Massachusetts Department of Public Health
Determination of Need
Application Form

Version: 11-8-17

Application Type: Ambulatory Surgery

Application Date:

Applicant Name: EXCEL SURGERY CENTER, LLC

Mailing Address: 386 MERRIMACK STREET, SUITE #D

City: Methuen State: Massachusetts Zip Code: 01844

Contact Person: RAMI RUSTUM, MD Title: PRESIDENT

Mailing Address: 1641 SALEM ST

City: North Andover State: Massachusetts Zip Code: 01845

Phone: 9782576600 Ext: E-mail: RRRUSTUM@YAHOO.COM

Facility Information

List each facility affected and or included in Proposed Project

1 Facility Name: EXCEL SURGERY CENTER

Facility Address: 386 MERRIMACK ST SUITE# D

City: Methuen State: Massachusetts Zip Code: 01844

Facility type: Freestanding Ambulatory Surgery Facility CMS Number: PENDING

Add additional Facility Delete this Facility

1. About the Applicant

1.1 Type of organization (of the Applicant): for profit

1.2 Applicant's Business Type: ○ Corporation ○ Limited Partnership ○ Partnership ○ Trust ◉ LLC ○ Other

1.3 What is the acronym used by the Applicant's Organization? ESC

1.4 Is Applicant a registered provider organization as the term is used in the HPC/CHIA RPO program? ○ Yes ◉ No

1.5 Is Applicant or any affiliated entity an HPC-certified ACO? ◉ Yes ○ No

1.5.a If yes, what is the legal name of that entity Mass General Brigham, INC

1.6 Is Applicant or any affiliate thereof subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00 (filing of Notice of Material Change to the Health Policy Commission)? ○ Yes ◉ No

1.7 Does the Proposed Project also require the filing of a MCN with the HPC? ○ Yes ◉ No

1.8 Has the Applicant or any subsidiary thereof been notified pursuant to M.G.L. c. 12C, § 16 that it is exceeding the health care cost growth benchmark established under M.G.L. c. 6D, § 9 and is thus, pursuant to M.G.L. c. 6D, §10 required to file a performance improvement plan with CHIA? ○ Yes ◉ No

1.9 Complete the Affiliated Parties Form

2. Project Description

2.1 Provide a brief description of the scope of the project.

EXCEL SURGERY CENTER, LLC (APPLICANT), Located at 386 Merrimack Street, Suite# D Methuen, MA 01844 submits this request for a Notice of Determination of Need ("DoN") for a freestanding ambulatory surgery center ("ASC") to be located at the above listed address. The applicant is a newly formed venture established for the purpose of developing the freestanding ASC.

The ASC will be operated by board certified physician, Dr. Rami Rustum, MD and staff to provide cutting- edge chronic pain management for its patients panel.
The patient panel of Dr. Rustum's practice (under the name of Merrimack Valley Pain Management Associates, PC " MVPMA") will be used here and for all future references/ analysis as the source for the applicant' patient panel. Please see attached Exhibits #1, 2, 3, 4, 5 and 6.
The proposed project will be devoted and designated to provide out-patient surgical services in one medical specialty, chronic pain management.
As you may know, chronic pain affects at least 75% of the population. It is the second most common cause to seek medical help and treatment. It is also number one reason for disability and lose of function.
There has been a growing national need for trained physicians in the field of pain management for the past 20-25 years.
Such demand is crucial to reduce rate of disability, improve quality of life, improve patient's production, reduce lost days at work, improve the socioeconomic status for the patient and help fight the opioids pandemic crisis.

The pain management field witnessed a significant growth and substantial improvement in treating verity of complicated and debilitating pain conditions such as cancer pain, spinal stenosis, Pelvic pain, disc problems, fibromylgia, headaches and many more.
The pain practice has been receiving cases to treat from almost all specialties including: orthopedics, OB/GYN, spine surgery, neurology, general surgery, urology, oncology, pediatrics .. etc.

Over 60-70% of chronic pain patients are over +60 year old with many of them already having other medical problems such as chronic Heart conditions, COPD, Asthma, Renal failure, Diabetes Mellitus, Strokes, Degenerative Joint and Disc disease, Arthritis,...etc.
These patients may require interventional or minimally invasive pain procedures on outpatient base to treat the debilitating pain condition and improve the quality of life. Such treatment requires well trained and experienced staff in addition to well equipped treatment center, sedation and monitoring for excellent outcome with no complications.

There are a variety of excellent procedures in the field of pain management used to treat such conditions, considered or referred to as minimally invasive surgical procedures, which are approved by Medicare, Medicaid and other insurances but can ONLY be performed in ASC or Hospital settings.
These pain surgical procedures require operating room environment as an incision could be required to insert special devices with the need for anesthesia service to provide moderate sedation. The patients will require short term monitoring and recovery prior to discharge home.

These procedures emerged in the last 15-20 years as revolutionary measures to effectively treat chronic pain, save the patient traditional open spine surgery with all possible complications, significantly improve the patient quality of life in addition to being done on out-patient basis with minimal recovery time.
The following procedures are just few examples:
1 - Spinal Cord Stimulator Implant for chronic neck, back or pelvic pain following failed spine surgery, or nerve damage due to surgery, Diabetes Mellitus, vascular disease, chemotherapy or radiation therapy, limb amputation, endometriosis
2 - Pain Pump Implant for chronic diffuse pain condition, cancer Pain
3 - Kyphoplasy procedure for vertebral fracture from trauma, osteoporosis or cancer metastatic disease
4- Vertiflex procedure to treat spinal stenosis
5- MILD procedure to treat spinal stenosis
6- Nerve ablation procedures for specific pain conditions

For the past 3-4 years, it has been very difficult to schedule such patients for such procedures in nearby hospitals due to lack of hospital nursing staff, unsatisfied patients with hospital scheduling delay, patients unwillingness to go to the hospital for quick outpatient procedure but with risk of contracting a viral infection and hospitals desire to focus on bigger or more complicated surgeries.

This problem became more obvious since COVID-19 pandemic with shut down of the operating rooms and further lack of staffing. As a result of that, the effective and required pain treatment is being further delayed and sometimes temporarily substituted with narcotics treatment while awaiting scheduling, which caused more confusion on the front of fighting narcotic crisis!
Please see Exhibit # 7 for delayed procedures for MVPMA in 2021,

The proposed project will consist of 2 operating rooms as well as related support and administrative areas. The ASC includes a consultation area, pre- operative space of 3 beds, Post-operative space (Post Anesthesia Care Unit "PACU) of 3 beds.
Additional space within the ASC includes a lobby/ waiting area with ample space to provide social distancing requirements, Central sterile processing, clean supply areas as well as administrative and patient support areas.

