

1  
**HEALTH FACILITIES COMMISSION**  
**JULY 29, 2024**  
**APPLICATION REVIEW**

NAME OF PROJECT: The Plastic Surgery Center Brentwood

PROJECT NUMBER: CN2405-013

ADDRESS: 620 Church Street East  
Brentwood (Davidson County), TN 37027

LEGAL OWNER: The Plastic Surgery Center Brentwood, LLC  
620 Church Street East  
Brentwood, TN 37027

OPERATING ENTITY: N/A

CONTACT PERSON: Michael Brent, Attorney  
(615) 252-2361

DATE FILED: May 30, 2024

PROJECT COST: \$53,000

PURPOSE FOR FILING: Conversion from a Single-Specialty Ambulatory Surgical Treatment Center (ASTC) to a Multi-Specialty Ambulatory Surgical Treatment Center (ASTC)

---

## **Staff Review**

*Note to Commission members: This staff review is an analysis of the statutory criteria of Need, Consumer Advantage Attributed to Competition, and Quality Standards, including data verification of the original application and, if applicable, supplemental responses submitted by the applicant. Any Health Facilities Commission (HFC) Staff comments will be presented as a "Note to Commission members" in bold italic.*

### **PROJECT DESCRIPTION**

- This application is for the addition of specialties to an Ambulatory Surgical Treatment Center (ASTC) located at 620 Church Street East, Brentwood (Davidson County), Tennessee 37027 transitioning from a single-specialty (plastic surgery only) to multi-specialty, with no change in the number of operating rooms or

**THE PLASTIC SURGERY CENTER OF BRENTWOOD**

**CN2405-013**

**JULY 29, 2024**

**PAGE | 1**

procedure rooms. The applicant's ASTC facility seeks to remove a CON condition limiting it to plastic surgery only and to the owners and employees of the Plastic Surgery Clinic, PLLC which was established pursuant to CN1711-035A.

*Note to Commission members: The applicant highlights three specific specialties: general surgery, ophthalmology, and otolaryngology to be included with its expansion to a multi-specialty facility. When asked if it will accept a limitation on the CON to these specialties, the applicant provided the following response: "The applicant would prefer not to accept this limitation because it cannot anticipate how its patients' needs or the healthcare landscape will change in the future (including regulatory changes, improvements in surgical techniques, etc)." See Supplemental #1, Question #2, Page 1.*

### **Executive Summary**

- If approved, the applicant projects the proposed project will open for service in January 2025.
- The applicant has four practice office locations in Middle Tennessee located in Franklin (Williamson County), Brentwood (Davidson County), Nashville (Davidson County), and Mt Juliet (Wilson County).
- The existing ASTC facility has two operating rooms and no procedure rooms. The applicant states that it does not intend to increase the number of rooms at the proposed facility in support of its expansion to a multi-specialty ASTC.
- The following plastic surgery procedure types are currently performed at the ASTC: Abdominoplasty, Blepharoplasty, Body Lift, Brachioplasty, Breast Augmentation, Breast Implant Exchange, Breast Implant Removal, Breast Reconstruction, Breast Reduction, Breast Revision, Browlift, Buccal Pad Removal, Calf Augmentation, Capsulectomy, Capsulectomy with Aug, Capsulectomy with implant removal, Capsulorrhaphy, Capsulotomy, Cheek Lift, Chin Implant, CO2 Laser, Dermalipectomy, Facelift, Facial Fat Grafting, Fat Grafting, Gynecomastia, Labiaplasty, Lesion Removal, Lip Lift, Liposuction, Mastopexy, Mastopexy with Augmentation, Necklift, Otoplasty, Platysmaplasty, Rhinoplasty, Scar Revision, Thigh Lift, TRL.
- The applicant identifies the following expanded services that will potentially be offered if the CON is approved: Canthoplasty, Medial Canthopexy, Lateral Canthopexy, Septoplasty, Repair of anterior abdominal hernia(s).
- The applicant states that the new procedures being proposed are all related to the types of procedures currently offered at the facility and are within the purview of cosmetic plastics.
- The applicant provides the following description of the relationship between the existing and proposed procedure types in response to Application Item 1.E. on Page 6: *"Canthoplasty and Canthopexy are related to the Upper and Lower Blepharoplasty, which is currently being done. Hernia repair is related to other abdominal procedures in that, once exposure is obtained for an abdominoplasty, the hernia can*

**THE PLASTIC SURGERY CENTER OF BRENTWOOD**

**CN2405-013**

**JULY 29, 2024**

**PAGE | 2**

*repaired at the same time. Septoplasty is related to rhinoplasty, as the septum can be repaired at the same time."*

- The applicant states that the ability to perform these related procedures in the same facility will support faster recovery times, and reduced travel burdens for patients. See Item 3C. Page 20.
- The applicant states that the facility will continue to be limited to physicians who are owners or employees of the Plastic Surgery Clinic, PLLC as well as four additional physicians.
- The applicant is requesting to remove the exiting CON condition limiting access to its ASTC facility, which will allow the non-affiliated physicians to perform procedures at its ASTC.
- The non-affiliated physicians requesting access to the ASTC (with their specialties in parenthesis) are:
  - Debra Sherman, M.D. (oculoplastics)
  - Mark Melson, M.D. (oculoplastics)
  - Kate O'Connor, M.D. (facial plastics ENT)
  - Preston Brown, M.D. (general surgery)
- Please see application Attachment 1E. for the applicant's executive summary overview that includes project description, ownership, service area, existing similar service providers, project cost, and staffing.

**Consent Calendar:**             Yes             No

- Executive Director's Consent Memo Attached:  Not applicable

### **Facility Information**

- The applicant, The Plastic Surgery Center Brentwood, LLC has provided a copy of the lease for the property with the landlord, Tigerco, LLC over a 10-year lease period. The ASTC site is located on approximately 1.7 acres. See Attachment 9A - Lease Agreement.

### **Ownership**

- The applicant is owned by Dr. John Moore (50%) and Dr. Konrad Sarsosiek (50%).

### **Project Cost Chart**

- The total project cost is \$53,000. Of this amount, the highest line-item costs of the project are Legal, Administrative (Excluding CON Filing Fee), Consultant Fees Costs (\$25,000), Contingency Costs (\$20,000), and Construction Costs (\$5,000).
- For additional information, please see Project Costs Chart on Page 10 of the application.

## NEED

The applicant provided the following supporting the need for the proposed project:

- There is a need to consolidate the types of procedures currently performed at the facility with related procedures which must be performed by non-affiliated physicians.
- The need to improve patient experiences and outcomes, by reducing travel and recovery times for patients who require multiple procedure types, which will be possible to perform at the same time if the CON condition on the ASTC facility is removed.
- To reduce the wait times experienced by patients who require the types of procedures currently being performed outside of the applicant's ASTC by the non-affiliated physicians. See Supplemental #1, Question #12, Page 9.

*(For applicant discussion, see Item 2.E. on Page 8 of the application)*

## SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

### **Ambulatory Surgical Treatment Centers**

All applicable criteria and standards were met except for the following:

- Partially met the standard of #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.<sup>2</sup> 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.”** *The applicant projects that it will not meet the optimum utilization target of 884 cases per operating room in Year 1 (371 cases per OR – 42% of target). It does project to exceed the optimum utilization standard in Year 2 (2026) - (371 cases per OR – 42% of target)*



**Projected Utilization - Cases per Operating Room**

	Year 1 (2025)	Year 2 (2026)
Cases	742	742
Number of Operating Rooms	2	2
Cases per Operating Room	371	371
State Health Plan Optimum 70% Utilization	884	884
% of State Plan Optimum Target	42%	42%

Source: CN2405-013, Attachment 1NR, Pages 1 & 2.

*Note to Commission members: The applicant is not proposing to add any new operating rooms or procedure rooms. While the operating room caseload is projected to increase from its historical volume, the facility is still projected to operate below the optimum utilization standards for operating rooms. The applicant's ASTC facility also has a procedure room, but no procedure room cases have been reported historically and none are projected to be performed in the facility moving forward as approximately 90% of patients require general anesthesia and are therefore served in an operating room rather than a procedure room.*

*The applicant is not requesting special consideration under Criterion #11 which states "In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principal 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:*

- 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 The applicant will not contract with any area TennCare MCOs and is not a substantial participant in Medicare due to the nature of its patient base. It is certified for participation in Medicare.*

*Please see Attachment 1NR for a full listing of the criteria and standards and the applicant's responses.*

### Service Area Demographics

- The proposed primary service area consists of Davidson and Williamson Counties. (see Attachment 2N for a county level map).
- The target population is the population age 18 and older.

	2024 Population		2028 Population		% Change		TennCare %
	Total	Target Population Age 18+	Total	Target Population Age 18+	Total	Target Population Age 18+	
Davidson	727,642	567,269	746,905	580,947	2.6%	2.4%	19.0%
Williamson	270,313	202,171	295,116	222,182	9.2%	9.9%	5.4%
<b>Service Area Total</b>	<b>997,955</b>	<b>769,440</b>	<b>1,042,021</b>	<b>803,140</b>	<b>4.4%</b>	<b>4.4%</b>	<b>15.4%</b>
<b>Tennessee Total</b>	<b>7,125,908</b>	<b>5,565,604</b>	<b>7,331,859</b>	<b>5,736,895</b>	<b>2.9%</b>	<b>3.1%</b>	<b>21.2%</b>

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

- The total population of the service area is projected to increase by (4.4%) from 2024 to 2028. The target population (Age 18+) is projected to increase by (4.4%). The service area growth rates are higher than the statewide growth rates of (2.9%) overall and (3.1%) for the target population (Age 18+).
- The service area has a lower rate of TennCare enrollment (15.4%) than the statewide rate (21.2%).

### Service Area Historical Utilization

- Utilization trends for ASTCs in the service area that have reported providing cosmetic procedures are shown in the following table.

#### 2021-2023 Service Area Cosmetic Surgery Cases Utilization Trend Proposed Service Area

ASTC Facility Name	County	Single or Multi-Specialty	Total Cases 2021	Total Cases 2022	Total Cases 2023	Total Cosmetic Surgery Cases 2021-2023	Total 2021-2023 (% Change)
Centennial Surgery Center	Davidson	Multi	54	6	2	62	-96%
Northridge Surgery Center	Davidson	Multi	60	92	98	250	63%
Oral Facial Surgery Center	Davidson	Multi	0	63	224	287	NA
Saint Thomas Campus Surgicare	Davidson	Multi	266	304	287	857	8%
Saint Thomas Surgery Center Midtown	Davidson	Multi	668	642	629	1,939	-6%
Delozier Surgery Center	Davidson	Single	422	505*	471	893	12%
Summit Surgery Center	Davidson	Multi	2	14	11	27	450%
Brentwood Surgery Center/Southern Hills Surgery Center, LP	Davidson	Multi	0	0	11	11	NA
The Plastic Surgery Center Brentwood, LLC	Davidson	Single	551	502	512	1,565	-7%
Vanderbilt Surgery Center Cool Springs / Cool Springs Surgery Center	Williamson	Multi	0	343	243	586	NA
Franklin Endoscopy Center	Williamson	Multi	5	0	0	5	-100%
<b>TOTAL</b>			<b>2,028</b>	<b>1,966</b>	<b>2,488</b>	<b>6,482</b>	<b>23%</b>

\*There were 808 procedure room cases reported by Delozier Surgery Center in addition to the 505 reported operating room cases.

- There are eleven ASTCs providing cosmetic surgeries in the service area. Nine of the eleven ASTCs are multi-specialty facilities
- These ASTCs report a combined increase of operating room based cosmetic surgery cases of (23%) from 2021-2023.
- There is an outstanding CON for (CN2103-011A) Grassland Surgery Center, which will also function as a single specialty cosmetic surgery center. However, that facility will function as an open-staff facility, with an emphasis on long-duration plastic and reconstructive surgery cases. The applicant states that it does not anticipate any significant overlap between the cases performed.
- From 2021-2023 Saint Thomas Surgery Center Midtown reports performing the most cosmetic surgery cases (1,939 cases) followed by the applicant - The Plastic Surgery Center Brentwood, LLC. (1,565 cases); Delozier Surgery Center (893 cases); and Saint Thomas Campus Surgicare (857 cases).

**Cosmetic, General, Ophthalmology, and Otolaryngology Surgeries Performed in  
Service Area ASTCs 2021-2023**

ASTC Facility Name	County	Single or Multi-Specialty	Total Cases 2021	Total Cases 2022	Total Cases 2023	Total 2021-2023 (% Change)	Total Cosmetic Surgery Cases 2023
Eye Surgery Center of Middle Tennessee	Davidson	Single	2,406	2,307	2,815	17.0%	0
Centennial Surgery Center	Davidson	Multi	1,629	1,592	1,507	-7.5%	2
Northridge Surgery Center	Davidson	Multi	4,498	4,641	4,062	-9.7%	98
Oral Facial Surgery Center	Davidson	Multi	130	825	1,169	799.2%	224
Baptist Ambulatory Surgery Center	Davidson	Multi	84	104	94	11.9%	0
Eye Surgery Center of Nashville	Davidson	Single	5,568	5,522	5,852	5.1%	0
Saint Thomas Campus Surgicare	Davidson	Multi	3,835	3,378	3,892	1.5%	287
Saint Thomas Surgery Center Midtown	Davidson	Multi	2,451	2,587	2,465	0.6%	629
Delozier Surgery Center	Davidson	Single	422	1,313	471	11.6%	471
Nashville Vision Correction	Davidson	Single	148	149	98	-33.8%	0
Summit Surgery Center	Davidson	Multi	1,905	2,295	2,268	19.1%	11
Brentwood Surgery Center/Southern Hills Surgery Center, LP	Davidson	Multi	0	65	119	N/A	11
The Plastic Surgery Center Brentwood, LLC	Davidson	Single	551	502	512	-7.1%	512
Music City Surgery Center, LLC	Davidson	Single	0	0	1,505	N/A	0
Vanderbilt Surgery Center Cool Springs / Cool Springs Surgery Center	Williamson	Multi	3,970	5,039	5,186	30.6%	243
Franklin Endoscopy Center	Williamson	Multi	1,480	3,361	4,064	174.6%	0
<b>TOTAL</b>			<b>29,077</b>	<b>33,680</b>	<b>36,079</b>	<b>24.1%</b>	<b>2,488</b>

Source: CN2405-013, Attachment INR, Pages 3 - 6

The table above represents only cosmetic, general, ophthalmology, and otolaryngology surgeries.

- There are sixteen ASTCs (10 multi-specialty and 6 single-specialty) reporting any of the procedure types proposed by the applicant, cosmetic, general, ophthalmology, and otolaryngology surgeries from 2021-2023.
- There was a (24.1%) increase in these type of cases from 2021-2023 from 29,077 cases in 2021 to 36,079 cases in 2023.

- In 2023 Eye Surgery Center of Nashville reports performing the most combined cosmetic, general, ophthalmology, and otolaryngology surgery cases (5,852 cases) followed by Vanderbilt Surgery Center Cool Springs / Cool Springs Surgery Center (5,186 cases); Franklin Endoscopy Center (4,064 cases); and Northridge Surgery Center (4,062 cases).

### **Applicant's Historical and Projected Utilization**

The applicant's historical and projected utilization for the ASTC is detailed in the following tables:

#### **Historical Utilization by Patient County of Residence - Year 1 (2023)**

<b>Service Area Counties</b>	<b>Historical Utilization - County Residents Year 1 (2023)</b>	<b>Percentage of Total Cases</b>
Williamson	191	37.3%
Davidson	99	19.3%
Wilson	48	9.4%
Rutherford	31	6.0%
Maury	13	2.5%
Montgomery	11	2.5%
Other Counties	119	23.0%
<b>Total</b>	<b>512</b>	<b>100%</b>

Source: CN2405-013, Application, Pages 12 & 13

- The applicant's historical patient base is (77.0%) of its patients will be residents of six Middle Tennessee counties including Williamson County (37.3%); Davidson County (19.3%); Wilson County (9.4%); Rutherford County (6.0%); Maury County (2.5%); and Montgomery County (2.5%).

The following table indicates the applicant's projected utilization for Year 1 (2025) of the project.

