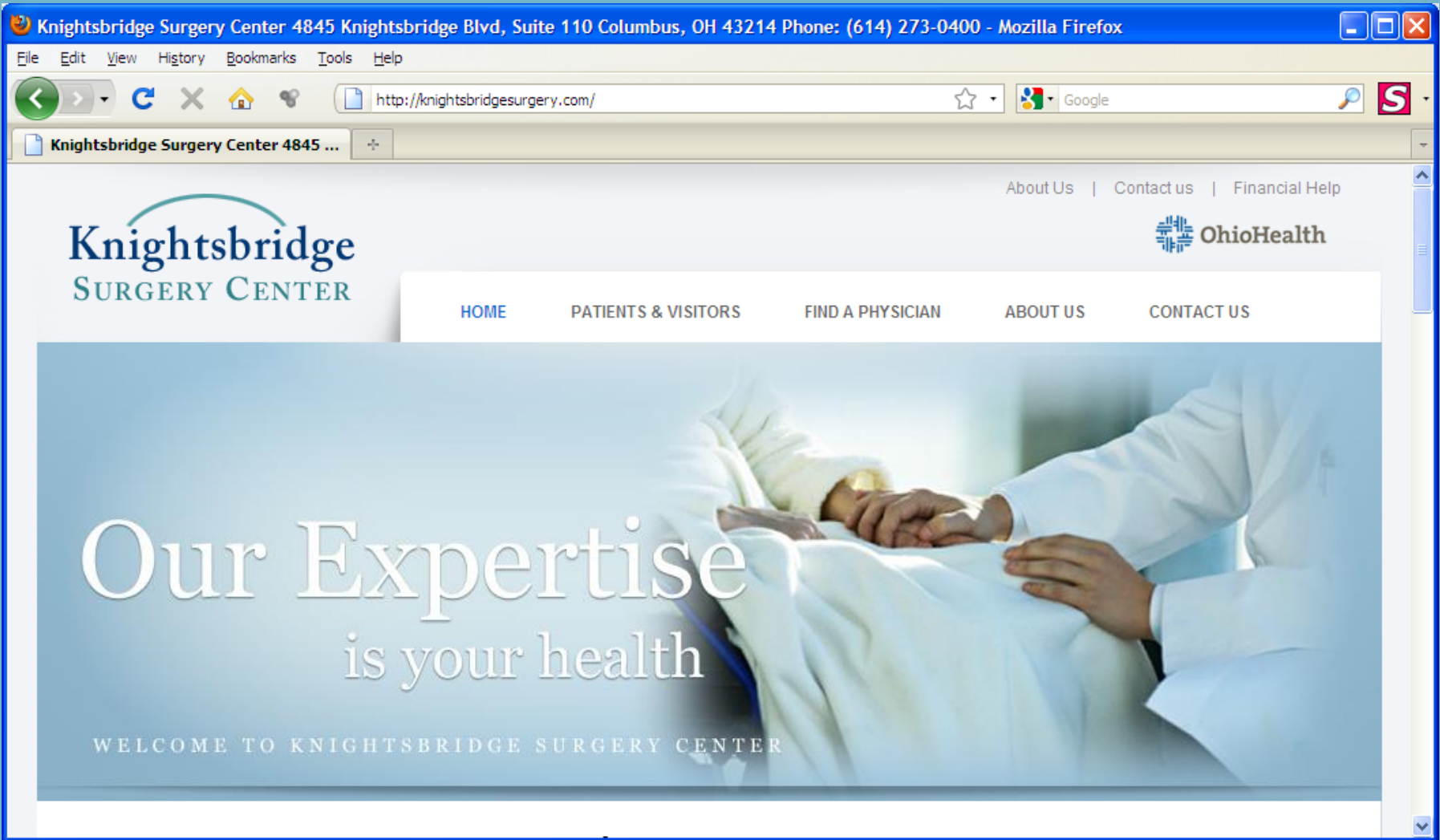


KSC/ASC Priority Urology Procedures

- 1.) Implant Neurostimulator CPT 64590 \$12,310
- 2.) Implant Multicomponent Prosthesis CPT 54405 \$ 9,666
- 3.) Implant Artificial Urinary Sphincter CPT 53447 \$ 8,816
- 4.) Cryoablation Prostate for Cancer CPT 55873 \$ 5,600
- 5.) Sling for Male Incontinence CPT 53440 \$ 5,190
- 6.) Sling for Female Incontinence CPT 57288 \$ 4,875
- 7.) Cystoureteroscopy W/lithotripsy CPT 52353 \$ 4,684
- 8.) Cystourethroscopy W/Rem. Calculus CPT 52352 \$ 4,525
- 9.) Excision of Peyronies Plaque & Graft CPT 54111 \$
4,215

The ROI has been Very Pleasing for all JV Partners

- Ohio Health is sharing their employed physicians, by allowing them to acquire privileges for outpatient surgery, at KSC.



Herbert W. Riemenschneider
Riemenschneider.2@osu.edu