Patients will benefit from the Proposed Project in multiple ways:
- The new ASC will be designed to utilize industry-defined best practices for quality, efficiency and effectiveness. High quality care will be achieved through the provision of a smaller scope of procedures in comparison to a hospital outpatient department ("HOPD"), leading clinical staff to become highly proficient in providing the select surgical services and procedures.
- The Applicant will implement appropriate process improvement initiatives by reviewing quality of care outcomes, identifying best practices and implementing necessary process changes to ensure high quality services.
- The Applicant also will transform the care experience for patients ensuring higher levels of patient satisfaction through the implementation of online pre-registration and cost transparency tools.
-The Applicant will improve quality of life for patients by providing access to state-of-the-art technology in a new facility designed to improve patient experience.
Finally, the Proposed Project will meaningfully contribute to Massachusetts' goals for cost containment by providing high quality surgical services for clinically appropriate patients in a more cost-effective setting. With the emergence of ASCs as a high-quality care option, health care expenditures for elective and same day surgical procedures will decrease, reducing overall provider costs and directly impacting total medical expenses ("TME"). Consequently, the Proposed Project will compete on the basis of TME and provider costs.

We strongly believe that such proposed project will be so vital and crucial to the patients panel in the Merrimack Valley area.

2.2 and 2.3 Complete the Change in Service Form

3. Delegated Review

3.1 Do you assert that this Application is eligible for Delegated Review? ○ Yes ◉ No

4. Conservation Project

4.1 Are you submitting this Application as a Conservation Project? ○ Yes ◉ No

5. DoN-Required Services and DoN-Required Equipment

5.1 Is this an application filed pursuant to 105 CMR 100.725: DoN-Required Equipment and DoN-Required Service? ○ Yes ◉ No

6. Transfer of Ownership

6.1 Is this an application filed pursuant to 105 CMR 100.735? ○ Yes ◉ No

7. Ambulatory Surgery

7.1 Is this an application filed pursuant to 105 CMR 100.740(A) for Ambulatory Surgery? ◉ Yes ○ No

7.2 If yes, is Applicant or any affiliate thereof a HPC-certified ACO OR in the process of becoming a Certified ACO? ◉ Yes ○ No

7.2.a If yes, Please provide the date of approval and attach the approval letter: 4/12/2022

7.3 Does the Proposed Project constitute: (Check all that apply)

- ☐ Ambulatory Surgery capacity located on the main campus of an existing Hospital **105 CMR 100.740(A)(1)(a)(i)**;
- ☐ An Expansion, Conversion, Transfer of Ownership, transfer of Site, or change of designated Location for Ambulatory Surgery capacity located on a satellite campus of an existing Hospital **105 CMR 100.740(A)(1)(a)(ii)**;
- ☒ A Freestanding Ambulatory Surgery Center within the Primary Service Area of an independent community hospital (Refer to a list that we update regularly with support from HPC) **105 CMR 100.740(A)(1)(a)(iii)**; or
- ☐ An Expansion, Conversion, Transfer of Ownership, transfer of Site, or change of designated Location for a Freestanding Ambulatory Surgery Center that received an Original License as a Clinic on or before January 1, 2017 **105 CMR 100.740(A)(1)(a)(iv)**.

7.4 **See section on Ambulatory Surgery in the Application Instructions**

8. Transfer of Site

8.1 Is this an application filed pursuant to 105 CMR 100.745? ○ Yes ◉ No

9. Research Exemption

9.1 Is this an application for a Research Exemption? ○ Yes ◉ No

10. Amendment

10.1 Is this an application for a Amendment? ○ Yes ◉ No

11. Emergency Application

11.1 Is this an application filed pursuant to 105 CMR 100.740(B)? ○ Yes ◉ No

12. Total Value and Filing Fee

Enter all currency in numbers only. No dollar signs or commas. Grayed fields will auto calculate depending upon answers above.

Your project application is for: Ambulatory Surgery

12.1 Total Value of this project:	$1,200,000.00
12.2 Total CHI commitment expressed in dollars: (calculated)	$60,000.00
12.3 Filing Fee: (calculated)	$2,400.00
12.4 Maximum Incremental Operating Expense resulting from the Proposed Project:	
12.5 Total proposed Construction costs, specifically related to the Proposed Project, If any, which will be contracted out to local or minority, women, or veteran-owned businesses expressed in estimated total dollars.	$600,000.00

13. Factors

Required Information and supporting documentation consistent with 105 CMR 100.210
Some Factors will not appear depending upon the type of license you are applying for.
Text fields will expand to fit your response.

Factor 1: Applicant Patient Panel Need, Public Health Values and Operational Objectives

F1.a.i **Patient Panel:**
Describe your existing Patient Panel, including incidence or prevalence of disease or behavioral risk factors, acuity mix, noted health disparities, geographic breakdown expressed in zip codes or other appropriate measure, demographics including age, gender and sexual identity, race, ethnicity, socioeconomic status and other priority populations relevant to the Applicant's existing patient panel and payer mix.

As there is currently no existing Patient Panel of the Applicant since the proposed project is being established as a new entity, The patient panel of Dr. Rustum's practice (under the name of Merrimack Valley Pain Management Associates, PC " MVPMA") will be used here and for all future analysis and use as the source for the applicant patient panel.

The current patient panel of MVPMA includes a mix of ages of patients 18 years old and up with a vast variety of chronic and acute pain conditions.
Applicant serves all socioeconomic backgrounds with a predominantly middle class population in the Methuen area (Zip Code, 01844), Haverhill area (Zip Code 01830, 01831, 01832, 01835), town of Salem, NH, southern NH, an under-served, disadvantaged population in need of Applicant's services in the Lawrence area (Zip Codes, 01841, 01842, 01843). The applicant will also serve the population in Andover area (Zip Code 01810), North Andover area (Zip Code 01845), Middleton area (Zip Code 01849).

Pain Management is a branch of Medicine serving a variety of age groups from infants to the elderly population. Applicant's Patient Panel (MVPMA) reflects this substantial range of age groups.

Dr. Rami Rustum and his current practice (MVPMA) has been the preferred practice to refer patients for acute and chronic pain management by Greater Lawrence Family Health Center (GLFHC)in Lawrence, MA since 2009.

GLFHC is the largest multi- clinic medical facility in northern Boston and Merrimack Valley area, providing wide range of much needed medical care to uninsured/ under-insured patients, mostly with no or low income.