#### **Projected Utilization by Patient County of Residence - Year 1 (2025)**

<b>Service Area Counties</b>	<b>Projected Utilization - County Residents Year 1 (2025)</b>	<b>Percentage of Total Cases</b>
Williamson	285	38.4%
Davidson	152	20.5%
Wilson	77	10.4%
Rutherford	52	7.0%
Maury	26	3.5%
Montgomery	23	3.1%
Other Counties	127	17.1%
<b>Total</b>	<b>742</b>	<b>100%</b>

Source: CN2405-013, Application, Page 13

- The applicant projects that a higher percentage of its patients will be residents of the top six counties in Year 1 (2025) of the project with Williamson County (38.4%); Davidson County (20.5%); Wilson County (10.4%) and Rutherford County (7.0%) representing a combined (76.3%) of all patients.

*Note to Commission members: The applicant provides the following detail regarding the new procedure types that will be added through this project. See Supplemental #1, Question #4, Pages 1 & 2: "The new procedure types will all be add-ons to other procedures already being offered at the facility. They will be done at the same time as other procedures, and therefore do no impact case projections. Dr. Brown (general surgery) will perform approximately 6-10 hernia repairs at the facility each year. Dr. O'Connor (facial plastics ENT) will perform approximately 92 cases at the facility each year. These cases will be predominantly facelifts, which are already being done at the facility. Dr. Connor will also be able to do septoplasty when needed, and when another physician is performing a rhinoplasty. Dr. Sherman (oculoplastics) and her partner Dr. Melson (oculoplastics) will each perform approximately 69 cases each year at the facility. These cases will be predominantly upper blepharoplasty, lower blepharoplasty, and quad blepharoplasty, which are already being done at the facility. However, Dr. Sherman and Dr. Melson will be able to do canthoplasty and canthopexy in connection with upper blepharoplasty when needed. We do not currently have estimates for canthoplasty and canthopexy, as the number will be patient dependent."*

**CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION**

**Charges**

**Projected Data Chart**

	Projected Data Chart	
	Year 1 (2025)	Year 2 (2026)
Gross Charges	\$3,950	\$3,950
Deduction from Revenue	\$0	\$0
Average Net Charges	\$3,950	\$3,950

Source: CN2405-013, Application, Page 24

- The applicant is projecting that there will be no change to the average net charge rates from Year 1 (2025) - \$3,950 to and Year 2 (2026).
- The applicant states that its existing patient charges are not expected to change.
- The applicant identifies the following proposed project charges as examples of projected charges for common procedure types:
  - Face lift with facial fat grafting (\$2,830 facility fee, \$2,368 anesthesia fee),
  - Upper blepharoplasty (\$1,444 facility fee, \$693 anesthesia fee),
  - Lower blepharoplasty (\$1,617 facility fee, \$693 anesthesia fee), and

- Quad blepharoplasty (\$1,906 facility fee, \$1,155 anesthesia fee).

**Project Payor Mix**

	Percentage of Gross Operating Revenue					
	Medicare	Medicaid	Commercial	Self-Pay	Other	Charity Care
<b>Year 1</b>	0.1%	0.0%	10.1%	89.8%	0.0%	0.0%

Source: CN2405-013, Application, Page 25.

- The applicant will not be TennCare certified and projects only (0.1%) of gross operating revenue from Medicare patients.
- The applicant states that all TennCare patients will be scheduled for procedures at an outside facility.
- The majority of revenue is projected to be from self-pay patients (89.8%), with the remaining (10.1%) coming from Commercial sources.
- The applicant states that the facility does not offer charity care.

*Note to Commission members: There are sixteen ASTCs which reported performing at least one of the types of procedures proposed by the applicant in 2023: cosmetic, general, ophthalmology, and otolaryngology. Seven of those sixteen providers reported providing either no charity care: Eye Surgery Center of Middle Tennessee; Oral Facial Surgery Center; Nashville Vision Correction; Music City Surgery Center, LLC and The Plastic Surgery Center Brentwood, LLC (applicant), or less than \$300 of total Charity Care: Centennial Surgery Center; and Brentwood Surgery Center. The only other single-specialty ASTC focused on cosmetic surgery procedures - Delozier Surgery Center, reported charity care as (11.8%) of gross revenue (\$69,000 of \$580,000) in 2023.*

**Agreements**

- The applicant has a transfer agreement with Williamson Medical Center. See Attachment 1C.
- The applicant states that it will not contract with any service area TennCare Managed Care Organizations (MCOs).
- The applicant identifies three commercial plans which it participates in including the following: Aetna Health Insurance Company; Blue Cross Blue Shield of Tennessee; and United Healthcare UHC. See application Page 19.

## Staffing

- The applicant's Year One proposed direct patient care staffing includes the following:

	<b>Year One (2025)</b>
Direct Patient Care Positions	13.0
Non-Patient Care Positions	2.0
Contractual Staff	0.0
<b>Total</b>	<b>15.0</b>

Source: CN2405-013, Application, Page 30.

- Direct Care positions includes the following: Registered Nurses (5.0 FTEs); Certified Registered Nurse Anesthetists (2.0 FTEs); Physicians (2.0 FTEs); Surgical/Scrub Techs (4.0 FTEs).
- Non-Patient Care positions includes the following: Administrator (1.0 FTE); and Medical Director (1.0 FTEs).
- There are no Contractual staff positions proposed by the applicant.
- There are two physician-owners who are currently operating at the facility. Four non-affiliated physicians are projected to utilize the facility if the CON is approved. The clinical and administrative leadership of the facility will not change.
- The non-affiliated physicians requesting access to the ASTC (with their specialties in parenthesis) are:
  - Debra Sherman (oculoplastics)
  - Mark Melson (oculoplastics)
  - Kate O'Connor (facial plastics ENT)
  - Preston Brown (general surgery)
- Please refer to Item 8Q. on Page 30 of the application for additional detail regarding project staffing.

**QUALITY STANDARDS**

- The applicant commits to obtaining and/or maintaining the following:

<b>Licensure</b>	<b>Certification</b>	<b>Accreditation</b>
Health Facilities Commission	Medicare	American Association for Accreditation Ambulatory Surgery Facilities (AAAASF)

Source: CN2405-013, Application, Page 27.

- The applicant maintains licensure through the Tennessee Health Facilities Commission, certification through Medicare, and accreditation through American Association for Accreditation Ambulatory Surgery Facilities (AAAASF).
- The applicant states that none of the physicians currently working or proposed to work at the facility will accept TennCare patients.
- For additional details regarding the applicant’s pursuit of licensure, certification, or accreditation, please refer to Page 27 in the application.

**Application Comments**

Application Comments may be filed by the Department of Health, Department of Mental Health, and Substance Abuse Services, and the Department of Intellectual and Developmental Disabilities. The following department(s) filed comments with the Commission and are attached:

- Department of Health
- Department of Mental Health and Substance Abuse Services
- Department of Intellectual and Developmental Disabilities
- No comments were filed

Should the Commission vote to approve this project, the CON would expire in **two** years.

**CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:**

There are no other Letters of Intent, Outstanding Certificate of Need applications, or denied applications, pending applications on file for this applicant.

**CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:**

There are no other Letters of Intent, denied applications, or pending applications on file for other entities proposing this type of service.



Outstanding Applications

<b>Project Name</b>	<b>Grassland Surgery Center, CN2103-011A</b>
<b>Project Cost</b>	<b>\$3,513,102</b>
<b>Approval Date</b>	October 27, 2021
<b>Description</b>	The establishment of a single-specialty ambulatory surgical treatment center (ASTC) limited to plastic and reconstructive surgery with two operating rooms at 1200 Old Hillsboro Road, Franklin (Williamson County), TN 37069, in the northwest quadrant of the intersection of Old Hillsboro Road and Hillsboro Pike. The proposed service area consists of Davidson, Rutherford, Sumner, and Williamson counties. The applicant is owned by Grassland Surgery Center, LLC, which is wholly owned by Nicholas Sieveking, M.D.
<b>Project Status</b>	July 9, 2024 update - The shell building has been completed. Interior plumbing has been stubbed up. Electrical service has been roughed in and is awaiting inspection. Conduit for the generator has been installed at the generator pad site.
<b>Expiration</b>	December 1, 2024.

<b>Project Name</b>	<b>Stonecrest Surgery Center, CN1707-023AEEEE</b>
<b>Project Cost</b>	<b>\$10,556,553</b>
<b>Approval Date</b>	10/25/2017
<b>Description</b>	The establishment of a multi-specialty ambulatory surgical treatment center (ASTC) with two operating rooms and one procedure room located at an unaddressed site within the campus of StoneCrest Medical Center at 200 StoneCrest Boulevard, Smyrna, (Rutherford County), TN 37167. The proposed service area consists of ten ZIP codes in Rutherford, southeast Davidson, and East Williamson County.
<b>Project Status</b>	May 10, 2024 Update: The StoneCrest Surgery Center CON requested and was granted an extension through May 31, 2025, to evaluate the impact of the acquisition of an existing surgery center in Rutherford County and the impact of the pandemic.
<b>Expiration</b>	May 31, 2025

<b>Project Name</b>	<b>Tenn SM, LLC dba Providence Surgery Center, CN1903-008A</b>
<b>Project Cost</b>	<b>\$8,082,908</b>
<b>Approval Date</b>	8/28/2019
<b>Description</b>	The relocation of an existing ambulatory surgical treatment center (ASTC) from 5002 Crossing Circle, Suite 110, Mt. Juliet (Wilson County), TN approximately one mile to the southwest corner of the Belinda Pkwy and Providence Trail Mt. Juliet (Wilson County), TN. An additional procedure room will be added to the two existing operating rooms and procedure room. The applicant is owned by Tenn SM, LLC. The proposed service area consists of Davidson, Rutherford, and Wilson Counties.
<b>Project Status</b>	January 5, 2024 Update: The project requested and was granted an extension through February 1, 2026, to accommodate construction delays and increased financing costs.
<b>Expiration</b>	February, 1, 2026

TP (7/15/2024)

# **CRITERIA AND** **STANDARDS**

**Attachment 1NR:**

**Certificate of Need Standards and Criteria  
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.<sup>1</sup> 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 facility plans to operate each operating room for a full day every day after it expands services. Currently both are in use, and operations are scheduled for full days every 5 days of the work week, but only operating room one is utilized each day. The procedure room is not currently used because approximately 90% of patients elect to have general anesthesia, and therefore require the operating room. Patients who would elect to have local anesthesia and could use the procedure room avoid the facility fee associated with the operating room by having their procedures done at the surgical clinic. Nevertheless, the facility considers the procedure room a valuable option to maintain.

***Criteria #1: Need***

**Projected Operating Room Cases Year 1 & Year 2**

	<b>Year 1 (2025)</b>	<b>Year 2 (2026)</b>
OR Cases	742	742
#ORs	2	2
Cases/OR	371	371
Optimum Utilization (70%)	884	884

<sup>1</sup> The Division recognizes that estimated or average cleanup/preparation times and Case times may vary significantly by specialty and type of Case.

Percentage of Optimal Utilization	42%	42%
-----------------------------------	-----	-----

**Projected Procedure Room Cases Year 1 & Year 2**

	Year 1 (2025)	Year 2 (2026)
PR Cases	0	0
#PRs	1	1
Cases/PR	0	0
Optimum Utilization (70%)	1,867	1,867
Percentage of Optimal Utilization	0%	0%

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 below chart shows the projected surgical hours to be utilized per year for two years given the procedures that will be performed in both operating rooms. The case types proposed will not significantly differ from each other in the amount of time required.

**Criteria #2: Need and Economic Efficiencies**

Operating Rooms	Procedures	Procedures/Room	Average Turnaround Time	Minutes Used	Schedulable minutes*	% of Schedulable Time Used
Operating Room #1	742	371	1-4 hours	89,040	135,000	66%
Operating Room #2	742	371	1-4 hours	89,040	135,000	66%

\* defined as the summation of the minutes by each room available for scheduled cases  
 Example: 7:30 AM to 4:30 PM, 5 days per week, 50 weeks/ year, equates to 9 hrs/day X 60 min/hr = 540 minutes/day X 5 days/week = 2,700 minutes / week X 50 weeks/year=135,000 schedulable minutes/room X the number of rooms=surgical suite schedulable capacity

Procedure Rooms	Procedures	Procedures/Room	Average Turnaround Time	Minutes Used	Schedulable minutes*	% of Schedulable Time Used
Procedure Room #1	0	0	0	0	0	N/A

\* defined as the summation of the minutes by each room available for scheduled cases

Example: 7:30 AM to 4:30 PM, 5 days per week, 50 weeks/ year, equates to 9 hrs/day X 60 min/hr = 540 minutes/day X 5 days/week = 2,700 minutes / week X 50 weeks/year=135,000 schedulable minutes/room X the number of rooms=surgical suite schedulable capacity

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<sup>2</sup>) 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:** The Davidson County and Williamson County facilities that perform Cosmetic Surgery, which is and will continue to be the main type of surgery performed at the center, are the following: Centennial Surgery Center, Northridge Surgery Center, Oral Facial Surgery Center, Saint Thomas Campus Surgicare, Saint Thomas Surgery Center Midtown, Delozier Surgery Center, Summit Surgery Center, Brentwood Surgery Center, and Vanderbilt Surgery Center Cool Springs. The below chart includes data for the case types that the applicant intends to provide (cosmetic surgery, general surgery, ophthalmology, and otolaryngology) from the last three years for all service area providers. The chart shows that the center performs the second largest percentage of Cosmetic Surgery procedures of the similar facilities in Davidson County, and the largest percentage of Cosmetic Surgery procedures of the similar facilities in Williamson County.

**Criteria #3. Need; Economic Efficiencies; Access**

Facility Name	County	Most Recent 3 Years Reported				
		Total Outpatient Surgery Cases by	Total Outpatient Surgery Cases by	Total Outpatient Surgery Cases by	Total Outpatient Surgery Cases by Relevant	Outpatient Cases as a % of Total Outpatient Cases

<sup>2</sup> The Department of Health is currently in the rule-making process necessary to implement the statute requiring the collection of office-based surgery data (Public Chapter 373, 2007). The Division recognizes that the Department of Health does not have sufficient data available on hospital ambulatory/outpatient surgery rooms at this time to include them in the determination of need; however, the Division plans to work with stakeholders towards this goal.

		Relevant Type 2023	Relevant Type 2022	Relevant Type 2021	Type 20XX-20XX	
Eye Surgery Center of Middle Tennessee	Davidson	2,815	2,307	2,406	7,528	7.62%
Centennial Surgery Center	Davidson	1,507	1,592	1,629	4,728	4.78%
Planned Parenthood of TN and North Mississippi Memphis Region	Davidson	0	0	0	0	0.00%
Northridge Surgery Center	Davidson	4,062	4,641	4,498	13,201	13.36%
Urology Surgery Center	Davidson	0	0	0	0	0.00%
Digestive Disease Endoscopy Center	Davidson	0	0	0	0	0.00%
Nashville Endo Surgery Center	Davidson	0	0	0	0	0.00%
Southern Endoscopy Center	Davidson	0	0	0	0	0.00%
Mid-State Endoscopy Center	Davidson	0	0	0	0	0.00%
Saint Thomas Medical Group Endoscopy Center	Davidson	0	0	0	0	0.00%
Nashville Gastrointestinal Endoscopy Center	Davidson	0	0	0	0	0.00%
Southern Joint Surgery Center	Davidson	0	0	0	0	0.00%
Oral Facial Surgery Center	Davidson	1169	825	130	2,124	2.15%
Wesley Ophthalmic	Davidson	0	0	0	0	0.00%

Plastic Surgery Center						
Associated Endoscopy	Davidson	0	0	0	0	0.00%
Baptist Ambulatory Surgery Center	Davidson	94	104	84	282	0.29%
The Center for Assisted Reproductive Technologies	Davidson	0	0	0	0	0.00%
Eye Surgery Center of Nashville	Davidson	5852	5522	5568	16,942	17.14%
Saint Thomas Campus Surgicare	Davidson	3892	3378	3835	11,105	11.24%
LVC Outpatient Surgery Center	Davidson	0	0	0	0	0.00%
Tennessee Pain Surgery Center	Davidson	0	0	0	0	0.00%
Saint Thomas Surgery Center Midtown	Davidson	2465	2587	2451	7,503	7.59%
Premier Orthopaedic Surgery Center	Davidson	0	0	0	0	0.00%
Delozier Surgery Center	Davidson	471	1313	422	2,206	2.23%
Nashville Vision Correction	Davidson	98	149	148	395	0.40%
Summit Surgery Center	Davidson	2268	2295	1905	6,468	6.54%
American Endoscopy Center	Davidson	0	0	0	0	0.00%
NFC Surgery Center	Davidson	0	0	0	0	0.00%
Brentwood Surgery Center/Southern Hills Surgery Center, LP	Davidson	119	65	0	184	0.19%



Gurley Surgery Center	Davidson	0	0	0	0	0.00%
Premier Radiology Pain Management Center	Davidson	0	0	0	0	0.00%
Turner Surgery Center	Davidson	0	0	0	0	0.00%
The Plastic Surgery Center Brentwood, LLC	Davidson	512	502	551	1,565	1.58%
Music City Surgery Center, LLC	Davidson	1505	0	0	1,505	1.52%
Vanderbilt Surgery Center Cool Springs/Cool Springs Surgery Center	Williamson	5186	5039	3970	14,195	14.36%
Vanderbilt-Ingram Cancer Center at Franklin	Williamson	0	0	0	0	0.00%
Crossroads Surgery Center	Williamson	0	0	0	0	0.00%
Franklin Endoscopy Center	Williamson	4064	3361	1480	8,905	9.01%
Bone and Joint Institute of Tennessee Surgery Center, LLC	Williamson	0	0	0	0	0.00%
<b>TOTAL</b>		36,079	33,680	29,077	98,836	100%

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 known 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 center currently offers Plastic Surgery, and anticipates offering General Surgery, Ophthalmology, and Otolaryngology. There are no single specialty Ambulatory Surgical Treatment Centers in Davidson County that perform Cosmetic Surgery except the center and Delozier Surgery Center. There are no single specialty Ambulatory Surgical Treatment Centers currently operating in Williamson County that perform Cosmetic Surgery. The below chart shows data for the single and multi-specialty Ambulatory Surgical Treatment Centers in Davidson County and Williamson County that offer the types of services proposed by the applicant (cosmetic surgery, general surgery, ophthalmology, and otolaryngology) from the last 3 years.