We have the only pain physician in the area, Dr. Rami Rustum, who is an expert in dealing with patients who lost a limb (amputees). This group of patients usually impose a great challenge to deal with to many medical specialties including vascular surgery, general surgery, Physical therapy, orthopedic surgeons, rehabilitation medicine, wound care clinics... etc.
Dr. Rustum has been treating such patients with great satisfaction for long time. The Hanger clinic Inc is a leading national provider of products and services that assist in enhancing or restoring the physical capabilities of patients with disabilities or injuries that is headquartered in Austin, Texas, has been depending on Dr. Rustum's service to treat its patients from northern Boston to NH and ME. Please see Exhibit #8

We also have the only interventional pain physician in the area, Dr Rami Rustum, who is a cancer pain specialist.
The presence of Dr. Rami Rustum is invaluable as Cancer pain is prevalent in the elderly population and this condition requires administration of special injections that can be administered locally or perform specific procedures to relieve the pain and improve the quality of life. This negates the need for the elderly population to make long trips to Boston. We also serve a growing, retiring baby boomer population with an increased incidence of debilitating back pain. This population will be well served locally in the ambulatory surgery center which negates the need to travel to alternative surgery centers or getting admitted to the hospital for traditional surgeries.

Lastly, We have the only interventional pain physician in the area, Dr Rami Rustum, who is expert in doing Vertiflex procedure for patients suffering from spinal stenosis.
The Vertiflex Superion® interspinous spacer is a FDA-approved system designed to relieve back pain by restoring the normal space between the vertebrae.
Because it is a minimally-invasive procedure, the Vertiflex procedure is a solution for back pain patients for whom medications or injections have failed. It is also a reasonable option for those who may not be good candidates for spine surgery.
Unlike a spinal fusion, the Vertiflex system can restore the disc space on multiple levels, while still preserving the option for future surgery if necessary.

This novel outpatient procedure takes 20-30 minutes and approved to be done in ASC setting or at the hospital.

F1.a.ii **Need by Patient Panel:**

Provide supporting data to demonstrate the need for the Proposed Project. Such data should demonstrate the disease burden, behavioral risk factors, acuity mix, health disparities, or other objective Patient Panel measures as noted in your response to Question F1.a.i that demonstrates the need that the Proposed Project is attempting to address. If an inequity or disparity is not identified as relating to the Proposed Project, provide information justifying the need. In your description of Need, consider the principles underlying Public Health Value (see instructions) and ensure that Need is addressed in that context as well.

In considering the Proposed Project, the Applicant determined that its patient panel would benefit from access to an ASC that provides the proposed specialized surgical services. This determination was made based on an evaluation of the patient panel composition, as well as historical and projected demand, as well as available resources within the area.

Need for the Proposed Surgical Services:
Through the establishment of the ASC, the Applicant will increase access to community-based pain surgical services to serve a patient panel that encompasses patients from the referring physicians of different specialties. The Proposed Project will meet the need of the evolving landscape of the healthcare delivery system, driven by efficiency, patient choice, transparency and a keen focus on driving down Total Medical Expense ("TME"), which is frequently absorbed by patients. The ASC will serve patients of all ages starting at 18 years old and socio-economic strata. In addition, as the patient population demographics continue to change, patients will require greater access to the types of lower acuity procedures that the ASC will offer.

Need for effective pain surgical procedures in the 55-60+ Age Cohort:
Currently, there is an ongoing trend in Massachusetts toward an aging population, particularly among those individuals within the 55-60+ age cohort Findings from UMASS Donahue Institute ("UMDI") demonstrate that the Massachusetts state population is expected to increase 11.8% from 2010 to 2035. Between 2020 and 2035, the 55+ age cohort will increase approximately 14% and will comprise 35% of the Commonwealth's population; no other age cohort will experience the same dramatic increase in growth as the 55+ cohort.
Moreover, The Merrimack valley area is the host for major big cities such as Lawrence, Haverhill, south to Lowell and north to Salem, NH with actively growing industrial projects and businesses with increasing number of injured workers at the job. There has been over the last 5 years an increased demand to evaluate and treat such patients so they can be back to work as soon as possible.
Accordingly, there is an ongoing demand for pain surgical treatment that is related to improved life expectancy rates, quality of life and the need to treat co-morbidities.

Lastly, we believe that having the proposed project will effectively help fighting the narcotics crisis by offering patients a faster, true and effective treatment which will eliminate the need for narcotics.
For aging patients, the most common and necessary type of pain treatment is spine surgical procedures such as MILD Procedure, Vertiflex, Spinal cord stimulator implant, Pain pump implant, nerve ablation specially for spinal stenosis, disc diseases and diffuse severe arthritis. These types of minimally invasive surgeries have proven to have a significant benefit for older individuals, ensuring they can remain active and pain free as they age.

Migration of Lower Acuity Surgical Services to Outpatient Setting:
The continuously evolving healthcare delivery landscape has resulted in a shift in the provision of outpatient surgical procedures from hospitals to the ASC setting. Lower acuity procedures can be effectively provided in an ASC setting, without requiring a patient to obtain care in a hospital outpatient department. This is due, in part, because ASCs focus on a subset of medical specialties and surgical procedures, including minimally and non-invasive surgeries, for the improved provision of care. By performing a limited set of procedures, ASC personnel are able to gain high proficiency and efficiency performing those procedures. This achieves clinical and operational efficiencies not attainable in a hospital setting as hospital-based operating rooms must be able to accommodate a wide range of medically complex procedures in the event of an emergency. Clinical outcomes in the ASC setting are comparable to that of hospital outpatient surgery departments, with the provision of surgery in ASCs associated with decreased mortality, morbidity, and hospital admission rates. Patients in ASCs experience shorter surgery and recovery times overall. There are no disruptions to the surgical schedule in an ASC on account of acute inpatient or emergent patient needs. As a result, patients do not experience delays that are otherwise prone to occur in a hospital outpatient department. This contributes to greater convenience for patients and their families when electing a setting for surgical procedures and drives overall demand for the provision of services in the outpatient ASC setting.
The establishment of the Applicant's ASC will result in migration of less medically complex patients in need of minimally invasive spine/ joints surgeries or procedures to a local community based ASC. The Applicant determined that sufficient need for ASC services exists among its patient panel based on the number of surgical cases that could be migrated to the ASC setting. Patients will experience reduced wait times in the ASC, with care available closer to their homes and communities. An additional benefit of the ASC will be the elimination of the overnight stay, which may further drive volume to the Applicant's ASC versus a hospital surgical department. The opening of the ASC will allow the Applicant to shift those low acuity surgical procedures that would otherwise go through a hospital outpatient surgical department to a more cost and operationally efficient outpatient setting that benefits patients.

Patient Choice:

The emergence of ASCs as an alternative setting for lower acuity surgical procedures provides patients with alternatives not previously available for obtaining such surgeries. Hospitals are no longer the only available location at which to have certain surgical procedures. Patients now are informed of the benefits of having a lower acuity surgery performed in an ASC. ASCs have demonstrated clinical outcomes that are as good as hospitals. Patients benefit from the lack of interruptions in scheduling as well as the reduced surgical and recovery times, allowing the patient to return home faster than for the same procedure performed in a hospital.
The presence of such unique ASC within a patient's community improves access with regard to outpatient pain surgeries and offers a practicable alternative to a hospital outpatient surgery department. The ASC setting further provides patients with options related to costs associated with a surgical procedure. Due to the elimination of an overnight stay and other hospital overhead costs, a surgery performed at an ASC will cost less than in a hospital. The same procedure performed at a HOPD cost as much as 48% higher for a Medicare Patient. For this reason, ASCs are able to compete with hospitals on the basis of cost for outpatient procedures. Patients may opt to obtain surgery at an ASC due to the lower cost. Particularly for those patients who bear a higher amount of medical costs individually, an ASC offers a lower cost alternative with clinical outcomes that are as a good as a hospital and services provided by the same physician who would perform the surgery in the hospital setting. The availability of an ASC also can diminish patient wait times for much needed pain treatment surgeries. Members of the proposed ASC patient panel currently experience a wait time of 4-6 weeks for Vertiflex spine procedure for spinal stenosis. This procedure takes 20-30 minutes and performed with minimal sedation. , 6-8 weeks for other outpatient pain surgical procedures. Due to the lack of disruptions, ASCs are able to adhere more uniformly to a surgical schedule, which ultimately can allow more surgeries to be scheduled in a day. This will result in overall reductions in patient wait times for surgeries at hospitals. As access to healthcare shifts, patients are seeking out services that are more convenient than in a hospital. All patients in need of low acuity surgical procedures can benefit from obtaining such care at a community-based ASC. Frequently, these patients find it difficult to navigate the complex infrastructure of a hospital, finding ASC experiences less complicated and easier to access (given online registration systems, availability of cost transparency tools and accessible staff). The availability of ASCs provides patients with a choice as to where to receive care.

F1.a.iii **Competition:**

Provide evidence that the Proposed Project will compete on the basis of price, total medical expenses, provider costs, and other recognized measures of health care spending. When responding to this question, please consider Factor 4, Financial Feasibility and Reasonableness of Costs.

The Applicant's expansion of surgical services will not have an adverse effect on competition in the Massachusetts healthcare market based on price, total medical expenses ("TME"), provider costs or other recognized measures of health care spending. Rather, the Proposed Project seeks to offer high quality medical care through a lower cost alternative to outpatient pain procedures performed in a hospital outpatient department ("HOPD"). Annually, ASCs perform more than Eight million procedures for Medicare beneficiaries needing same-day surgical, diagnostic and preventive procedures. By specializing in specific procedures, ASCs are able to maximize efficiency and quality outcomes for patients.

Typically, ASCs have two goals: The first goal is to ensure that patients have the best surgical/ procedural experience possible, including high quality outcomes. The second goal is to provide coste-ffective care that leads to savings by government and third-party payers, as well as patients.

On average, the Medicare program and its beneficiaries share in more than $2.6 billion in savings each year when surgery is provided in an ASC. ASC reimbursement rates are 45-49% of the amount paid to HOPDs. Studies provide that if half of the eligible surgical procedures were shifted from HOPDs to ASCs, Medicare would save an additional $2.5 billion annually; an additional study estimates the savings to commercial payers to be as high as $55 billion annually. Similarly, Medicaid and other insurers benefit from lower prices for services performed in the ASC setting. Patients also typically pay less coinsurance for procedures performed in the ASC than for comparable procedures in the hospital setting.

With the emergence of ASCs as a high-quality care option, health care expenditures for elective and same day surgical procedures will decrease, reducing overall provider costs, and directly impacting TME. Consequently, the Proposed Project will compete on the basis of TME and provider costs. With a shift in surgical volume moving from hospitals to the Applicant, this savings is estimated to be substantial.

I kindly invite you to take a look at the reimbursement rate by Medicare for couple selected procedures approved to be performed at ASC and Hospital:

1- Procedure: Spinal Cord Stimulator Implant.
It's a surgical procedure (like a cardiac pacemaker) which involves implanting one or two leads in the spine, then tunneled under the skin and connected to a small battery. The procedure is meant to treat intractable back/leg pain.

The cost for the procedure in ASC is: $ 4,571.47 + $ 24,424.28= $ 28,995.75
Please see Exhibit # 9 A, Page 3 (highlighted in Yellow color)
CPT Codes (63650 + 63685) is used for this procedure in ASC

However, The cost for doing the same procedure in the Hospital is: $6,295.5 + $30,063.5= $36,359. Please see Exhibit # 9B, Page 3

A net saving of ($7,363.25) or cost reduction by % 20.25

2- Paravertebral facet joint nerve Ablation; L/S, single level
This procedure is meant to treat intractable back pain as a result of diffuse arthritis in the spine. Most patients require light sedation as it could be painful.

Procedure CPT Code 64635, Exhibits# 9A for ASC and 9B for Hospital, Page 5

The reimbursement rate for ASC is $ $825.71
The reimbursement rate for Hospital is $ $1,793.3

A net saving of: ($967.59) or cost reduction by 54%

F1.b.i **Public Health Value /Evidence-Based:**
Provide information on the evidence-base for the Proposed Project. That is, how does the Proposed Project address the Need that Applicant has identified.

- ASC Clinical and Operational Efficiencies:
ASCs offer greater clinical and operational efficiencies over traditional hospital outpatient surgery departments as the focus of an ASC is on performing a narrow subset of surgical procedures in a limited number of medical specialties. ASCs are designed to provide care for specific categories of lower-acuity surgical cases and for patients who have less risk for any complications following surgery. In the case of the Applicant, the proposed ASC will be limited to offering pain management procedures. The types of pain surgical procedures that may be performed in an ASC continues to increase over time, with estimates indicating approximately one third of outpatient surgeries now are performed in ASCs. The migration of pain surgical procedures to the ASC setting is associated with demonstrated clinical and operational advantages.