***Criteria #4. Need and Economic Efficiencies or Criteria #5. Need and Economic Efficiencies***

Service Area ASTCs	2023						
	#ASTCs	Operating Rooms	Operating Room Cases	Procedure Rooms	Procedure Room Cases	% of Optimal 884 Cases per OR	% of Optimal 1,867 Cases per PR
Single-Specialty ASTCs	5	7	10,331	2	410	166.95%	10.98%
Multi-Specialty ASTCs	10	52	46,949	16	21,312	102.13%	71.34%
<b>TOTAL/PERCENTAGE</b>	<b>15</b>	<b>59</b>	<b>57,280</b>	<b>18</b>	<b>21,722</b>	<b>109.82%</b>	<b>64.64%</b>

Service Area ASTCs	2022						
	#ASTCs	Operating Rooms	Operating Room Cases	Procedure Rooms	Procedure Room Cases	% of Optimal 884 Cases per OR	% of Optimal 1,867 Cases per PR
Single-Specialty ASTCs	5	7	8,836	3	957	142.79%	17.09%
Multi-Specialty ASTCs	10	56	46,654	14	17,395	94.24%	66.55%
<b>TOTAL/PERCENTAGE</b>	<b>15</b>	<b>63</b>	<b>55,490</b>	<b>17</b>	<b>18,352</b>	<b>99.64%</b>	<b>57.82%</b>

Service Area ASTCs	2021						
	#ASTCs	Operating Rooms	Operating Room Cases	Procedure Rooms	Procedure Room Cases	% of Optimal 884 Cases per OR	% of Optimal 1,867 Cases per PR
Single-Specialty ASTCs	5	7	8,836	3	957	142.79%	17.09%
Multi-Specialty ASTCs	10	56	46,654	14	17,395	94.24%	66.55%
<b>TOTAL/PERCENTAGE</b>	<b>15</b>	<b>63</b>	<b>55,490</b>	<b>17</b>	<b>18,352</b>	<b>99.64%</b>	<b>57.82%</b>

Single-Specialty ASTCs	5	7	8,947	2	148	144.59%	3.96%
Multi-Specialty ASTCs	9	46	40,407	15	19,760	99.37%	70.56%
<b>TOTAL/PERCENTAGE</b>	<b>14</b>	<b>53</b>	<b>49354</b>	<b>17</b>	<b>19908</b>	105.34%	62.72%

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:** This is not an application for a Specialty ASTC. The expanded services will not impact the existing Cosmetic Surgery cases.

### 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 below chart shows the patient counties of origin anticipated in 2025. The majority of patients will be from Davidson County and Williamson County. As the center is 13.4 miles (approximately a 20-minute drive in light traffic) from downtown Nashville, the biggest city in Davidson County, and 9.6 miles (approximately a 22-minute drive in moderate traffic) from downtown Franklin, the biggest city in Williamson County, the majority of the population in the Service Area should reside within 60 minutes driving time to the facility.

<i>Criteria #6: Access to ASTCs</i>			
Service Area County	Distance to Proposed ASTC Facility	Projected Number of Cases Year 1	% of Projected Cases Year 1
Montgomery	55 miles	41	3.38%
Wilson	37.1 miles	135	11.21%
Davidson	0 miles	266	22.20%
Franklin	83 miles	25	2.11%
Mauzy	37.8 miles	46	3.81%
Cheatham	31.2 miles	25	2.11%
Sunmer	39.8 miles	46	3.81%
Putnam	86 miles	25	2.11%
Rutherford	29.3 miles	91	7.61%
Williamson	12.4 miles	500	41.65%
<b>TOTAL</b>	<b>411.6 miles</b>	<b>1200</b>	<b>100%</b>

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:** Public transit in Brentwood is limited, although WeGo Access, a publicly funded paratransit service, offers specialized vans for persons with disabilities who may qualify for its door-to-door service within Davidson County (with an advance reservation), and there are private transportation and ride-share services available in the area. The site is easily accessible from I-65 (Old Hickory Exit-State Route 254) and from Franklin Pike (Highway 31).

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 county of origin distribution for the additional patients is anticipated to be the same as the distribution for the center currently.

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 project assumes that the two existing physicians, Dr. Moore and Dr. Sarsosiek, continue performing cases at the same rate, and that Dr. Moore's cases would be taken over by a new hire with the same case rate, should Dr. Moore retire during that time. A projection of patient utilization for each of the first eight quarters following completion of the project, for the entire facility, is included below:

Year 1- 742 patients/cases

Q1- 170

Q2- 180

Q3- 182

Q4- 210

Year 2- 742 patients/cases

Q1- 175

Q2- 177

Q3- 180

Q4- 210

#### 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.<sup>3</sup>
- 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:** The center is accredited by the American Association for Accreditation of Ambulatory Surgical Facilities. The physicians who will be utilizing the center are specialized in Plastic Surgery, Ophthalmology, Otolaryngology, and General Surgery. General growth in Middle Tennessee in recent years continues to bring qualified support staff to the area.

Other than physicians who are owners or employees of the Plastic Surgery Clinic, PLLC, at this time only the four additional physicians previously listed are expected to utilize the facility. Criteria used by the staff in extending surgical and anesthesia privileges to medical personnel will not change. Currently, the facility has a policy in place for physician and certified registered nurse practitioners needing credentialing, and uses a third party vendor to assist with credentialing.

---

<sup>3</sup> The Division recognizes that not all ASTCs can be CMS certified or accredited.

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;
- b. Who is a “safety net hospital” or a “children’s hospital” as defined by the Bureau of TennCare Essential Access Hospital payment program;
- 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
- 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:** While not a substantial participant in Medicare due to the nature of the patients anticipated at the facility, the facility is certified for participation in Medicare.

# **LETTER OF INTENT**



**State of Tennessee  
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9<sup>th</sup> Floor, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

[hsda.staff@tn.gov](mailto:hsda.staff@tn.gov)

**LETTER OF INTENT**

The Publication of Intent is to be published in The Tennessean which is a newspaper of general circulation in Davidson County, Tennessee, on or before 05/15/2024 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 The Plastic Surgery Center Brentwood, a/an Ambulatory Surgical Treatment Center (ASTC) – Single Specialty owned by The Plastic Surgery Center Brentwood, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for The Plastic Surgery Center Brentwood in order to transition from Single Specialty (plastic surgery only) to Multi-Specialty, with no change in the number of operating rooms or procedure rooms. The address of the project will be 620 Church Street East, Brentwood, Davidson County, Tennessee, 37027. The estimated project cost will be \$53,000.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Michael Brent who may be reached at Bradley Arant Boult Cummings LLP - 1221 Broadway, Suite 2400, Nashville, Tennessee, 37203 – Contact No. 615-252-2361.

Michael Brent

05/08/2024

[mbrent@bradley.com](mailto:mbrent@bradley.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](mailto:hsda.staff@tn.gov) .

HF 51 (Revised 6/1/2023)

RDA 1651



**State of Tennessee  
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9<sup>th</sup> Floor, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

[hsda.staff@tn.gov](mailto: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 The Plastic Surgery Center Brentwood, a/an Ambulatory Surgical Treatment Center (ASTC) – Single Specialty owned by The Plastic Surgery Center Brentwood, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for The Plastic Surgery Center Brentwood in order to transition from Single Specialty (plastic surgery only) to Multi-Specialty, with no change in the number of operating rooms or procedure rooms. The address of the project will be 620 Church Street East, Brentwood, Davidson County, Tennessee, 37027. The estimated project cost will be \$53,000.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Michael Brent who may be reached at Bradley Arant Boult Cummings LLP - 1221 Broadway, Suite 2400, Nashville, Tennessee, 37203 – Contact No. 615-252-2361.

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](mailto:hsda.staff@tn.gov) .

**ORIGINAL**  
**APPLICATION**



**State of Tennessee  
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9<sup>th</sup> Floor, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

[hsda.staff@tn.gov](mailto:hsda.staff@tn.gov)

## CERTIFICATE OF NEED APPLICATION

### 1A. Name of Facility, Agency, or Institution

The Plastic Surgery Center Brentwood

**Name**

620 Church Street East

Davidson County

**Street or Route**

**County**

Brentwood

Tennessee

37027

**City**

**State**

**Zip**

<https://www.coolspringsplasticsurgery.net/contact-plastic-surgeon-nashville/brentwood-location/>

**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

Michael Brent

Attorney

**Name**

**Title**

Bradley Arant Boult Cummings LLP

[mbrent@bradley.com](mailto:mbrent@bradley.com)

**Company Name**

**Email Address**

1221 Broadway, Suite 2400

**Street or Route**

Nashville

Tennessee

37203

**City**

**State**

**Zip**

Attorney

615-252-2361

**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:** 05/08/24

**Date LOI was Published:** 05/15/24

**RESPONSE:** Please see Affidavit included as Attachment 3A.

---

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

- 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
- 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**

The Plastic Surgery Center Brentwood, LLC

---

**Name**

620 Church Street East

615-771-7718

**Street or Route**

**Phone Number**

Brentwood

Tennessee

37027

**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:** Please see the corporate documents included as Attachment 7A.

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

**Name**

**Street or Route**

**County**

**City**

**State**

**Zip**

**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:** Please see the Lease Agreement included 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:** Please see Floor Plan included 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:** Public transit in Brentwood is limited, although WeGo Access, a publicly funded paratransit service, offers specialized vans for persons with disabilities who may qualify for its door-to-door service within Davidson County (with an advance reservation), and there are private transportation and ride-share services available in the area. The site is easily accessible from I-65 (Old Hickory Exit-State Route 254) and from Franklin Pike (Highway 31).

---

### **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:** Please see Plot Plan included 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 seeks to convert the single-specialty ASTC (plastic surgery only, limited to owners and employees of the Plastic Surgery Clinic, PLLC ["PSC"]) established by the applicant pursuant to CN1711-035 to a multi-specialty ASTC, with no limitation as to the physicians who could perform surgeries in the facility. The applicant does not seek to make any changes to the design of the facility, and it will continue as an ASTC with two operating rooms and one procedure room. At the time of the approval of CN1711-035 PSC had only one office location, at 1909 Mallory Lane, Franklin, TN, but PSC now has 4 locations (in addition to the Franklin location there are offices at 620 Church Street East, Brentwood, TN (the same building as the location of the applicant's ASTC), 49 Music Square West, Nashville, TN and 1410 North Mt. Juliet Road, Mt. Juliet, TN.

Dr. Moore intends to retire within the next two or three years, and Dr. Sarosiek will be joined before then by at least one other physician at PSC. In addition, since the establishment of the applicant's ASTC there have been numerous instances where other surgeons have desired to use the applicant's ASTC for a variety of reasons, including the reputation of the facility and its convenience for both patients and other physicians. Those requests have included both other plastic surgeons as well as surgeons desiring to use the applicant's ASTC for a surgical procedure other than plastic surgery, including, for example, general surgeons performing a hernia repair, which is required prior to an abdominoplasty procedure. This would allow the repair to be made simultaneously, preventing the patient from having to undergo an additional surgical procedure and recovery as well as additional cost), ENT surgeons (including those who are board certified in Facial Plastic and Reconstructive Surgery) and ophthalmologists (including those board-certified for oculoplastic surgery).

All expanded services currently contemplated are within the purview of cosmetic plastics and relate to some of the surgery procedures currently being performed at the applicant's facility. The expanded services (with CPT codes included in parenthesis) are: Canthoplasty (67950), Medial Canthopexy (21280), Lateral Canthopexy (21282), Septoplasty (30520), and Repair of anterior abdominal hernia(s) (49591). Canthoplasty and Canthopexy are related to the Upper and Lower Blepharoplasty, which is currently being done. Hernia repair is related to other abdominal procedures in that, once exposure is obtained for an abdominoplasty, the hernia can be repaired at the same time. Septoplasty is related to rhinoplasty, as the septum can be repaired at the same time. The applicant would prefer not to accept this limitation because it cannot anticipate how its patients' needs or the healthcare landscape will change in the future (including regulatory changes, improvements in surgical techniques, etc).

- 
- Ownership structure

**RESPONSE:** Dr. John Moore and Dr. Konrad Sarsosiek each own 50% of The Plastic Surgery Center Brentwood, LLC.

---

- Service Area

**RESPONSE:** The service area is Davidson County and Williamson County.

---

- Existing similar service providers

**RESPONSE:** The Ambulatory Surgical Treatment Centers located in Davidson County and Williamson County that perform Cosmetic Surgery, which is and will continue to be the main type of surgery performed at the center, are the following: Centennial Surgery Center, Northridge Surgery Center, Oral Facial Surgery Center, Saint Thomas Campus Surgicare, Saint Thomas Surgery Center Midtown, Delozier Surgery Center, Summit Surgery Center, Brentwood Surgery Center, and Vanderbilt Surgery Center Cool Springs.

---

- Project Cost

**RESPONSE:** The total estimated project cost is \$53,000.

---

- Staffing

**RESPONSE:** Currently the center employs 3 registered nurses, 1 advanced practice nurse who is a certified registered nurse anesthetist, 2 physicians, 2 scrub technicians, 1 medical director, and 1 administrator. Upon CON approval, the facility will hire an additional operating room (OR) team, to include 2 nurses, 2 scrub technicians, and 1 certified registered nurse anesthetist, because both ORs are projected to be in use all day every day, as opposed to just one each day.

---

## 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 cases historically performed at the applicant's facility have been shown to be necessary, and well received, for the patients of the related surgeons, and the requested changes will continue that history. The need is driven by a desire and need to consolidate procedures for improved patient experiences, as the expanded services, which can be done at the same time as procedures done by the current physicians, cannot be performed by the current surgeons. The need is also driven by four additional physicians wanting to operate at the center because their patients in Williamson and Davidson County often have to drive outside their county to get scheduled sooner or wait longer to be operated on in their county. The applicant does not currently intend to allow unrelated procedure types at the facility because the applicant does not plan to invest in additional equipment, or otherwise expand the size of the facility. The facility does not have minimally invasive equipment, so it is not equipped to offer surgical time for unrelated procedures. One of those four additional physicians, Dr. O'Connor, also presents a distinct reason for expanding to multi-specialty. While she is the same specialty and would only perform the procedures currently done by the two current physicians, she is unable to operate at the facility because of regulatory and certification requirements. The non-affiliated physicians requesting access to the ASTC (with their specialties in parenthesis) are: 1. Debra Sherman (oculoplastics) 2. Mark Melson (oculoplastics) 3. Kate O'Connor (facial plastics ENT) 4. Preston Brown (general surgery) The applicant intends to provide, but is still awaiting, letters of support. These will be submitted when received. The facility will not be open staffed, but instead limited to physicians who are owners or employees of the Plastic Surgery Clinic, PLLC and (at this time) the four additional physicians previously listed.

---

- Quality Standards

**RESPONSE:** As an existing provider the applicant has previously proven its ability to meet applicable quality standards and will continue to do so.