ASCs achieve efficiencies from the ability to tailor services to a smaller offering of low acuity surgical procedures. Hospital operating rooms, including those dedicated to outpatient surgery, must be designed with enough space to handle a wide range of procedures in multiple clinical specialties. Hospital-based operating rooms must be flexible enough to handle the range in services provided, with equipment to handle anything from a routine elective procedure to an emergency room patient in need of immediate invasive surgery. In contrast, ASCs are designed to accommodate specific surgical specialties, with the operating rooms appropriately sized to meet such needs. ASC operating rooms are equipped specifically for the types of procedures to be performed, with operating rooms frequently being used for the same type of surgery on a continuous basis each day.
Hospital operating rooms schedules are subject to disruption when an operating room is needed for an emergency room or emergent inpatient surgery, leading to delays in all subsequent surgeries scheduled for the day. ASCs only accommodate routine, scheduled procedures and are not hampered by the schedule disruptions associated with a hospital surgical department. Patients and staff benefit from the operational efficiencies of ASCs, with procedures performed in ASCs taking less time on average when compared to procedures performed in a hospital. Patients experience improved procedure scheduling and shorter wait times when an outpatient procedure is performed in an ASC. Recovery times for procedures performed in the ASC are typically shorter, which is also attributable to the evolution of medical devices and pharmaceuticals administered in connection with surgery. Patients spend almost a quarter less time in an ASC versus in a hospital outpatient surgical department for the same procedure.

ASCs provide a lower cost alternative to hospital outpatient surgery departments. On average, ASCs are approximately 47% less expensive than a hospital. In one instance, a comparison of hospital outpatient department and ASC costs resulted in the finding that procedures performed in an ASC are 84% of the cost of the same procedure performed in the hospital outpatient department. Some of the savings is the result of not requiring the same overhead as a hospital surgical service, such as fewer nursing, staffing, laboratory, medication, and imaging costs. Variation associated with the need for a hospital to be able to adapt to provide care within different specialties and for varying case complexities increases overall costs for hospital outpatient surgical departments. Additional ASC savings are derived from the elimination of an overnight patient stay. Overall, the ASC setting is associated with efficiencies that also reduce costs.

Provision of High Quality Surgical Services:
Patients who undergo surgery in the ASC setting experience a number of benefits associated with high quality surgical services. Rates of revisit to the hospital one week post-surgery are lower for ASC patients. Infection rates for procedures performed in ASCs are half that for the same procedures performed in the hospital setting. Patients experience improved pain levels and less nausea when receiving surgery in an ASC. There also are better thirty day outcomes, including reductions in pneumonia, renal failure, and sepsis as well as no demonstrated increase in morbidity, mortality, or readmission . In fact, major morbidity and mortality following ASC

procedures are extremely rare. These are all factors associated with high quality surgical service delivery.

Individualized Patient Care:
With the increasing availability of ASCs, patients have greater options to choose from when selecting an appropriate setting for outpatient surgical services. Growth in minimally invasive or non-invasive procedures has led to an increase in the ability to perform surgery on an outpatient basis. These surgeries are considered lower acuity and have less complexities than other types of procedures, such as fewer surgical cuts or incisions and decreased blood loss.
Anesthesia needs for these low acuity procedures can be met in an ASC due to ongoing developments in the delivery of anesthetics.46 As more low acuity surgeries are performed in the outpatient setting, patients are able to select outpatient centers that will meet their individual needs.

F1.b.ii **Public Health Value /Outcome-Oriented:**

Describe the impact of the Proposed Project and how the Applicant will assess such impact. Provide projections demonstrating how the Proposed Project will improve health outcomes, quality of life, or health equity. Only measures that can be tracked and reported over time should be utilized.

Improving Health Outcomes and Quality of Life
The Applicant anticipates that the Proposed Project will provide the Applicant's patients with improved health outcomes and improved quality of life through additional access to high quality pain surgical services by expanding capacity in the community setting. As more fully discussed in Factor F.1.b.i., shifting patients to an ambulatory setting allows for high-quality, lower-cost care closer to home. The Proposed Project will offer greater throughput pre- and post-surgery, ensuring an expedited, patient-centered experience for patients.
The Proposed Project is designed to utilize industry-defined best practices for quality, efficiency and effectiveness. High quality care is achieved in the following ways:
1) Placing a focus on specific specialties and their associated surgeries, physicians are able to provide efficient,expert care to patients.
2) Maximizing process improvement initiatives; given that the Proposed Project will focus on specific specialty and associated surgeries, clinical staff will develop and implement a robust program for reviewing quality of care outcomes, identifying best practices and implementing performance improvement initiatives.
3) Transforming the care experience for patients in the ASC setting; clinical and administrative staff have the ability to narrow their focus to the noted specialties, which allows these staff to more effectively control scheduling, thereby eliminating delays, backlogs and rescheduled procedures. Consequently, ASCs have less unpredictability than a hospital based outpatient departments in regard to scheduling. Together these care components will transform the care process for patients, providing improved quality of life and leading to higher quality outcomes.
The Applicant also will implement amenities that assist in creating a higher level of patient satisfaction. These tools include an online pre-registration system that will allow patients to register from the comfort of their homes, rather than waiting prolonged periods of time in a clinical setting. This technology platform is available in over 70 languages to ensure all patients within the community have access to pre-registration capabilities. The Applicant also will implement price transparency tools, allowing patients to estimate prices for their procedures, as well as online payment portals, offering greater communication between administrative staff and patients. These tools provide transparent, expedited administrative processes for patients unlike more complicated hospital based outpatient departments.
Furthermore, the Applicant selected the location of the Proposed Project based on accessibility and convenience to patients. Situated in close proximity to major thoroughfares, the site for the Proposed Project will offer ample parking improving patient experience. Accordingly, these combined care tools will ultimately lead to improved patient experience and higher quality process and clinical outcomes.

F1.b.iii **Public Health Value /Health Equity-Focused:**

For Proposed Projects addressing health inequities identified within the Applicant's description of the Proposed Project's need-base, please justify how the Proposed Project will reduce the health inequity, including the operational components (e.g. culturally competent staffing). For Proposed Projects not specifically addressing a health disparity or inequity, please provide information about specific actions the Applicant is and will take to ensure equal access to the health benefits created by the Proposed Project and how these actions will promote health equity.

To ensure health equity to all populations, including those deemed underserved, the Proposed Project will not adversely affect accessibility of the Applicant's services for poor, medically indigent, and/or Medicaid eligible individuals. The Applicant will not discriminate based on ability to pay or payer source following implementation of the Proposed Project. As further detailed throughout this narrative, the proposed Project will increase access to high quality surgical services for all patients by offering a low-cost alternative in the community setting.
As detailed in the definition of the patient panel, the population of the Proposed Project reflects moderate diversity that necessitates implementation of culturally appropriate support services to ensure improved patient experience and higher quality outcomes. Accordingly, the Applicant will employ culturally competent staff and plans to develop a robust translation services program. The Applicant will offer multiple tools to address language barriers, including Language Line and InDemand interpreting to provide multiple options for translation services. Language Line provides quality phone and video interpretation services from highly trained professional linguists in more than 240 languages 24 hours a day, 7 days a week, facilitating more than 35 million interactions a year.

InDemand offers leading-edge medical interpreting solutions, such as video interpretations, allowing clinicians to provide their limited English proficient, Deaf and hard of hearing patients with access to the highest quality healthcare.
Together, these solutions will eliminate language barriers for patients and ensure culturally appropriate care. Furthermore, as previously discussed, the Applicant will offer price transparency tools to ensure that all patients have access to current pricing information. By providing this information patients may determine if specific procedures are affordable. The Applicant also will provide financial counselors for assistance in understanding insurance benefits.

F1.b.iv Provide additional information to demonstrate that the Proposed Project will result in improved health outcomes and quality of life of the Applicant's existing Patient Panel, while providing reasonable assurances of health equity.

The Proposed Project will allow for the expansion of lower-cost pain surgical services in the community setting. This alternative point of access, which boasts similar quality outcomes as outpatient hospital surgical services, is in a more convenient setting reducing travel time for patients and offering more convenient parking options. The Applicant also plans to implement numerous amenities, including patient access tools, such as pre-registration functionality and a cost transparency application, to improve patient experience and ensure high rates of patient satisfaction.

F1.c Provide evidence that the Proposed Project will operate efficiently and effectively by furthering and improving continuity and coordination of care for the Applicant's Patient Panel, including, how the Proposed Project will create or ensure appropriate linkages to patients' primary care services.

Through the Proposed Project, the Applicant will combine physician engagement with a strong technology infrastructure to ensure continuity of care, improved health outcomes and care efficiencies. The technology infrastructure for the Proposed Project encompasses streamlined patient access tools that offer pre-registration functionality. These tools interface with an electronic medical record ("EMR") system to amalgamate necessary patient health information, such as medical history, allergies and medications that is reviewed by surgeons and anesthesiologists. EMR functionality also allows surgeons to share operative notes and post-operative discharge instructions with primary care physicians ("PCPs"), so both physicians may track a patient's progress post-discharge. The EMR also tracks a patient's preoperative medications to ensure appropriate dosing, as well as necessary prescriptions. While a strong technology foundation is the first step in providing coordinated care, the Applicant's administrative leaders will carry out other processes to ensure continuity of care, including engaging surgeons in developing policies and procedures that assist in increasing communication with PCPs. For example, in the event that a patient is unable to have a pain surgical procedure because they have failed to follow instructions, communication between the pain physician and PCP may address the issue, so the patient is aware of appropriate preparation for procedure. Developing strategies for timely communication amongst providers ensures higher quality outcomes for patients, especially those with co-morbidities that struggle with psycho-social support needs. An assigned care manager will follow-up with the patient to determine if he/she has any needs post- discharge. Accordingly, these efforts will ensure patients have efficient and coordinated care.
Furthermore, in an effort to improve care efficiencies and coordination, upon discharge a nurse manager will provide appropriate discharge instructions for all patients. Specifically, all patients will receive detailed written discharge instructions from their care team. A nurse will review the instructions with the patient and the family at the time of discharge. Each patient will receive a brightly colored folder to ensure the patient cannot misplace the instructions. Additionally, the surgeon has the ability to record the post-operative message, which details the surgery and post-operative instructions. This video will be embedded into electronic postoperative instructions along with the same hard-copy information the patient received at the facility. The electronic information will also be emailed, using HIPPAA-compliant protocols, so in the event that the patient or fam ily misplaces the hard copy, they will have the same instructions in their email inbox. This affords the ASC and the surgeon the opportunity to guarantee the patient is armed with the appropriate discharge information and ensures a safe and speedy recovery. This double-pronged approach has proven to be successful at other ASCs, and facilitates continuous communication with the patient, thereby improving patient satisfaction and quality of care. The ASCs EMR will allow for the perioperative record

F1.d Provide evidence of consultation, both prior to and after the Filing Date, with all Government Agencies with relevant licensure, certification, or other regulatory oversight of the Applicant or the Proposed Project.

The following individuals were provided with notice of the Proposed Project:
- Department of Public Health: Mr. Dennis Renaud, Director, Determination of Need Program
  Ms. Lucy Clarke, Analyst, DoN Program
  Ms. Jennica Allen, Director, Office of Community Health Planning and Engagement.

F1.e.i Process for Determining Need/Evidence of Community Engagement: For assistance in responding to this portion of the Application, Applicant is encouraged to review *Community Engagement Standards for Community Health Planning Guideline*. With respect to the existing Patient Panel, please describe the process through which Applicant determined the need for the Proposed Project.

The Applicant identified the need to establish an appropriate, community-based setting where patients can obtain low-acuity outpatient pain surgical services. It was determined that the establishment of a freestanding ASC would improve access to outpatient pain management surgical services. The Applicant engaged the community in order to more fully involve patients and families regarding the proposed ASC.
To meet the Community Engagement Standards set forth by the Department of Public Health, the Applicant and the

Participating physician has been conducting informational sessions/community forums. These presentations sought to inform community members about the ongoing global shift from inpatient to outpatient procedures as part of the evolving health care delivery landscape. Information was presented on the benefits of having pain surgical procedures in an ASC setting, including the convenience and cost-efficiencies that this setting affords patients.
The presentations offered an overview of the proposed ASC project. Details included the plans for a second story, 5,000 SF construction project to be located at 386 Merrimack St in Methuen, MA directly adjacent to multiple medical offices. It was explained that the ASC will be built to the specifications of advanced technology and resources, resulting in a state-of the-art facility. The discussion also demonstrated how the ASC setting is a lower cost care center than a HOPD, which reduces costs for patients. The participants were also informed about the nature of the ASC as a collaboration among the joint venture partners to strengthen care within the community to meet needs.

F1.e.ii Please provide evidence of sound Community Engagement and consultation throughout the development of the Proposed Project. A successful Applicant will, at a minimum, describe the process whereby the "Public Health Value" of the Proposed Project was considered, and will describe the Community Engagement process as it occurred and is occurring currently in, at least, the following contexts: Identification of Patient Panel Need; Design/selection of DoN Project in response to "Patient Panel" need; and Linking the Proposed Project to "Public Health Value".

To date, the Applicant and its Participating Physician have conducted the following engagement activities:

- MVPMA held an informational session to inform patients about the Proposed Project on 9/9/2022.
- MVPMA held an informational session to inform patients about the Proposed Project on 9/16/2022

Please see Exhibit# 10 +11

Factor 2: Health Priorities

Addresses the impact of the Proposed Project on health more broadly (that is, beyond the Patient Panel) requiring that the Applicant demonstrate that the Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment, improved public health outcomes, and delivery system transformation.

F2.a **Cost Containment:**

Using objective data, please describe, for each new or expanded service, how the Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment.