---

- Consumer Advantage

- Choice

**RESPONSE:** The convenience of this facility, for the patients and family as well as the additional surgeons contemplated, will enhance the experience and availability for consumers.

---

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

**RESPONSE:** The convenience of this facility, for the patients and family as well as the additional surgeons contemplated, will allow for additional surgeries for the same patients to be performed in the same location (for example, a general surgeon performing a hernia repair, which is required prior to an abdominoplasty procedure by a plastic surgeon).

---

- Affordability

**RESPONSE:** The cases historically performed at the applicant's facility have been shown to be reasonably priced and well accepted by payors as well as private-pay patients.

---

## 3E. Consent Calendar Justification

□

- Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- Consent Calendar 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		
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees		\$25,000
3. Acquisition of Site		
4. Preparation of Site		
5. Total Construction Costs		\$5,000
6. Contingency Fund		\$20,000
7. Fixed Equipment (Not included in Construction Contract)		
8. Moveable Equipment (List all equipment over \$50,000 as separate attachments)		
9. Other (Specify): _____		
B. Acquisition by gift, donation, or lease:		
1. Facility (inclusive of building and land)		
2. Building only		
3. Land only		
4. Equipment (Specify): _____		
5. Other (Specify): _____		
C. Financing Costs and Fees:		
1. Interim Financing		
2. Underwriting Costs		
3. Reserve for One Year's Debt Service		
4. Other (Specify): _____		
D. Estimated Project Cost (A+B+C)		\$50,000
E. CON Filing Fee		\$3,000
F. Total Estimated Project Cost (D+E)	<b>TOTAL</b>	\$53,000

## 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:**

Please see Criteria and Standards included as Attachment 1NR.

---

- 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 proposed service area is Davidson County and Williamson County. Together, about 61% of the center's patients originate from these counties. Please see Map of the Proposed Service Area included as Attachment 2N.

---

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

**HISTORICAL UTILIZATION**

Unit Type: <input type="checkbox"/> Procedures <input type="checkbox"/> Cases <input checked="" type="checkbox"/> Patients <input type="checkbox"/> Other    _____		
Service Area Counties	Historical Utilization Most Recent Year (Year = 2023)	% of Total
Davidson	99	19.34%
Knox	2	0.39%
Hickman	3	0.59%
Cheatham	5	0.98%
Moore	2	0.39%
Crockett	1	0.20%
Lewis	4	0.78%
Maury	13	2.54%
Smith	1	0.20%
Bedford	2	0.39%
Coffee	2	0.39%
Cumberland	2	0.39%
Giles	2	0.39%
Henry	1	0.20%
Lincoln	1	0.20%
Dickson	3	0.59%
Franklin	5	0.98%
Hamilton	1	0.20%
Hardin	1	0.20%
Henderson	2	0.39%
Jackson	1	0.20%
Lawrence	2	0.39%
McNairy	1	0.20%
Madison	1	0.20%
Marshall	3	0.59%
Monroe	2	0.39%
Montgomery	11	2.15%
Wayne	2	0.39%
Williamson	191	37.30%
Perry	1	0.20%
Putnam	5	0.98%
Robertson	3	0.59%
White	2	0.39%
Rutherford	31	6.05%
Shelby	3	0.59%
Sumner	13	2.54%
Tipton	1	0.20%
Wilson	48	9.38%
Other State	39	7.62%

Total	512	100%
-------	-----	------

**PROJECTED UTILIZATION**

Unit Type: <input type="checkbox"/> Procedures <input type="checkbox"/> Cases <input checked="" type="checkbox"/> Patients <input type="checkbox"/> Other    _____		
Service Area Counties	Projected Utilization Recent Year 1 (Year = 2025)	% of Total
Montgomery	23	3.10%
Williamson	285	38.41%
Rutherford	52	7.01%
Davidson	152	20.49%
Franklin	15	2.02%
Cheatham	15	2.02%
Maury	26	3.50%
Putnam	14	1.89%
Sumner	26	3.50%
Wilson	77	10.38%
Other State	57	7.68%
Total	742	100%

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

**RESPONSE:**

The target population is primarily ages 18-64, as historically that category has made up nearly 85% of the center's patients. However, with the addition of additional procedures and surgeons it is anticipated that more 65+ patients will utilize the facility, especially in the area of oculoplastic procedures by ophthalmologists. This target population should grow at about the same rate as the total population based on comprising about 78% of the population.

---



**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](http://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:**

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

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](http://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>).

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-Current Year 2024	Total Population-Projected Year 2028	Total Population-% Change	*Target Population-18+ Current Year 2024	Target Population-Project Year 2028	Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level***	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Davidson County	727,642	746,905	2.6%	567,269	580,947	2.4%	77.8%	**	\$71,863	99,141	14.0%	138,494	19.0%
Williamson County	270,313	295,116	9.2%	202,171	222,182	9.9%	75.3%	**	\$12,5943	10,694	4.1%	14,730	5.4%
Service Area Total	997,955	1,042,021	4.4%	769,440	803,140	4.4%	77.1%	**	\$19,7806	175,384	18.1%	153,224	15.4%
State of TN Total	7,125,908	7,331,859	2.9%	5,565,604	5,736,895	3.1%	78.2%	**	\$64,035	937,830	13.3%	1,511,132	21.2%

\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, and hospice agency projects typically primarily serve the Age 65+ population. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2022, then default Projected Year is 2026.

\*\* The Census Bureau website no longer provides the median age.

\*\*\* The Census Bureau website does not provide the number of persons below poverty level. The totals in this column are calculated by applying the 2022 poverty percentage provided by the Census Bureau to the 2022 population totals from the Department of Health.

- 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 applicant notes that many of the plastic surgery procedures historically performed at the facility are elective and not typically covered by TennCare. However, the applicant may seek to participate in the Medicare program in the future as coverage changes for various procedures which are anticipated.

TennCare patients are not accepted because the facility does not have TennCare certification. There are no eligibility restrictions for Medicare patients. Patient access will be increased simply because the Williamson County and Davidson County patients will be able to receive care sooner and in their home county (or an adjoining county).

- 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:**

There are no existing and approved but unimplemented services of similar healthcare providers in the service area, when considering operating peer centers in the service area: Centennial Surgery Center, Northridge Surgery Center, Oral Facial Surgery Center, Saint Thomas Campus Surgicare, Saint Thomas Surgery Center Midtown, Delozier Surgery Center, Summit Surgery Center, Brentwood Surgery Center, and Vanderbilt Surgery Center Cool Springs. Please see Service Area Historical Utilization included as Attachment 5NR2.

According to the Staff Summary for Nashville Midtown Surgical Center it will be a single specialty facility limited to oral-maxillofacial and dental surgery, so the applicant does not anticipate any overlap. According to the application for Grassland Surgery Center, that facility will be somewhat similar as to the types of surgeries anticipated, but different in that it will be an open-staff facility, with an emphasis on long-duration plastic and reconstructive surgery cases, so the applicant does not anticipate any significant overlap.

- 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:**

Please see Applicant Historical & Projected Utilization included as Attachment 6NR.

Below is a table of the types of cases currently performed, contrasted to the new types of cases that will be performed at the facility if approved:

Cases Currently Performed	Additional Procedures

Abdominoplasty	Canthoplasty
Blepharoplasty	Medial Canthopexy
Body Lift	Lateral Canthopexy
Brachioplasty	Septoplasty
Breast Augmentation	Repair of anterior abdominal hernia(s)
Breast Implant Exchange	
Breast Implant Removal	
Breast Reconstruction	
Breast Reduction	
Breast Revision	
Browlift	
Buccal Pad Removal	
Calf Augmentation	
Capsulectomy	
Capsulectomy with Aug	
Capsulectomy with implant removal	
Capsulorrhaphy	
Capsulotomy	
Cheek Lift	

Chin Implant	
CO2 Laser	
Dermalipectomy	
Facelift	
Facial Fat Grafting	
Fat Grafting	
Gynecomastia	
Labiaplasty	
Lesion Removal	
Lip Lift	
Liposuction	
Mastopexy	
Mastopexy with Augmentation	
Necklift	
Otoplasty	
Platysmaplasty	
Rhinoplasty	
Scar Revision	
Thigh Lift	

TRL	
-----	--

The only increase in procedures will be from the additional procedures, many of which will be done at the same time as current procedures.

Cases are currently being serviced in the service area with long wait times (specifically, Surgicare at St. Thomas West or St. Thomas Midtown), or outside the county (Dr. O'Connor currently schedules patients at a surgery center in Rutherford County, which is inconvenient to most patients given her office in Nashville). Dr. Sherman and Dr. Melson formerly did a majority of their cases at the Atrium at Centennial before it closed. They have since had to rotate among various operating rooms for surgical time. Dr. Sherman is operating in Davidson County but has to operate at various facilities to obtain sufficient availability for her patients. Dr. Brown is currently performing surgeries in Williamson County.

---

- 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:**

There are no outstanding Certificate of Need application for the center or its owner.

---

**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 Center has a transfer agreement with Williamson Medical Center. Please see Transfer Agreement included as Attachment 1C.

---

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

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

- UnitedHealthcare Community Plan West Tennessee
- WellCare Health Insurance of Tennessee, Inc.
- Others

- 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:**

As an existing provider facility the applicant does not anticipate the change of this facility, with only 2 ORs, having a material effect on competition and/or duplication in the health care system, or a material effect on consumer charges and consumer choice of services.

The applicant believes the additional procedures made available under this expansion will have a positive impact for consumers, including better outcomes through quicker recovery times (for example a hernia repair and an abdominoplasty can be performed at the same time in the same location, instead of a patient having a hernia repair at one facility, followed later by a second surgery at a different facility for the abdominoplasty). That example would increase the patient base for the applicant's facility, as it could now include not only patients seeking an abdominoplasty for cosmetic reasons, but also patients who need the hernia repair for medical reasons, and would have a positive impact on affordability due to the lower cost of one surgery rather than two (both medical expenses and time off from work for the patient and possibly family members of the patient).

---

- 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 two current physicians operating at the facility are also owners of the facility. Upon approval of this application the project is currently anticipated to involve four additional physicians, which would require additional facility personnel to staff a second surgical support team. The clinical leadership and administrative structure will not change, but the additional surgical support team would involve the addition of 2 nurses, 2 scrub technicians, and 1 certified registered nurse anesthetist. There will be no contracted staff.

---

- 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 center is currently Medicare certified and accredited with the American Association for the Accreditation of Ambulatory Surgical Facilities.

---





## HISTORICAL DATA CHART

- Total Facility  
 Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency.

	Year 1	Year 2	Year 3
	2023	2022	2021
A. Utilization Data			
Specify Unit of Measure <u>Patients</u>	512	502	551
B. Revenue from Services to Patients			
1. Inpatient Services	\$0.00	\$0.00	\$0.00
2. Outpatient Services	\$1,903,509.00	\$2,177,793.00	\$1,175,163.00
3. Emergency Services	\$0.00	\$0.00	\$0.00
4. Other Operating Revenue (Specify) <u>N/A</u>	\$0.00	\$0.00	\$0.00
<b>Gross Operating Revenue</b>	<b>\$1,903,509.00</b>	<b>\$2,177,793.00</b>	<b>\$1,175,163.00</b>
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$137,876.00	\$0.00	\$0.00
2. Provision for Charity Care	\$0.00	\$0.00	\$0.00
3. Provisions for Bad Debt	\$0.00	\$0.00	\$0.00
<b>Total Deductions</b>	<b>\$137,876.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>NET OPERATING REVENUE</b>	<b>\$1,765,633.00</b>	<b>\$2,177,793.00</b>	<b>\$1,175,163.00</b>

## PROJECTED DATA CHART

- Project Only  
 Total Facility

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

	Year 1	Year 2
	2025	2026
A. Utilization Data		
Specify Unit of Measure <u>Patients</u>	230	230
B. Revenue from Services to Patients		
1. Inpatient Services	\$0.00	\$0.00
2. Outpatient Services	\$908,569.00	\$908,569.00
3. Emergency Services	\$0.00	\$0.00
4. Other Operating Revenue (Specify) <u>N/A</u>	\$0.00	\$0.00
<b>Gross Operating Revenue</b>	<b>\$908,569.00</b>	<b>\$908,569.00</b>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$0.00	\$0.00
2. Provision for Charity Care	\$0.00	\$0.00
3. Provisions for Bad Debt	\$0.00	\$0.00
<b>Total Deductions</b>	<b>\$0.00</b>	<b>\$0.00</b>

**NET OPERATING REVENUE**

\$908,569.00

\$908,569.00

**PROJECTED DATA CHART**

- Total Facility
- Project Only

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

	<b>Year 1</b>	<b>Year 2</b>
	<u>2025</u>	<u>2026</u>
A. Utilization Data		
Specify Unit of Measure <u>Patients</u>	<u>742</u>	<u>742</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$0.00</u>	<u>\$0.00</u>
2. Outpatient Services	<u>\$2,812,078.00</u>	<u>\$2,812,078.00</u>
3. Emergency Services	<u>\$0.00</u>	<u>\$0.00</u>
4. Other Operating Revenue (Specify) <u>N/A</u>	<u>\$0.00</u>	<u>\$0.00</u>
<b>Gross Operating Revenue</b>	<u>\$2,812,078.00</u>	<u>\$2,812,078.00</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$0.00</u>	<u>\$0.00</u>
2. Provision for Charity Care	<u>\$0.00</u>	<u>\$0.00</u>
3. Provisions for Bad Debt	<u>\$0.00</u>	<u>\$0.00</u>
<b>Total Deductions</b>	<u>\$0.00</u>	<u>\$0.00</u>
<b>NET OPERATING REVENUE</b>	<u>\$2,812,078.00</u>	<u>\$2,812,078.00</u>

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)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )	\$0.00	\$0.00	\$3,950.30	\$3,950.30	0.00
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )	\$0.00	\$0.00	\$0.00	\$0.00	0.00
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )	\$0.00	\$0.00	\$3,950.30	\$3,950.30	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:**

Existing patient charges will not change. There will be no adjustment to current charges.

Proposed project charges will include fees for face lift with facial fat grafting (\$2,830 facility fee, \$2,368 anesthesia fee), upper blepharoplasty (\$1,444 facility fee, \$693 anesthesia fee), lower blepharoplasty (\$1,617 facility fee, \$693 anesthesia fee), and quad blepharoplasty (\$1,906 facility fee, \$1,155 anesthesia fee).

Anticipated revenue from these procedures is \$908,569 assuming 644 procedures and 50% of procedures being "functional" (submitted to insurance). This is a conservative estimate accounting for a simple face lift. Most facelifts encompass several procedures at once, driving up revenue and procedure numbers.

9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjointing 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:**

Given the nature of this facility, Medicare revenues are rare and we have not listed CPT codes. Project charges are anticipated to line up with current facility charges experienced by physicians currently operating at other facilities but planning to operate at the applicant facility following approval of this project.

**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-2025		Year-2026	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$616.00	0.07	\$616.00	0.07
TennCare/Medicaid	\$0.00	0	\$0.00	0
Commercial/Other Managed Care	\$91,744.00	10.10	\$91,744.00	10.10
Self-Pay	\$816,209.00	89.83	\$816,209.00	89.83
Other(Specify)	\$0.00	0	\$0.00	0
<b>Total</b>	\$908,569.00	100%	\$908,569.00	100%
Charity Care	\$0.00		\$0.00	

*\*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 center is currently Medicare certified. The opportunity for Medicare patients to have multiple types of procedures performed at one location, perhaps simultaneously, may be valuable to these patients because they will not have to travel as much to different locations for different procedures, take as much time off work, etc. Additionally, with the addition of additional procedures and surgeons it is anticipated that more 65+ patients will utilize the facility, especially in the area of oculoplastic procedures by ophthalmologists and gastric/hernia and related procedures by general surgeons.

**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.

- 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?
  - Yes
  - No

- Does the applicant commit to obtaining and maintaining all applicable state licenses in good 3standing?
  - 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?
  - 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	<input checked="" type="checkbox"/> Health Facilities Commission/Licensure Division <input type="checkbox"/> Intellectual & Developmental Disabilities <input type="checkbox"/> Mental Health & Substance Abuse Services	Active	235
Certification	<input checked="" type="checkbox"/> Medicare <input type="checkbox"/> TennCare/Medicaid <input type="checkbox"/> Other _____	Active	Q060280001
Accreditation(s)	AAAASF – American Association for Accreditation Ambulatory Surgery Facilities	Active	7298

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

Please Explain

**RESPONSE:** This question is not applicable because the center is not enrolled in TennCare/Medicaid. The applicant does not plan to accept TennCare patients and will not become TennCare certified. None of the current physicians accept TennCare patients. It is not believed that the additional physicians accept TennCare, with the possible exception of Dr. Brown based on his general surgery specialty. However, Dr. Brown still plans to perform surgeries at other facilities, and his procedures at the applicant’s facility should all overlap with other procedures that would not involve a TennCare patient. This is not only because the patient would not combine the surgeries but also because the facility is not investing in additional equipment. Without the exposure provided by a separate cosmetic abdominal surgery, Dr. Brown would be using laparoscopic equipment or other minimally invasive equipment, which the applicant facility does not have. Thus, any single-procedure surgeries performed by Dr. Brown would have to be done at another facility based on equipment needs.

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
- 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
- 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
- No

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

- Yes
- No

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

- Yes
- No

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

- Yes
- 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
- No

- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
  - Yes
  - No
  
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.
  - Yes
  - 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
<b>A. Direct Patient Care Positions</b>		
Nurse	3.00	5.00
Certified Registered Nurse Anesthetist	1.00	2.00
Physician	2.00	2.00
Scrub Technician	2.00	4.00
<b>Total Direct Patient Care Positions</b>	8	13

<b>B. Non-Patient Care Positions</b>		
Medical Director	1.00	1.00
Administrator	1.00	1.00
<b>Total Non-Patient Care Positions</b>	2	2
<b>Total Employees (A+B)</b>	10	15

<b>C. Contractual Staff</b>		
Contractual Staff Position	0.00	0.00
<b>Total Staff (A+B+C)</b>	10	15

## **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.

<b>Phase</b>	<b>Days Required</b>	<b>Anticipated Date (Month/Year)</b>
1. Initial HFC Decision Date		07/24/24
2. Building Construction Commenced	1	07/24/24
3. Construction 100% Complete (Approval for Occupancy)	36	08/28/24
4. Issuance of License	129	11/29/24
5. Issuance of Service	190	01/29/25
6. Final Project Report Form Submitted (Form HR0055)	221	03/01/25

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

**ATTACHMENT 3A:**

**Publication Affidavit**

*See attached.*



Tennessee  
GANNETT

PO Box 631340 Cincinnati, OH 45263-1340

**AFFIDAVIT OF PUBLICATION**

CUMMINGS ATTN: BRADLEY ARANT BOULT  
Ashleigh Swaggerty  
Bradley Arant Boult Cummings Attn: Kristi Richie  
1221 Broadway # 2400  
Nashville TN 37203-7238

STATE OF WISCONSIN, COUNTY OF BROWN

The Tennessean, a newspaper published in the city of Nashville,  
Davidson 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:

05/15/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 05/15/2024

*Rivelle Jacobs*

Legal Clerk

*Mehur*

Notary, State of WI, County of Brown

*8 25 28*

My commission expires

Publication Cost: \$973.36  
Order No: 10168988 # of Copies:  
Customer No: 1330835 1  
PO #:

**THIS IS NOT AN INVOICE!**

*Please do not use this form for payment remittance.*

MARIAH VERHAGEN  
Notary Public  
State of Wisconsin

10168988

**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 The Plastic Surgery Center Brentwood, a/an Ambulatory Surgical Treatment Center (ASTC) — Single Specialty owned by The Plastic Surgery Center Brentwood, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for The Plastic Surgery Center Brentwood in order to transition from Single Specialty (plastic surgery only) to Multi-Specialty, with no change in the number of operating rooms or procedure rooms. The address of the project will be 620 Church Street East, Brentwood, Davidson County, Tennessee, 37027. The estimated project cost will be \$53,000.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Michael Brent who may be reached at Bradley Arant Boult Cummings LLP - 1221 Broadway, Suite 2400, Nashville, Tennessee, 37203 — Contact No. 615-252-2361.

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 Dead-erick Street, Nashville, TN 37243 or email at [hscda.staff@tn.gov](mailto:hscda.staff@tn.gov).

**ATTACHMENT 7A:**

**The Plastic Surgery Center Brentwood, LLC Corporate Documents**

*See attached.*

**ARTICLES OF ORGANIZATION OF  
THE PLASTIC SURGERY CENTER BRENTWOOD, LLC**

The undersigned person, acting as Organizer of a Limited Liability Company under the Tennessee Revised Limited Liability Company Act, Tennessee Code Annotated § 48-249-101 *et seq.* (the “Act”), adopts the following Articles of Organization for such company:

1. **Name of Limited Liability Company.** The name of the limited liability company is The Plastic Surgery Center Brentwood, LLC (the “Company”).

2. **Initial Registered Office and Agent.** The street address, zip code and county of the registered office of the Company in the State of Tennessee is 1909 Mallory Lane, No. 104, Franklin (Williamson County), Tennessee 37067. The name of the registered agent of the Company located at the registered office set forth above is John Moore.

3. **Principal Executive Office.** The street address, zip code and county of the principal executive office of the Company is is 1909 Mallory Lane, No. 104, Franklin (Williamson County), Tennessee 37067.

4. **Management.** The Company shall be member managed.

5. **Number of Members.** The Company has two (2) members as of the date of the filing of these Articles of Organization.

6. **Effective Date.** The existence of the Company shall become effective upon filing of the Articles of Organization.

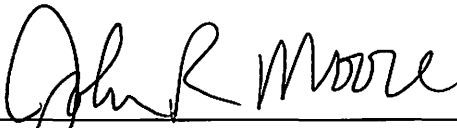
7. **Duration.** The period of duration of the Company shall be perpetual.

8. **Fiscal Year.** The fiscal year of the Company shall end on December 31 of each year unless changed by the member.

9. **Inconsistent or Contradictory Provisions.** To the extent that any express provisions in these Articles of Organization is inconsistent with or contradict any provisions of the Act that are waivable or subject to alteration or modification under § 48-249-205(a) of the Act, such inconsistent or contradictory provisions of the Act are hereby waived (rendered inapplicable), modified and altered to the extent necessary to give full effect to the express provisions of these Articles of Organization.

10. **Indemnification.** The Company shall indemnify and advance expenses to its officers to the fullest extent permitted by the Act. Claims for indemnification of officers and advancement of expenses to officers shall be processed and approved in a manner that comports with the provision of the Act.

These Articles of Organization are dated as of the 30<sup>th</sup> day of June, 2017.

  
\_\_\_\_\_  
John R. Moore, Organizer



Tre Hargett  
Secretary of State

Division of Business Services  
Department of State  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

## Filing Information

Name: The Plastic Surgery Center Brentwood, LLC

### General Information

SOS Control #	000926345	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	10/05/2017
	10/05/2017 2:57 PM	Fiscal Year Close	12
Status:	Active	Member Count:	2
Duration Term:	Perpetual		
Managed By:	Member Managed		

Registered Agent Address  
JOHN MOORE  
620 CHURCH ST E  
BRENTWOOD, TN 37027-5284

Principal Address  
620 CHURCH ST E  
BRENTWOOD, TN 37027-5284

The following document(s) was/were filed in this office on the date(s) indicated below:

<u>Date Filed</u>	<u>Filing Description</u>	<u>Image #</u>
03/21/2024	2023 Annual Report	B1531-4973
	Principal County Changed From: WILLIAMSON COUNTY To: DAVIDSON COUNTY	
02/15/2023	2022 Annual Report	B1338-4702
02/28/2022	2021 Annual Report	B1169-5094
05/05/2021	2020 Annual Report	B1029-2739
	Member Count Changed From: 1 To: 2	
08/20/2020	2019 Annual Report	B0912-5679
	Member Count Changed From: 2 To: 1	
08/01/2020	Notice of Determination	B0901-5726
03/14/2019	2018 Annual Report	B0672-2227
	Principal Address 1 Changed From: 1909 MALLORY LN To: 620 CHURCH ST E	
	Principal City Changed From: FRANKLIN To: BRENTWOOD	
	Principal Postal Code Changed From: 37067-8230 To: 37027-5284	
	Registered Agent Physical Address 1 Changed From: 1909 MALLORY LN To: 620 CHURCH ST E	
	Registered Agent Physical Address 2 Changed From: STE 104 To: No Value	
	Registered Agent Physical City Changed From: FRANKLIN To: BRENTWOOD	
	Registered Agent Physical Postal Code Changed From: 37067-8230 To: 37027-5284	



## Filing Information

Name: The Plastic Surgery Center Brentwood, LLC

---

03/22/2018 2017 Annual Report

B0520-2154

Principal Address 3 Changed From: No value To: WINTON ELLIOTT

10/05/2017 Initial Filing

B0448-0372

Active Assumed Names (if any)

---

Date

Expires



Tre Hargett  
Secretary of State

Division of Business Services  
Department of State  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

BRADLEY ARANT BOULT CUMMINGS LLP  
SUITE 110  
2095 LAKESIDE CENTRE WAY  
KNOXVILLE, TN 37922

April 30, 2024

Request Type: Certificate of Existence/Authorization  
Request #: 0581044

Issuance Date: 04/30/2024  
Copies Requested: 1

Document Receipt

Receipt #: 008968281 Filing Fee: \$20.00  
Payment-Credit Card - State Payment Center - CC #: 3873095970 \$20.00

Regarding: The Plastic Surgery Center Brentwood, LLC  
Filing Type: Limited Liability Company - Domestic Control #: 926345  
Formation/Qualification Date: 10/05/2017 Date Formed: 10/05/2017  
Status: Active Formation Locale: TENNESSEE  
Duration Term: Perpetual Inactive Date:  
Business County: DAVIDSON COUNTY

CERTIFICATE OF EXISTENCE

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

The Plastic Surgery Center Brentwood, LLC

- \* is a Limited Liability Company duly formed under the law of this State with a date of incorporation and duration as given above;
- \* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- \* has filed the most recent annual report required with this office;
- \* has appointed a registered agent and registered office in this State;
- \* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
Secretary of State

Processed By: Cert Web User

Verification #: 067259836

**ATTACHMENT 8A:**

**Management Agreement- N/A**

There is no management agreement, as the center is self-managed and does not contract with a management company.

**ATTACHMENT 9A:**

**Lease Agreement**

*See attached.*

**LEASE AGREEMENT**

**620 Church Street, E.  
Brentwood, TN 37027**

**Tigerco, LLC – Landlord**

**The Plastic Surgery Center Brentwood, LLC – Tenant**

**Suite 201**

## OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (the "**Lease**") made and entered into as of \_\_\_\_\_, 20\_\_ (the "**Effective Date**") by and between Tigerco, LLC, a Tennessee limited liability company ("**Landlord**") and The Plastic Surgery Center Brentwood, LLC ("**Tenant**").

### 1. Basic Lease Provisions and Definitions.

(a) "**Premises**": Suite 201 of the building known as Cool Springs Plastic Surgery (CSPS) (the "**Building**") located at 620 Church Street, E., Brentwood, TN 37027 (the "**Property**"), as depicted on the space plan attached as Exhibit A.

(b) "**Usable Area**": Approximately 4,087 usable square feet. The Usable Area includes the square footage within the Premises plus a pro rata portion of the square footage of those Common Areas (as defined below) that are located within the Building, as reasonably determined by Landlord. The Building contains approximately 15,634 usable square feet.

(c) "**Tenant's Pro Rata Share**": 26.14%.

(d) "**Base Rent**": \$35.00 per usable square foot, with a 3% increase annually. A schedule of Base Rent with exact dates for each period will be included in the Commencement Date Agreement (as defined below).

(e) "**Commencement Date**": The earlier of (a) Tenant's opening for business in the Premises or (b) the date of Substantial Completion (as such date is determined in accordance with paragraph 7 of the Work Letter, attached as Exhibit B); provided, however, that in no event shall the Commencement Date be later than December 1, 2018.

(f) "**Initial Term**": The full or partial calendar month in which the Commencement Date occurs, plus 120 full calendar months or 10 years thereafter.

(g) "**Security Deposit**": One month's Base Rent.

(h) "**Brokers**": None.

(i) "**Permitted Use**": Plastic Surgery Center and/or general office purposes.

(j) Addresses for notices and payments are as follows:

Landlord:

Tigerco, LLC  
3310 Aspen Grove Drive, Suite 302  
Franklin, TN 37067

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tenant:

The Plastic Surgery Center Brentwood, LLC  
620 Church Street, E, Suite 201  
Brentwood, TN 37027

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(k) Guarantor(s): None.

**2. Lease of Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises, under the terms and conditions herein, together with a non-exclusive right, in common with others, to use the following: the areas of the Building that are designed for use in common by all tenants of the Building and their respective employees, agents, customers, invitees and others (collectively, the “**Common Areas**”).

**3. Initial Term.** The Commencement Date and Initial Term shall be as set forth in Sections 1(e) and 1(f) above. The parties shall execute an Estoppel and Commencement Date Certificate in the form of Exhibit E to this Lease.

**4. Renewal Option.** Tenant shall have the option to renew this Lease for up to two (2) consecutive five (5) year periods (each a “**Renewal Term**” and the Initial Term and any Renewal Terms collectively, the “**Term**”). Tenant shall provide written notice of its intent to exercise a renewal option to Landlord at least one-hundred eighty (180) days prior to the expiration of the Initial Term or Renewal Term, as applicable. All terms and conditions of this Lease shall apply during each Renewal Term, provided that the Base Rent for each year during each Renewal Term shall increase 3% annually, as set forth in Section 5(a) below.

**5. Rent.**

(a) Base Rent. Tenant shall pay to Landlord the Monthly Base Rent set forth below in advance, without demand, deduction or offset, on the Commencement Date and on or before the 1<sup>st</sup> day of each and every calendar month thereafter during the Term.

Period	Rent per USF	Monthly	Annual Base
--------	--------------	---------	-------------



		<b>Base Rent</b>	<b>Rent</b>
Year 1	\$35.00	\$11,920.42	\$143,045.00
Year 2	\$36.05	\$12,278.03	\$143,336.35
Year 3	\$37.13	\$12,645.86	\$151,750.31
Year 4	\$38.25	\$13,027.31	\$156,327.75
Year 5	\$39.40	\$13,418.98	\$161,027.80
Year 6	\$40.58	\$13,820.87	\$165,850.46
Year 7	\$41.80	\$14,236.38	\$170,836.60
Year 8	\$43.05	\$14,662.11	\$175,945.35
Year 9	\$44.34	\$15,101.98	\$181,223.71
Year 10	\$45.67	\$15,554.44	\$186,653.29
<b>Renewal Term Base Rent</b>			
Year 11	\$47.04	\$16,021.04	\$192,252.48
Year 12	\$48.45	\$16,501.26	\$198,015.15
Year 13	\$49.90	\$16,995.11	\$203,941.30
Year 14	\$51.40	\$17,505.98	\$210,071.80
Year 15	\$52.94	\$18,030.48	\$216,365.78
Year 16	\$54.53	\$18,572.01	\$222,864.11
Year 17	\$56.17	\$19,130.57	\$229,566.79
Year 18	\$57.86	\$19,706.15	\$236,473.82
Year 19	\$59.60	\$20,298.77	\$243,585.20
Year 20	\$61.39	\$20,908.41	\$250,900.93

(b) Additional Rent. In addition to the Base Rent specified in this Lease, Tenant shall pay to Landlord as “**Additional Rent**” for the Premises, Tenant’s Pro Rata Share of the Operating Expenses, calculated by Landlord pursuant to Exhibit C attached hereto. For each calendar year after the year in which the Commencement Date occurs, Landlord shall furnish Tenant a written estimate of Additional Rent for the applicable calendar year. Estimates of Additional Rent shall be made by Landlord on a reasonable basis determined by Landlord. Throughout the Term, Tenant shall pay estimated Additional Rent in advance on or before the first day of each month in monthly installments equal to one-twelfth (1/12) of the estimated Additional Rent for the applicable calendar year. Pending receipt of Landlord’s written estimate of Additional Rent for any calendar year, monthly installments of estimated Additional Rent shall continue to be paid in the same amount as in the prior calendar year. By April 30 of each calendar year, Landlord shall deliver to Tenant a written statement reflecting any difference between estimated Additional Rent paid and actual Additional Rent accrued for the prior calendar year (or in the case of any partial calendar year in which the term of this Lease begins or ends, a prorated portion of such Additional Rent based on actual days elapsed during the portion of term occurring in that calendar year). Tenant shall pay Landlord the total amount of any balance of Additional Rent due shown on such annual



statement within thirty (30) days after receipt of the statement. Landlord shall refund any overpayment of Additional Rent by Tenant shown on such annual statement within thirty (30) days after delivery of the statement. Tenant may examine the accounting records supporting the amount of Additional Rent reflected on such annual statement within a sixty (60) day period after receipt of the statement, such examination to occur after reasonable advance written notice to Landlord during normal business hours at the place where Landlord's accounting records are normally kept.