The goals for cost containment in Massachusetts center on providing low-cost care alternatives without sacrificing high quality. The Massachusetts Health Policy Commission ("HPC"), an independent state agency charged with monitoring health care spending growth in Massachusetts and providing data-driven policy recommendations regarding health care delivery and payment system reform set the following goal for cost containment: Better health and better care- at a lower cost- across the Commonwealth. Consequently, the proposed project meets this goal by providing qualifying lower-acuity patients with high quality pain surgical services in a cost-effective setting. As previously discussed, ASC reimbursement rates are 48% of the amount paid to HOPDs. Studies provide that if half of the eligible pain surgical procedures were shifted from HOPDs to ASCs, Medicare would save an additional $2.5 billion annually. Similarly, Medicaid, other insurers and patients benefit from lower prices for services performed in the ASC setting given lower levels of reimbursement and less co-insurance payments.

Patients receiving surgical services through the proposed ASC also will have access to experienced, expert surgeons and clinical staff. This expertise leads to care and cost efficiencies, leading to overall reduced provider price, costs and TME. Accordingly, the proposed project will lower price and in turn costs for the noted surgical services, leading to overall reduced TME and total healthcare expenditures.

F2.b **Public Health Outcomes:**

Describe, as relevant, for each new or expanded service, how the Proposed Project will improve public health outcomes.

Providing access to expedited, expert surgical care in the community setting will improve public health outcomes and patient experience. First, clinical staff, including surgeons providing surgical services in ASCs focus on specific specialty surgeries annually. Consequently, studies have shown that this narrow focus leads to greater expertise among clinical staff and creates care efficiencies that lead to improvement in process and clinical outcomes, as well as patient experience. Second, patient experience will be improved through convenient access to the facility, ample parking, and expedited scheduling of procedures. The ASC will also offer patient centered technology, such as pre-registration system and cost transparency tools. When patients receive timely care, in the appropriate setting and achieve cost savings both the healthcare market and patients benefit.

F2.c **Delivery System Transformation:**

Because the integration of social services and community-based expertise is central to goal of delivery system transformation, discuss how the needs of their patient panel have been assessed and linkages to social services organizations have been created and how the social determinants of health have been incorporated into care planning.

Through the Proposed Project, patients will be provided with linkages to the social determinants of health. As further discussed in Section F.1.c., patients will be provided with access to care management services in two ways. First, prior to discharge, patients will meet with a case manager that will screen patients for social determinant of health needs. If after screening a patient needs additional services, the individual will be linked to a care manager, who will help the individual access local resources. To facilitate these referrals the care manager will develop relationships with primary care practices and social work resources within the ACOs that refer patients to the ASC. Accordingly, these efforts will ensure patients are linked with appropriate community resources to address social determinant of health needs.

Factor 3: Compliance

Applicant certifies, by virtue of submitting this Application that it is in compliance and good standing with federal, state, and local laws and regulations, including, but not limited to M.G.L. c. 30, §§ 61 through 62H and the applicable regulations thereunder, and in compliance with all previously issued notices of Determination of Need and the terms and conditions attached therein .

F3.a Please list all previously issued Notices of Determination of Need

Add/Del Rows	Project Number	Date Approved	Type of Notification	Facility Name
+ -	N/A			

Factor 4: Financial Feasibility and Reasonableness of Expenditures and Costs

Applicant has provided (as an attachment) a certification, by an independent certified public accountant (CPA) as to the availability of sufficient funds for capital and ongoing operating costs necessary to support the Proposed Project without negative impacts or consequences to the Applicant's existing Patient Panel.

F4.a.i **Capital Costs Chart:**
For each Functional Area document the square footage and costs for New Construction and/or Renovations.

		Present Square Footage		Square Footage Involved in Project				Resulting Square Footage		Total Cost		Cost/Square Footage	
				New Construction		Renovation							
Add/Del Rows	Functional Areas	Net	Gross	Net	Gross	Net	Gross	Net	Gross	New Construction	Renovation	New Construction	Renovation
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F4.a.ii For each Category of Expenditure document New Construction and/or Renovation Costs.

	Category of Expenditure	New Construction	Renovation	Total (calculated)
	Land Costs			
	Land Acquisition Cost			
	Site Survey and Soil Investigation			
	Other Non-Depreciable Land Development			
	Total Land Costs			
	Construction Contract (including bonding cost)			
	Depreciable Land Development Cost			
	Building Acquisition Cost			
	Construction Contract (including bonding cost)			
	Fixed Equipment Not in Contract			
	Architectural Cost (Including fee, Printing, supervision etc.) and Engineering Cost			
	Pre-filing Planning and Development Costs			
	Post-filing Planning and Development Costs			
Add/Del Rows	Other (specify)			
+ -				
	Net Interest Expensed During Construction			
	Major Movable Equipment			
	Total Construction Costs			
	Financing Costs:			
	Cost of Securing Financing (legal, administrative, feasibility studies, mortgage insurance, printing, etc			
	Bond Discount			
Add/Del Rows	Other (specify			
+ -				
	Total Financing Costs			
	Estimated Total Capital Expenditure			

Factor 5: Relative Merit

F5.a.i Describe the process of analysis and the conclusion that the Proposed Project, on balance, is superior to alternative and substitute methods for meeting the existing Patient Panel needs as those have been identified by the Applicant pursuant to 105 CMR 100.210(A)(1). When conducting this evaluation and articulating the relative merit determination, Applicant shall take into account, at a minimum, the quality, efficiency, and capital and operating costs of the Proposed Project relative to potential alternatives or substitutes, including alternative evidence-based strategies and public health interventions.

Proposal:

To construct a freestanding ASC with tow (2) operating rooms at 386 Merrimack St, Suite# D, Methuen, MA 01844

Quality:

Pain Surgical services and related care provided in an ASC are high quality, with clinical outcomes that are equal to or better than HOPD surgical departments for the same procedures.

Efficiency:

The specialization of services offered at the ASC will allow the Applicant to achieve clinical and operational efficiencies. Lower acuity cases can be shifted from hospital outpatient surgical departments to the ASC, which will achieve cost savings. Clinical efficiencies will be achieved through the use of highly trained staff and the ability to maintain a more uniform schedule, allowing for high quality patient outcomes.

Capital Expense:

Establishment of the ASC will result in a one-time capital expense to construct an energy efficient ASC building.

Operating Costs:

The operating expenses anticipated for Year 1, the first full year of operation of the ASC, are expected to be $ 600,000.

List alternative options for the Proposed Project:

Alternative Proposal:

Do not establish an ASC and continue serving patients through the existing operating rooms at their current site of care (i.e. Hospital Outpatient Departments) or at far distant ASCs

Alternative Quality:

This alternative is not sufficient to meet the combined patient panel's need for low cost and high quality outpatient surgical services in the community. As frequently, navigating a HOPD is challenging for many patients, especially those within the 65+ age cohort. An ASC will provide high quality care in a more manageable setting.