(c) The installments of Base Rent and Additional Rent for any initial partial calendar month shall be prorated based on actual days elapsed and shall be paid in advance on the Commencement Date. Tenant shall be responsible for delivering the Monthly Base Rent payment to Landlord at the address set forth in Section 1(j) above, or to such other address as may be dedicated by Landlord in writing, in accordance with this Section.

(d) Except as expressly provided to the contrary in this Lease, Installments of Base Rent and Additional Rent shall be payable without notice, demand, reduction, setoff, or other defense. Installments of Base Rent and Additional Rent and payment of other sums owing to Landlord pursuant to this Lease shall be made to Landlord at the address specified on the signature page, or at whatever other account or address that Landlord may designate from time to time by written notice to Tenant.

(e) In any installment of Base Rent or Additional Rent, or any other sum due and payable pursuant to this Lease, remains unpaid for more than fifteen (15) days after the date due, Tenant shall pay Landlord a late payment charge equal to the greater of (i) Fifty and no/100 Dollars (\$50.00), or (ii) five percent (5%) of the unpaid installment or other payment. The late payment charge is intended to compensate Landlord for administrative expenses associated with responding to late payment, and shall not be considered liquidated damages or interest.

## **6. Occupancy and Use.**

(a) Use. Tenant shall use the Premises for the Permitted Use and for no other purpose without the prior written consent of Landlord.

### **(b) Covenants of Tenant Regarding Use.**

i. Tenant shall (i) use and maintain the Premises and conduct its business thereon in a safe, careful, reputable and lawful manner, (ii) comply with all covenants that encumber the Building and all laws of any governmental authority, now in force or which may hereafter be in force, including, without limitation, those which shall impose upon Landlord or Tenant any duty with respect to or triggered by a change in the use or occupation of, or any improvement or alteration to, the Premises, and (iii) comply with all reasonable rules and regulations of Landlord, including the Building Rules and Regulations attached as Exhibit D, as may be modified from time to time by Landlord with reasonable notice to Tenant.

ii. Tenant shall not do or permit anything to be done in or about the Premises that will in any way cause a nuisance, obstruct or interfere with the rights of, or injure or annoy other tenants or occupants of the Building. Landlord shall not be responsible to



Tenant for the non-performance by any other tenant or occupant of the Building of any of Landlord's rules and regulations, but agrees that any enforcement thereof shall be done uniformly. Tenant shall not use the Premises, nor allow the Premises to be used, for any purpose or in any manner that would (i) invalidate any policy of insurance now or hereafter carried by Landlord on the Building, or (ii) increase the rate of premiums payable on any such insurance policy unless Tenant reimburses Landlord for any increase in premium charged. Tenant shall not commit or allow waste to be committed in the Premises or elsewhere on the Property, and shall not do or allow to be done in the Premises or elsewhere on the Property anything that shall constitute a nuisance or detract in any way from the reputation of the Property as a first-class real estate development. Tenant shall allow no noxious or offensive odors, fumes, gases, smoke, dust, steam or vapors, or any loud or disturbing noise or vibrations to originate in or be emitted from the Premises. Tenant shall comply with all laws, ordinances, and regulations of any governmental authority relating to Tenant's use or occupancy of the Premises, with the requirements of insurance underwriters or rating bureaus applicable to the Property, and with the following requirements:

1. Tenant may use generally available medical and office equipment and supplies of a type which are customary for Tenant's Permitted Use which may contain small quantities or low concentrations of Hazardous Materials so long as they are properly used and stored within the Premises, properly disposed of by Tenant at a location other than the Property, and do not require any governmental license or permit. Except as permitted in the preceding sentence, no use, generation, storage, treatment, transportation, or disposal of any Hazardous Material shall occur or be permitted to occur in connection with Tenant's use and occupancy of the Premises or any other portion of the Property. "**Hazardous Material**" shall mean any toxic or hazardous waste, material, or substance or any other substance that is prohibited, limited, or regulated as a health or environmental hazard by any governmental or quasi-governmental authority, or that even if not so regulated, could or does pose a hazard to the environment or to health and safety of the occupants of the Building or others.

2. No portion of the Premises or the Property shall be used or occupied for anything that is extra hazardous on account of fire or other risks, that causes an increase in the premiums payable by Landlord for any of its insurance with respect to the Property, or that causes any underwriter to deny insurance coverage to Landlord.

3. Tenant shall comply with all requirements of the Americans with Disabilities Act and implementing regulations with respect to improvements made by Tenant within the Premises, and its use and occupancy of the Premises.

4. Landlord shall have the right to prescribe and modify reasonable rules for use of the Property and leased premises within the Building. A copy of Landlord's current Building Rules and Regulations is attached hereto as Exhibit D. In the event of any conflict with the Building rules, the provisions in the main body of this Lease control.



5. Tenant shall ensure that its agents, employees, and contractors comply with this Paragraph, and shall use reasonable efforts to ensure that its invitees and customers comply with this Paragraph.

(c) Landlord's Rights Regarding Use. Without limiting any of Landlord's rights specified elsewhere in this Lease (a) Landlord shall have the right at any time, without notice to Tenant, to control, change or otherwise alter the Common Areas in such manner as it deems necessary or proper, and (b) Landlord, its agents, employees and contractors and any mortgagee of the Building shall have the right to enter any part of the Premises at reasonable times upon reasonable notice (except in the event of an emergency where no notice shall be required) for the purposes of examining or inspecting the same (including, without limitation, testing to confirm Tenant's compliance with this Lease), showing the same to prospective purchasers, mortgagees or tenants, and making such repairs, alterations or improvements to the Premises or the Building as Landlord may deem necessary or desirable. Landlord shall incur no liability to Tenant for such entry, nor shall such entry constitute an eviction of Tenant or a termination of this Lease, or entitle Tenant to any abatement of rent therefor.

**7. Taxes Payable by Tenant.** Tenant shall pay any documentary stamp tax, sales or use tax, excise tax, or any other tax, assessment, or charge (other than any income, franchise, or similar tax imposed directly on Landlord or Landlord's net income from the Property) required to be paid on account of (a) the use or occupancy of the Premises by Tenant, (b) the rent or other payments due hereunder, or (c) Tenant's trade fixtures, equipment, machinery, inventory, merchandise or other personal property located on the Premises and owned by or in the custody of Tenant. All such taxes, assessments, and charges shall be paid promptly as they become due prior to delinquency. If requested by Landlord, Tenant shall provide Landlord with copies of paid receipts for such taxes, assessments, or charges promptly after payment of same. Tenant shall also pay on written demand from Landlord any increase in ad valorem taxes or assessments on the Property as a result of alterations, additions, or improvements made by or on behalf of Tenant other than the initial Tenant Improvements.

## **8. Indemnity and Insurance**

(a) Release. "**Tenant's Property**" shall mean all of (a) Tenant's trade fixtures, merchandise, inventory, telecommunication and computer equipment, and all other personal property in or about the Premises, the Building or the Common Areas, (b) the trade fixtures, merchandise, inventory and personal property of others located in or about the Premises or Common Areas at the invitation, direction or acquiescence (express or implied) of Tenant, (c) special fire protection equipment, kitchen equipment, and supplemental HVAC equipment, and (d) the Tenant Improvements. Tenant's Property shall be and remain at Tenant's sole risk. Landlord shall not be liable to Tenant or to any other person for, and Tenant hereby releases Landlord (and its affiliates, property managers and mortgagees) from (a) any and all liability for theft or damage to Tenant's Property, and (b) any and all liability for any injury to Tenant or its employees, agents, contractors, guests and invitees in or about the Premises, the Building or the Common Areas, except to the extent of personal injury caused directly by the negligence or willful misconduct of Landlord, its agents, employees or contractors. Nothing contained in this Section shall limit (or be deemed to limit) the waivers contained in Section 8(f). In the event of any conflict



between the provisions of Section 8(f) and this Section, the provisions of Section 8(f) shall prevail. This Section shall survive the expiration or earlier termination of this Lease.

(b) Indemnification by Tenant. Tenant shall defend, indemnify and hold Landlord, its agents, employees and contractors harmless from and against all claims, damages, demands, penalties, costs, liabilities, losses, and expenses (including reasonable attorneys' fees and expenses) to the extent (a) arising out of or relating to any act, omission, negligence, or willful misconduct of Tenant or Tenant's agents, employees, contractors, customers or invitees in or about the Premises, the Building or the Common Areas, (b) arising out of or relating to any of Tenant's Property, or (c) arising out of any other act or occurrence within the Premises, in all such cases except to the extent of personal injury caused directly by the negligence or willful misconduct of Landlord, its agents, employees or contractors. Nothing contained in this Section shall limit (or be deemed to limit) the waivers contained in Section 8(f). In the event of any conflict between the provisions of Section 8(f) and this Section, the provisions of Section 8(f) shall prevail. This Section shall survive the expiration or earlier termination of this Lease.

(c) Indemnification by Landlord. Landlord shall defend, indemnify and hold Tenant, its agents, employees and contractors harmless from and against all claims, damages, demands, penalties, costs, liabilities, losses and expenses (including reasonable attorneys' fees and expenses) to the extent arising out of or relating to any act, omission, negligence or willful misconduct of Landlord or Landlord's agents, employees or contractors in the Common Areas. Nothing contained in this Section shall limit (or be deemed to limit) the waivers contained in Section 8(f). In the event of any conflict between the provisions of Section 8(f) and this Section, the provisions of Section 8(f) shall prevail. This Section shall survive the expiration or earlier termination of this Lease.

(d) Tenant's Insurance.

i. During the Term (and any period of early entry or occupancy or holding over by Tenant, if applicable), Tenant shall maintain the following types of insurance, in the amounts specified below:

1. *Liability Insurance.* Commercial General Liability Insurance, ISO Form CG 00 01, or its equivalent, covering the Tenant's use of the Premises against claims for bodily injury or death or property damage, which insurance shall be primary and non-contributory and shall provide coverage on an occurrence basis with a per occurrence limit of not less than \$2,000,000 for each policy year, which limit may be satisfied by any combination of primary and excess or umbrella per occurrence policies.

2. *Property Insurance.* Special Form Insurance in the amount of the full replacement cost of Tenant's Property and any Tenant Improvements, which insurance shall waive coinsurance limitations.

3. *Worker's Compensation Insurance.* Worker's Compensation insurance in amounts required by applicable law; provided, if there is no statutory requirement for Tenant, Tenant shall still obtain



Worker's Compensation insurance coverage.

4. *Business Interruption Insurance.* Business Interruption Insurance with limits not less than Six Hundred Thousand Dollars (\$600,000.00).

5. *Automobile Insurance.* Comprehensive Automobile Liability Insurance insuring bodily injury and property damage arising from all owned, non-owned and hired vehicles, if any, with minimum limits of liability of One Million Dollars (\$1,000,000.00) combined single limit, per accident.

ii. All insurance required to be carried by Tenant hereunder shall be issued by one or more insurance companies licensed to do business in the State in which the Premises is located and having an AM Best's rating of A IX or better. Tenant shall cause said insurance not to be materially changed, canceled or permitted to lapse on less than thirty (30) days' prior written notice to Landlord. In addition, Tenant shall name Landlord, Landlord's managing agent, and any mortgagee requested by Landlord, as additional insureds under its commercial general liability, excess and umbrella policies (but only to the extent of the limits required hereunder). On or before the Commencement Date (or the date of any earlier entry or occupancy by Tenant), and thereafter, within five (5) days of the expiration of each such policy, Tenant shall furnish Landlord with certificates of insurance in the form of ACORD 25 (or other evidence of insurance), evidencing all required coverages, and that with the exception of Workers Compensation insurance, such insurance is primary and non-contributory. If Tenant fails to carry such insurance and furnish Landlord with such certificates of insurance and does not cure such failure within ten (10) days of written notice of such failure from Landlord, then Landlord may obtain such insurance on Tenant's behalf and Tenant shall reimburse Landlord upon demand for the cost thereof as Additional Rent. Landlord reserves the right from time to time to require Tenant to obtain higher minimum amounts or different types of insurance if it becomes customary for other landlords of similar buildings in the area to require similar sized tenants in similar industries to carry insurance of such higher minimum amounts or of such different types.

(e) Landlord's Insurance. During the Term, Landlord shall maintain the following types of insurance, in the amounts specified below (the cost of which shall be included in Operating Expenses):

i. *Liability Insurance.* Commercial General Liability Insurance, ISO Form CG 00 01, or its equivalent, covering the Common Areas against claims for bodily injury or death and property damage, which insurance shall be primary and non-contributory and shall provide coverage on an occurrence basis with a per occurrence limit of not less than Two Million Dollars (\$2,000,000.00) for each policy year, which limit may be satisfied by any combination of primary and excess or umbrella per occurrence policies.



ii. *Property Insurance.* Special Form Insurance (which insurance shall not exclude flood or earthquake coverage) in the amount of the full replacement cost of the Building, but excluding Tenant's Property and any other items required to be insured by Tenant pursuant to Section 8(d) above.

(f) Waiver of Subrogation. Notwithstanding anything contained in this Lease to the contrary, Landlord (and its affiliates, property managers and mortgagees) and Tenant (and its affiliates) hereby waive any rights each may have against the other on account of any loss of or damage to their respective property, the Premises, its contents, or other portions of the Building or Common Areas arising from any risk which is required to be insured against by Sections 8(d)(i)(2), 8(d)(i)(3), and 8(e)(ii) above. The special form property insurance policies and worker's compensation insurance policies maintained by Landlord and Tenant as provided in this Lease shall include an endorsement containing an express waiver of any rights of subrogation by the insurance company against Landlord and Tenant, as applicable.

**9. Services Furnished by Landlord.** So long as Tenant is entitled to possession of the Premises during the term, Landlord shall furnish the following services, which shall be reasonably consistent in quality with similar landlord services at comparable office buildings in the same market area as the Building:

(a) Heating, ventilation and air conditioning system in season to provide reasonably comfortable temperatures in the Common Areas (unless mandated otherwise by law) Monday through Friday from 7:00 a.m. to 6:00 p.m. and Saturdays from 8:00 a.m. to 2:00 p.m., exclusive of holidays observed by national banks in the city in which the Property is located.

(b) Reasonable janitorial and general cleaning services for the Common Area from Monday through Friday, exclusive of holidays observed by national banks in the city in which the Property is located.

(c) Electricity for routine lighting and the operation of the Common Areas.

(d) Passenger elevator service to all floors of the Building.

(e) Reasonable amounts of hot and cold running water to lavatories and toilets in or appurtenant to the Premises.

(f) Routine maintenance and repair of the structure of the Building and general Building mechanical, electrical, and plumbing systems and of the interior and exterior lighting, landscaping, and irrigation, and parking, driveways, and sidewalks of the Property. If the Premises or any other part of the Property is damaged by any act or omission of Tenant or its agents, employees, or contractors, then Landlord shall repair such damage. Any cost of such repairs in excess of insurance proceeds actually received by Landlord shall be paid by Tenant to Landlord on written demand, and Landlord shall not be obligated to begin or continue repair work until funds for such purposes are received from insurance proceeds or from Tenant.

(g) If and to the extent Landlord chooses, common area security services and equipment. Landlord has no duty to provide security, and no duty to so shall be deemed to have



been assumed by Landlord's furnishing and security services or equipment. Tenant waives and releases all claims against Landlord and its agents, employees, and contractors to the extent based on any wrongful, negligent, or other failure to furnish security services or equipment or on any wrongful, negligent, or other act or omission in connection with any security services or equipment furnished.

(h) Keys to the Premises, however, Tenant will be charged for additional keys provided throughout the Lease Term. Tenant's space keys must stay keyed to the Master set for the property at all times. Landlord or Landlord's representative will need access to enter the space in the case of an emergency. If Tenant's space key(s) are taken off the Master set, Tenant will be obligated and responsible for payment to have space put back on the Master set within (7) days. If Tenant's space requires special key or electronic entry access, Landlord will need to have same access.

Tenant shall not be deemed to have been evicted as the result of, nor shall Landlord be liable for any loss or damage to the property of Tenant located in the Premises or for any loss of business or profits of Tenant or other damages of any kind arising from (i) any failure of Landlord to provide any of the services to be furnished by Landlord pursuant to this Paragraph as the result of circumstances outside of Landlord's reasonable control, (ii) any interruption or unavailability of utilities or any stoppage, leaking, bursting, or other defect or failure in the utility lines, pipes, wires, and other facilities serving the Premises as the result of circumstances outside of Landlord's reasonable control, or (iii) any repairs, maintenance, alterations, or improvements to any portion of the Property made in connection with correcting any of the foregoing circumstances or providing the services to be furnished by Landlord pursuant to this Paragraph. If as the result of any of the foregoing, the Premises, or any portion thereof, remain untenable for more than ten (10) days after written notice from Tenant to Landlord specifying the circumstances giving rise to such untenability, then as Tenant's sole and exclusive remedy Minimum Rent and Additional Rent shall abate for so long thereafter as the Premises, or any portion thereof, remain untenable. Such abatement of Base Rent and Additional Rent shall not extend the term of this Lease.

**10. Utilities and Other Services.** All utilities serving the Premises shall be separately metered by Landlord, and Tenant shall cause such utilities to be in Tenant's name during the Term. Tenant shall pay the cost of all utilities furnished to the Premises during the Term, including, but not limited to, water, gas, electricity, low voltage cable services, internet, telecommunications, sewer, trash removal and telephone. Tenant shall also be responsible for janitorial services to the Premises.

**11. Alterations and Improvements.** Except for the Tenant Improvements to be made by Tenant, Tenant shall make no material alterations, additions, or improvements to the Premises or the Property without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld. Tenant shall comply with all reasonable requirements of Landlord relating to approval of plans and specifications, compliance with building codes and other laws, protection of the integrity, condition, and proper functioning of the roof, walls, foundations, and other structural elements of the Building and of the Building's mechanical, electrical, and plumbing systems and equipment, employment and bonding of contractors, insurance, aesthetic considerations, and other relevant matters as determined by Landlord. All alterations, additions or improvements, including without limitation all partitions, walls, railings, carpeting, floor and wall coverings, and other fixtures (excluding Tenant's trade fixtures) made by, for, or at the direction



of Tenant shall become the property of Landlord when made, and shall remain upon the Premises at the expiration or earlier termination of this Lease. Landlord reserves the right to make structural and nonstructural alterations, additions, and improvements to the Property, to re-stripe parking areas and otherwise control parking and traffic movement on Property, and to change the name or street address (if required by local authorities) of the Property.

**12. Trade Fixtures and Other Personal Property.** Any trade fixtures installed in the Premises at Tenant's expense shall remain Tenant's personal property, and Tenant shall have the right at any time during the term of this Lease to remove such trade fixtures (provided that any damage to the Building or Premises caused by such removal shall be repaired by Tenant within a commercially reasonable amount of time). On or before the expiration of the Term or earlier termination of this Lease, Tenant shall remove all trade fixtures and other personal property of Tenant from the Premises, repair any damage to the Building or Premises caused by removal of its trade fixtures and other personal property, and leave the Premises in a clean condition free of waste, refuse, or debris, reasonable wear and tear and damage by casualty expected. If Tenant fails to do so, Landlord may retain, store, or dispose of such trade fixtures and other personal property however Landlord chooses without liability of any kind to Tenant, repair any damage to the Building or Premises caused by removal of such trade fixtures and other personal property, and clean the Premises and properly dispose of all such waste, refuse, or debris; and all costs and expenses incurred by Landlord in connection with the foregoing shall be payable by Tenant to Landlord on written demand. The following property shall be considered part of the permanent improvements to the Building owned by Landlord, not trade fixtures of Tenant, and shall not be removed from the Premises by Tenant under any circumstances: (a) HVAC systems, fixtures, or equipment; (b) lighting fixtures or equipment; (c) carpeting, other permanent floor coverings, or raised flooring; (d) paneling or other wall covers; (e) plumbing fixtures and equipment; (f) special fire protection equipment; (f) permanent shelving and (g) any other permanently attached improvements, whether installed by Landlord or Tenant.

**13. Signs and Advertising.** Subject to Landlord's prior approval, Tenant shall erect Tenant's standard signage on the exterior of its Premises. Tenant shall also have the right to install its standard signage to both monument signs at designated areas agreed upon by Landlord and Tenant. Tenant shall have the right to install "way finding" signage around the Property to assist patients in parking and finding the Premises. All signage must be approved by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed, and must meet all applicable codes and regulations regarding signage and shall be permitted or approved by the appropriate governmental authorities before installation. Landlord may immediately remove any sign(s) placed by Tenant in violation of this Section.

**14. Landlord's Right of Entry.** Landlord and persons authorized by Landlord may enter the Premises at any time without notice to Tenant, in the event of emergency involving possible injury to property or persons in or around the Premises or the Building. Landlord and persons authorized by Landlord shall also have the right to enter the Premises at all reasonable times and upon reasonable notice for the purposes of making repairs or connections, making alterations, additions, or improvements to the Building, installing utilities, providing services to the Premises other than routine janitorial service, providing services for other tenants, making inspections, or showing the Premises to prospective purchasers or lenders of the Property. During



the last six (6) months of the term, Landlord and persons authorized by Landlord shall have the right at reasonable times and upon reasonable notice to show the Premises to prospective tenants.

**15. Casualty.** In the event of total or partial destruction of the Building or the Premises by fire or other casualty, Landlord agrees promptly to restore and repair same; provided, however, Landlord's obligation hereunder with respect to improvements or alterations to the Premises shall be limited to the reconstruction of the Building and Common Areas and shall not extend to the reconstruction of any Tenant Improvements. Rent shall proportionately abate during the time the Premises or part thereof are unusable because of any such damage. Notwithstanding the foregoing, if the Premises are (a) so destroyed that they cannot be repaired or rebuilt within two hundred and ten (210) days from the casualty date; (b) destroyed within the last twelve (12) months of the Term; or (c) destroyed by a casualty that is not covered by the insurance required hereunder or, if covered, such insurance proceeds are not released by any mortgagee entitled thereto or are insufficient to rebuild the Building and the Premises; then, in case of a clause (a) or (b) casualty, either Landlord or Tenant may, or, in the case of a clause (c) casualty, then Landlord may, upon thirty (30) days' written notice to the other party, terminate this Lease with respect to matters thereafter accruing. If the Lease is not so terminated by Landlord or Tenant, Landlord shall promptly begin and diligently pursue the work of restoring the Building and the Premises to the same condition as delivered at the commencement of this Lease (excluding any Tenant Improvements) to substantially their former condition as soon as reasonably possible. Landlord shall not, however, be required to restore any alterations, additions, or improvements made by Tenant as part of the Tenant Improvements. Landlord shall allow Tenant an equitable abatement of Base Rent and Additional Rent during the time and to the extent the premises are untenable as the result of fire or other casualty, but such abatement shall not extend the Term. Tenant waives any right under applicable laws inconsistent with the terms of this paragraph.

**16. Condemnation.** If all or any substantial part of the Building or Common Areas shall be acquired by the exercise of eminent domain, Landlord may terminate this Lease by giving written notice to Tenant on or before the date possession thereof is so taken. If all or any part of the Premises shall be acquired by the exercise of eminent domain so that the Premises shall become impractical for Tenant to use for the Permitted Use, Tenant may terminate this Lease by giving written notice to Landlord as of the date possession thereof is so taken. All damages awarded shall belong to Landlord; provided, however, that Tenant may claim dislocation damages if such amount is not subtracted from Landlord's award.

**17. Assignment and Sublease.**

(a) Except as provided in Section 17(d), Tenant shall not assign this Lease or sublet all or any portion of the Premises without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Landlord shall provide written notice to Tenant of its consent or refusal to provide consent within thirty (30) days of a written request therefor. In the event of any assignment or subletting consented to by Landlord, Tenant shall remain primarily liable hereunder. The acceptance of rent from any other person shall not be deemed to be a waiver of any of the provisions of this Lease or to be a consent to the assignment of this Lease or the subletting of the Premises. Any assignment or sublease consented to by Landlord shall not relieve Tenant (or its assignee) from obtaining Landlord's consent to any subsequent assignment or



sublease.

(b) By way of example and not limitation, Landlord shall be deemed to have reasonably withheld consent to a proposed assignment or sublease if in Landlord's opinion (i) the Premises are or may be in any way adversely affected; (ii) the business reputation of the proposed assignee or subtenant is unacceptable; (iii) the financial worth of the proposed assignee or subtenant is insufficient to meet the obligations hereunder; or (iv) the prospective assignee or subtenant is a bona-fide third-party prospective tenant of the Building. Landlord further expressly reserves the right to refuse to give its consent to any subletting if the proposed rent is publicly advertised to be less than the then current rent for similar premises in the Building.

(c) If Tenant shall make any assignment or sublease, with Landlord's consent, for a rental in excess of the rent payable under this Lease, Tenant shall pay to Landlord fifty percent (50%) of any such excess rental upon receipt (after first deducting out-of-pocket costs incurred by Tenant in respect of such assignment or sublease, including, without limitation, brokerage commissions and legal fees). Tenant agrees to pay Landlord \$500.00 upon demand by Landlord for reasonable accounting and attorneys' fees incurred in conjunction with the processing and documentation of any proposed assignment of this Lease or subletting of the Premises as consideration for Landlord's consent.

(d) Permitted Transfers. Tenant shall have the right, without Landlord's consent, but upon ten (10) days' prior notice to Landlord, to (a) sublet all or any portion of the Premises to any physician, physician practice group, or other medical services provider; (b) sublet all or any portion of the Premises to any related corporation or other entity which controls Tenant, is controlled by Tenant or is under common control with Tenant; (c) assign this Lease to any related corporation or other entity which controls Tenant, is controlled by Tenant, or is under common control with Tenant, or to a successor entity into which or with which Tenant is merged or consolidated or which acquires substantially all of Tenant's assets or property; or (d) effectuate any public offering of Tenant's stock on the New York Stock Exchange or in the NASDAQ over the counter market (each, a "**Permitted Transfer**"); provided that in the event of a transfer pursuant to clause (c), (1) the tangible net worth of the successor entity after any such transaction is not less than the tangible net worth of Tenant as of the Effective Date and (2) such successor entity assumes all of the obligations and liabilities of Tenant. For the purpose of this Article, (i) "control" shall mean ownership of not less than fifty percent (50%) of all voting stock or legal and equitable interest in such corporation or entity, and (ii) "tangible net worth" shall mean the excess of the value of tangible assets (i.e. assets excluding those which are intangible such as goodwill, patents and trademarks) over liabilities. Any such Permitted Transfer shall not relieve Tenant of its obligations under this Lease. Nothing in this Section is intended to nor shall permit Tenant to transfer its interest under this Lease as part of a fraud or subterfuge to intentionally avoid its obligations under this Lease (for example, transferring its interest to a shell corporation that subsequently files a bankruptcy), and any such transfer shall constitute an Event of Default by Tenant in accordance with Section 19. Any change in control of Tenant resulting from a merger, consolidation, or a transfer of partnership or membership interests, a stock transfer, or any sale of substantially all of the assets of Tenant that does not meet the requirements of this Section shall be deemed an assignment that requires Landlord's prior written consent pursuant to Section 17(a).



## 18. Transfers by Landlord.

(a) Sale of the Building. Landlord shall have the right to sell the Building at any time during the Term, subject only to the rights of Tenant hereunder; and such sale shall operate to release Landlord from liability hereunder after the date of such conveyance.

(b) Estoppel Certificate. Within ten (10) days following receipt of a written request from Landlord, Tenant shall execute and deliver to Landlord, without cost to Landlord, an estoppel certificate in such form as Landlord may reasonably request certifying (a) that this Lease is in full force and effect and unmodified or stating the nature of any modification, (b) the date to which rent has been paid, (c) that there are not, to Tenant's knowledge, any uncured defaults by Landlord or specifying such defaults if any are claimed, and (d) any other matters or state of facts reasonably required respecting the Lease. Such estoppel may be relied upon by Landlord and by any purchaser or mortgagee of the Building.

(c) Subordination. This Lease is and shall be expressly subject and subordinate at all times to the lien of any present or future mortgage or deed of trust encumbering fee title to the Premises. If any such mortgage or deed of trust be foreclosed, upon request of the mortgagee or beneficiary, as the case may be, Tenant will attorn to the purchaser at the foreclosure sale. The foregoing provisions are declared to be self-operative and no further instruments shall be required to effect such subordination and/or attornment; provided, however, that subordination of this Lease to any present or future mortgage or trust deed shall be conditioned upon Landlord causing the mortgagee, beneficiary, or purchaser at foreclosure, as the case may be, to deliver a non-disturbance agreement in a form reasonably acceptable to Tenant providing assurance to Tenant that its occupancy of the Premises and other rights under this Lease shall not be disturbed by reason of the foreclosure of such mortgage or trust deed, so long no Default then exists. Within ten (10) days following receipt of a written request from Landlord, Tenant shall execute and deliver to Landlord, without cost, any instrument that Landlord deems reasonably necessary or desirable to confirm the subordination of this Lease. Landlord shall have the unrestricted right to sell, assign, mortgage, encumber, or otherwise dispose of all or any part of the Property or any interest therein. Upon sale or other disposition of the Property to a party who assumes the obligations of Landlord under this Lease, Landlord shall be released and discharged from obligations and liabilities thereafter accruing under this Lease, and Tenant shall look solely to Landlord's successor for performance of the Lease thereafter. Tenant's obligations under this Lease shall not be affected by any sale, assignment, mortgage, encumbrance, or other disposition of the Property by Landlord, and Tenant shall attorn to anyone who thereby becomes the successor to Landlord's interest in this Lease. Landlord warrants that Tenant's rights will not diminish under this Lease if Building is transferred.

## 19. Tenant's Default. Each of the following constitutes an "Event of Default by Tenant":

(a) Tenant fails or refuses to pay any installment of Base Rent, Additional Rent, or any other sum payable under this Lease when due (i) within five (5) business days after receipt of notice from Landlord of Tenant's failure to pay the same when due, in the case of the first two (2) such failures in any full or partial calendar year, or (ii) within five (5) business days after the same



is due without further notice or demand, in the case of the third (3<sup>rd</sup>) and subsequent failures in any full or partial calendar year.

(b) Tenant fails or refuses to comply with any provision of this Lease not requiring the payment of money, and the failure or refusal continues for at least thirty (30) days after written notice from Landlord; provided, however, if any failure by Tenant to comply with this Lease cannot be corrected within such 30-day period solely as a result of non-financial circumstances outside of Tenant's control, and if Tenant has commenced substantial corrective actions within such 30-day period and is diligently pursuing such corrective actions, such 30-day period shall be extended for such additional time as is reasonably necessary to allow completion of actions to correct Tenant's noncompliance.

(a) Tenant's leasehold estate is taken on execution or other process of law in any action against Tenant.

(b) Tenant fails or refuses to take occupancy of the Premises upon the Commencement Date, or Tenant ceases to do business in, or abandons any substantial part of, the Premises.

(c) Tenant or any guarantor of this Lease files a petition under any chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state, or a petition is filed against Tenant or any such guarantor under any such statute and not dismissed with prejudice within twenty (20) days of filing, or a receiver or trustee is appointed for Tenant's leasehold estate or for any substantial part of the assets of Tenant or any such guarantor and such appointment is not dismissed with prejudice within sixty (60) days, or Tenant or any such guarantor makes an assignment for the benefit of creditors.

**20. Landlord's Remedies.** If an Event of Default by Tenant occurs, Landlord shall be entitled then or at any time thereafter to do any one or more of the following at Landlord's option:

(a) Enter the Premises if need be, and take whatever curative actions are necessary to rectify Tenant's noncompliance with this Lease; and in that event Tenant shall reimburse Landlord on written demand for any reasonable expenditures by Landlord to effect compliance with Tenant's obligations under this Lease.

(b) Terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises to Landlord, or without terminating this Lease, terminate Tenant's right to possession of the Premises, and in either case, Landlord may re-enter and take possession of the Premises, evict Tenant and all parties then in occupancy or possession, and if permitted under applicable law, change the locks on the doors of the Premises without making keys to the changed locks available to Tenant.

(c) If Landlord has terminated this Lease, recover all Base Rent, Additional Rent, and other sums owing and unpaid under this Lease as of the date of termination plus reasonable legal fees plus damages measured by the difference in the rental value of the Premises if this Lease had been fully performed for the balance of the term and the rental value of the Premises following the Event of Default by Tenant, which damages shall be payable in monthly installments when and as



rent would become due hereunder, were the Lease not so terminated.