Alternative Efficiency:

Not establishing an ASC will result in continued clinical and operational inefficiencies due to the limitation in providing on-time surgical services in a hospital setting with increased patients dissatisfaction

Alternative Capital Expense:

Capital expenses initially would not change under this alternative but would increase in the future in order to renovate the existing operating rooms where care is currently provided.

Alternative Operating Costs:

Taking no action to establish an ASC and continuing to offer low acuity surgical procedures in the hospital outpatient department and other distant ASCs, ultimately would result in increased patients suffering due lack/ delayed scheduling, patients dissatisfaction by going to Hospital OR where they could be subject to contracting diseases, operating costs and ultimate higher TME for patients served in the market.

Add additional Alternative Project | Delete this Alternative Project

F5.a.ii Describe the process of analysis and the conclusion that the Proposed Project, on balance, is superior to alternative and substitute methods for meeting the existing Patient Panel needs as those have been identified by the Applicant pursuant to 105 CMR 100.210(A)(1). When conducting this evaluation and articulating the relative merit determination, Applicant shall take into account, at a minimum, the quality, efficiency, and capital and operating costs of the Proposed Project relative to potential alternatives or substitutes, including alternative evidence-based strategies and public health interventions.

Documentation Check List

The Check List below will assist you in keeping track of additional documentation needed for your application.

Once you have completed this Application Form the additional documents needed for your application will be on this list. E-mail the documents as an attachment to: DPH.DON@state.ma.us

- ☒ Copy of Notice of Intent
- ☒ Affidavit of Truthfulness Form
- ☒ Scanned copy of Application Fee Check
- ☐ Affiliated Parties Table Question 1.9
- ☐ Change in Service Tables Questions 2.2 and 2.3
- ☒ Certification from an independent Certified Public Accountant
- ☐ Current IRS Form, 990 Schedule H CHNA/CHIP and/or Current CHNA/CHIP submitted to Massachusetts AGO's Office
- ☐ Community Engagement Stakeholder Assessment form
- ☐ Community Engagement-Self Assessment form

Document Ready for Filing

When document is complete click on "document is ready to file". This will lock in the responses and date and time stamp the form. To make changes to the document un-check the "document is ready to file" box. Edit document then lock file and submit Keep a copy for your records. Click on the "Save" button at the bottom of the page.

To submit the application electronically, click on the"E-mail submission to Determination of Need" button.

This document is ready to file: ☒ Date/time Stamp: 11/17/2022 4:31 pm

E-mail submission to Determination of Need

Application Number: ESC-22101909-AS

Use this number on all communications regarding this application.

☐ Community Engagement-Self Assessment form

ESC-22101909-AS

F4.a.i **Capital Costs Chart:**
For each Functional Area document the square footage and costs for New Construction and/or Renovations.

		Present Square Footage		Square Footage Involved in Project				Resulting Square Footage		Total Cost		Cost/Square Footage	
				New Construction		Renovation							
Add/Del Rows	Functional Areas	Net	Gross	Net	Gross	Net	Gross	Net	Gross	New Construction	Renovation	New Construction	Renovation
+ -	PATIENTS WAITING AREA			300	300			300	300	$33,000.00		$110.00	
+ -	PATINTS PRE-OP AREA			350	350			350	350	$49,000.00		$140.00	
+ -	OR1			450	450			450	450	$78,750.00		$175.00	
+ -	OR2			450	450			450	450	$78,750.00		$175.00	
+ -	PATIENTS POST-OP AREA			350	350			350	350	$49,000.00		$140.00	
+ -	PATIENTS LOCKER ROOM			150	150			150	150	$15,000.00		$100.00	
+ -	STAFF LOCKER ROOM			150	150			150	150	$15,000.00		$100.00	
+ -	STERELIZATION AREA			200	200			200	200	$22,000.00		$110.00	
+ -	STORAGE 1			300	300			300	300	$30,000.00		$100.00	
+ -	STORAGE 2			300	300			300	300	$30,000.00		$100.00	
+ -	DOCTOR'S OFFICE			100	100			100	100	$10,000.00		$100.00	
+ -	OFFICE			125	125			125	125	$12,500.00		$100.00	
+ -	OFFICE			125	125			125	125	$12,500.00		$100.00	
+ -	CONFERENCE/ STAFF REST AREA			250	250			250	250	$25,000.00		$100.00	
+ -	STATION AREA			200	200			200	200	$20,000.00		$100.00	
+ -	EQUIPMENT ROOM			200	200			200	200	$20,000.00		$100.00	
+ -	BATHROOM/PATIENT			75	75			75	75	$7,500.00		$100.00	
+ -	BATHROOM/STAFF			75	75			75	75	$7,500.00		$100.00	
+ -	CHART STORAGE ROOM			450	450			450	450	$45,000.00		$100.00	
+ -	EXTRA SPACE			200	200			200	200	$20,000.00		$100.00	
	Total: (calculated)			4,800	4,800			4,800	4,800	$580,500.00		$2,250.00	

F4.a.ii For each Category of Expenditure document New Construction and/or Renovation Costs.

	Category of Expenditure	New Construction	Renovation	Total (calculated)
	Land Costs			
	Land Acquisition Cost	$0.		$0.
	Site Survey and Soil Investigation			
	Other Non-Depreciable Land Development			
	Total Land Costs	$0.		$0.
	Construction Contract (including bonding cost)			
	Depreciable Land Development Cost	$0.		$0.
	Building Acquisition Cost	$439000.		$439000.
	Construction Contract (including bonding cost)	$576500.		$576500.
	Fixed Equipment Not in Contract	$50000.		$50000.
	Architectural Cost (Including fee, Printing, supervision etc.) and Engineering Cost	$70000.		$70000.
	Pre-filing Planning and Development Costs	$10000.		$10000.
	Post-filing Planning and Development Costs	$12500.		$12500.
Add/Del Rows	Other (specify)			
+ -				
+ -	Futniture	$15000.		$15000.
	Net Interest Expensed During Construction	$5000.		$5000.
	Major Movable Equipment	$10000.		$10000.
	Total Construction Costs	$1188000.		$1188000.
	Financing Costs:			
	Cost of Securing Financing (legal, administrative, feasibility studies, mortgage insurance, printing, etc	$12000.		$12000.
	Bond Discount			
Add/Del Rows	Other (specify			
+ -				
	Total Financing Costs	$12000.		$12000.
	Estimated Total Capital Expenditure	$1200000.		$1200000.