(d) If Landlord has not terminated this Lease (whether or not Landlord has terminated Tenant's right to possession of the Premises or actually retaken possession), recover all Base Rent, Additional Rent, and other sums then or thereafter owing and unpaid under this Lease, together with all costs, if any, reasonably incurred in reletting the Premises (including remodeling, lease commission, allowance, inducement, and other costs), less all rent, if any, actually received from any reletting of the Premises during the remainder of the term, which sums shall be payable in monthly installments when and as rent would become due hereunder. Landlord shall have the right following an Event of Default by Tenant to relet the Premises on Tenant's account without terminating the Lease, any such reletting to be on such terms as Landlord considers reasonable under the circumstances. However, under this paragraph Tenant shall not be liable for more than the total of the Base Rent, plus Additional Rent Tenant would have paid if the Lease had been fully performed for the balance of the term.

(e) Recover all reasonable costs of retaking possession of the Premises and any other damages incidental to the Event of Default by Tenant.

(f) Terminate all of Tenant's rights to any allowances or under any renewal, extension, expansion, refusal, or other options granted to Tenant by this Lease.

(g) Exercise any and all other remedies available to Landlord at law or in equity, including injunctive relief of all varieties, but excluding the acceleration of rental payments due hereunder.

If Landlord elects to retake possession of the Premises without terminating this Lease, it may nonetheless at any subsequent time elect to terminate this Lease and exercise the remedies provided above on termination of the Lease. Nothing done by Landlord or its agents shall be considered an acceptance of any attempted surrender of the Premises unless Landlord specifically so agrees in writing. No re-entry or taking of possession of the Premises by Landlord, nor any reletting of the Premises, shall be considered an election by Landlord to terminate this Lease unless Landlord gives Tenant written notice of termination. Landlord's remedies must be subject to Tennessee forcible entry and detainer statutes.

**21. Landlord's Default.** It shall be an "Event of Default by Landlord" only if Landlord fails to comply with any provision of this Lease and the failure continues for at least thirty (30) days after written notice from Tenant to Landlord (with a copy to Landlord's mortgagees if Tenant has been notified in writing of the identities and addresses of such mortgagees); provided, however, if any failure by Landlord to comply with this Lease cannot be corrected within such 30-day period solely as a result of non-financial circumstances outside of the control of Landlord, and if substantial corrective actions have commenced within 30-day period and are being diligently pursued, such 30-day period shall be extended for such additional time as is reasonably necessary to allow completion of actions to correct Landlord's noncompliance.

**22. Tenant's Remedies.** Except as otherwise provided in this Lease, in the Event of



Default by Landlord, Tenant shall be entitled to any remedies available at law, or in equity. Notwithstanding anything in this Lease to the contrary, Landlord shall never be liable in the event of Default by Landlord under any promise of indemnity in this Lease, or under any other provision of this Lease for any loss of business or profits of Tenant or other consequential damages or for punitive or special damages of any kind. None of Landlord's officers, employees, agents, directors, shareholders, or partners shall ever have any liability to Tenant under or in connection with this Lease. Tenant agrees to look solely to Landlord's interest in the Property for the recovery of any judgment against Landlord, and Landlord, nor any of its officers, managers or members shall never be personally liable for any judgment.

**23. Protection against Liens.** Tenant shall do all things necessary to prevent the filing of any mechanic's, materialmen's, or other type of lien or claim against Landlord or the Property by, against, through, or under Tenant or its contractors. If any such lien or claim is filed, Tenant shall either cause the same to be discharged within twenty (20) days after filing, or if Tenant in its discretion and in good faith determines that such lien or claim should be contested and if all required consents or approvals of Landlord's mortgagee are obtained, Tenant shall furnish such security as may be necessary to prevent any foreclosure proceedings against the Property during the pendency of such contest. If Tenant fails to discharge such lien or claim within such 20-day period or fails to furnish such security, then Landlord may at its election, in addition to any other right or remedy available to it, discharge the lien or claim by paying the amount alleged to be due or by giving appropriate security. If Landlord discharges or secures such lien or claim, then Tenant shall reimburse Landlord on written demand for all sums paid and all costs and expenses (including reasonable attorneys' fees and costs of litigation) reasonably incurred by Landlord.

**24. Holding Over.** If Tenant remains in possession of any part of the Premises after the expiration of the Term of this Lease, whether with or without Landlord's consent, a tenancy from month-to-month shall be created, the monthly installments of Minimum Rent payable during such holdover period shall be one hundred fifty percent (150%) of the monthly installments of Minimum Rent payable immediately preceding such expiration, and all Additional Rent and other sums payable under this Lease shall continue to be due and payable. The acceptance of any rent or other payments from Tenant with respect to any holdover period shall not serve to extend the term or waive any rights of Landlord, but Landlord may at any time refuse to accept rent or other payments from Tenant, and may re-enter the Premises, evict Tenant and all parties then in occupancy or possession, take possession of the Premises, and if permitted under applicable law, change the locks on the doors of the Premises without making keys to the changed locks available to Tenant. Tenant shall indemnify and hold Landlord harmless against any loss, liability, damage, cost, or expense (including reasonable attorneys' fees and costs of litigation), or any claim therefor, related to Tenant's holding over, including liabilities to any person to whom Landlord may have leased any part of the Premises.

**25. Attorneys' Fees.** If either party defaults in the performance or observance of any of the obligations contained in this Lease and the non-defaulting party obtains a judgment against the defaulting party, then the defaulting party agrees to reimburse the non-defaulting party for reasonable attorneys' fees incurred in connection therewith. In addition, if a monetary Default shall occur and Landlord engages outside counsel to exercise its remedies hereunder, and then Tenant cures such monetary Default, Tenant shall pay to Landlord, on demand, all expenses



incurred by Landlord as a result thereof, including reasonable attorneys' fees, court costs and expenses actually incurred.

**26. Waiver.** The failure of a party to insist upon the strict performance of any provision of this Lease or to exercise any remedy for an event of default shall not constitute a waiver by such party. No waiver shall be effective unless expressed in writing signed by the waiving party. No waiver shall affect any condition other than the one specified in the waiver and then only for the time and in the manner stated. Landlord's receipt of any rent or other sums with knowledge of noncompliance with this Lease by Tenant shall not be considered a waiver of the noncompliance. No payment by Tenant of a lesser amount than the full amount then due shall be considered to be other than on account of the earliest amount due. No endorsement or statement on any check or any letter accompanying any check or payment shall be considered an accord and satisfaction, and Landlord may accept any check or payment without prejudice to Landlord's right to recover the balance owing and to pursue any other available remedies.

**27. Tenant's Responsibility Regarding Environmental Laws and Hazardous Substances.**

(a) Environmental Definitions.

i. **"Environmental Laws"** shall mean all present or future federal, state and municipal laws, ordinances, rules and regulations applicable to the environmental and ecological condition of the Premises, and the rules and regulations of the Federal Environmental Protection Agency and any other federal, state or municipal agency or governmental board or entity having jurisdiction over the Premises.

ii. **"Hazardous Substances"** shall mean those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances" "solid waste" or "infectious waste" under Environmental Laws and petroleum products and all Medical Waste.

iii. **"Medical Waste"** shall mean all waste, substances, constituents and materials generated from any medical services, procedures, operations and/or treatments, including, without limitation, (i) pathological waste, (ii) blood, (iii) sharps, (iv) wastes from surgery or autopsy, (v) dialysis waste and related contaminated disposable equipment and supplies, (vi) cultures and stocks of infectious agents and associated biological agents, (vii) contaminated animals, (viii) isolation wastes, (ix) contaminated equipment, (x) laboratory waste, and (xi) other biological waste and discarded materials contaminated with or exposed to blood, excretions, secretions or tissue from human beings or animals.

(b) Restrictions on Tenant. Tenant shall not cause or permit the use, generation, release, manufacture, refining, production, processing, storage or disposal of any Hazardous Substances on, under or about the Premises, or the transportation to or from the Premises of any Hazardous Substances, except as necessary and appropriate for its Permitted Use in which case the



use, storage or disposal of such Hazardous Substances shall be performed in compliance with the Environmental Laws and the customary standards prevailing in the industry.

(c) Notices, Affidavits, Etc. Tenant shall promptly (a) notify Landlord upon gaining actual knowledge of (i) any violation by Tenant, its employees, agents, representatives, customers, invitees or contractors of any Environmental Laws on, under or about the Premises, or (ii) the presence of any Hazardous Substances on, under or about the Premises, and (b) deliver to Landlord any notice received by Tenant relating to (a)(i) and (a)(ii) above from any source. Tenant shall execute affidavits, representations and the like within five (5) days of Landlord's request therefor concerning Tenant's actual knowledge and belief regarding the presence of any Hazardous Substances on, under or about the Premises.

(d) Tenant's Indemnification. Tenant shall indemnify Landlord and Landlord's managing agent from any and all claims, losses, liabilities, costs, expenses and damages, including attorneys' fees, costs of testing and remediation costs, incurred by Landlord in connection with any breach by Tenant of its obligations under Section 27(b). The covenants and obligations under this Article shall survive the expiration or earlier termination of this Lease.

(e) Existing Conditions. Notwithstanding anything contained in this Article to the contrary, Tenant shall not have any liability to Landlord under this Article resulting from any conditions existing, events occurring, or Hazardous Substances existing or generated, at, in, on, under or in connection with the Premises prior to the Commencement Date of this Lease (or any earlier occupancy of the Premises by Tenant) or any acts or omissions of third parties (collectively, "**Existing Conditions**") except to the extent Tenant materially and intentionally exacerbates the same. In addition, Landlord shall defend, indemnify and hold Tenant, its agents, employees and contractors harmless from and against all claims, damages, demands, penalties, costs, liabilities, losses and expenses (including reasonable attorneys' fees and expenses) to the extent arising out of or relating to any Existing Conditions except to the extent Tenant materially and intentionally exacerbates the same. This Section shall survive the expiration or earlier termination of this Lease.

**28. Leasing Commissions.** The parties hereby represent and warrant that no estate brokers were involved in the negotiation and execution of this Lease and that no other party is entitled, as a result of the actions of the respective party, to a commission or other fee resulting from the execution of this Lease. Each party shall indemnify the other from any and all liability for the breach of this representation and warranty on its part and shall pay any compensation to any other broker or person who may be entitled thereto.

**29. Notices.** Any notice may be given by (a) depositing written notice in the United States mail, postpaid and certified and addressed to the party at its notification address under this Lease with return receipt requested, or (b) delivering written notice in person or by commercial messenger or overnight private delivery service to the party at its notification address under this Lease or (c) by electronic transmission, so long as such notice is also sent to such other party by United States Postal Service. Written notice given in person or by commercial messenger, overnight private delivery, or electronic transmission in the manner described above shall be effective as of the time of receipt at the destination address as evidenced by a receipt signed by an employee of receiving party or, if by email, a read receipt. The notification addresses of the parties



are specified in Section 1(j). Each party shall have the right to change its address by not less than at least ten (10) days prior written notice to the other party.

**30. General Maintenance and Repairs.** The Landlord reserves the right to do maintenance and repair on the Property as is necessary. Tenant agrees to work with Landlord to allow access and coordination to facilitate the process of this work. The Landlord and Tenant agree to work together to minimize disruption to the normal activities of the Tenant. If Tenant creates damage to Common Areas, Tenant will be required to correct the damage, at Tenant's expense, to return the Common Area back to its original condition within thirty (30) days. If repairs have not been performed by Tenant by the end of the thirty (30) days, Landlord will make the repairs and bill the Tenant. If Tenant's payment for the repairs are not paid within fourteen (14) days, Tenant will be deemed in default of this Lease.

**31. Representations and Warranties.** Tenant hereby represents and warrants that (i) Tenant is duly organized, validly existing and in good standing in accordance with the laws of the State under which it was organized; (ii) Tenant is authorized to do business in the State where the Building is located; and (iii) the individual(s) executing and delivering this Lease on behalf of Tenant has been properly authorized to do so, and such execution and delivery shall bind Tenant to the terms of this Lease.

Landlord hereby represents and warrants that (i) Landlord is duly organized, validly existing and in good standing in accordance with the laws of the State under which it was organized; (ii) Landlord is authorized to do business in the State where the Building is located; (iii) the individual(s) executing and delivering this Lease on behalf of Landlord has been properly authorized to do so, and such execution and delivery shall bind Landlord to the terms of this Lease; and (iv) the execution of this Lease will not conflict with or be contrary to any other rights granted by Landlord related to the Property.

**32. Parking.** Tenant agrees not to overburden the parking facilities and agrees to cooperate with Landlord and other Building tenants in the use of the parking facilities. Landlord reserves the right in its absolute discretion to determine whether parking facilities are becoming crowded and, in such event, to allocate parking spaces between Tenant and other tenants. There will be no assigned parking unless Landlord, in its sole discretion, deems such assigned parking advisable. No vehicle may be repaired or serviced in the parking area and any vehicle brought into the parking area by Tenant, or any of Tenant's employees, contractors or invitees, and deemed abandoned by Landlord will be towed and all costs thereof shall be borne by Tenant. All driveways, ingress and egress, and all parking spaces are for the joint use of all Building tenants.

**33. Consent.** Where the consent of a party is required, such consent will not be unreasonably withheld.

**34. Time.** Time is of the essence of each term and provision of this Lease.

**35. Patriot Act.** Each of Landlord and Tenant, each as to itself, hereby represents its compliance and its agreement to continue to comply with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act, and the laws administered by the United



States Treasury Department's Office of Foreign Assets Control, including, without limitation, Executive Order 13224 ("**Executive Order**"). Each of Landlord and Tenant further represents (such representation to be true throughout the Term) (a) that it is not, and it is not owned or controlled directly or indirectly by any person or entity, on the SDN List published by the United States Treasury Department's Office of Foreign Assets Control, other than any person or entity that purchased an indirect interest in Tenant on a national stock exchange or other publicly traded platform and (b) that it is not a person otherwise identified by government or legal authority as a person with whom a U.S. Person is prohibited from transacting business. As of the Effective Date, a list of such designations and the text of the Executive Order are published under the website address: [www.ustreas.gov/offices/enforcement/ofac](http://www.ustreas.gov/offices/enforcement/ofac).

**36. Right of First Offer for Expansion Space.** Subject to the rights of existing tenants and provided no Default then exists, if Suite 202 in the Building ("**Expansion Space**") becomes available, prior to offering the Expansion Space to anyone other than Tenant, Landlord shall notify Tenant in writing of the terms and conditions upon which Landlord intends to offer the Expansion Space for lease and Tenant shall have the one-time option within thirty (30) days following receipt of Landlord's notice to enter into a lease for the Expansion Space or an amendment to this Lease expanding the Premises to include the Expansion Space, in either case reflecting the base rent and other economic terms for the Expansion Space set forth in Landlord's notice. In no event will Landlord be required to lease the Expansion Space for a term less than five (5) years or for less than the fair market rental rate in effect on the date of such availability.

**37. Miscellaneous.**

(a) If requested by Landlord, Tenant shall furnish appropriate evidence of the valid existence and good standing of Tenant and the authority of any parties signing this Lease to act for Tenant. If requested by Tenant, Landlord shall furnish appropriate evidence of the valid existence and good standing and the authority of any parties signing this Lease to act for Landlord.

(b) This Lease embodies the entire contract between the parties, and supersedes all prior agreements and understandings between the parties related to the Premises, including all lease proposals, letters of intent, and similar documents. All representations, warranties, or agreements of an inducement nature, if any, are merged with, and stated in this document. This Lease may be amended only by a written instrument executed by both Landlord and Tenant.

(c) No consent or approval by Landlord shall be effective unless given in writing signed by Landlord or its duly authorized representative. Any consent or approval by Landlord shall extend only to the matter specifically stated in writing.

(d) The captions appearing in this Lease are included solely for convenience and shall be given any effect in construing this Lease.

(e) If any provision of this Lease shall not be affected. Each separate provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

(f) This Lease binds not only Landlord and Tenant, but also their respective heirs,



personal representatives, successors, and assigns (to the extent assignment is permitted by this Lease).

(g) This Lease is governed by the laws of the State of Tennessee.

(h) All references to “business days” in this Lease shall refer to days that national banks are open for business in the city where the Property is located. Time is of the essence in this Lease.

(i) All references to “mortgage(s)” in this Lease shall include deeds of trust, deeds to secure debt, other security instrument, and any ground or other lease under which Landlord may hold title to the Property as lessee. All references to “mortgagee(s)” in this Lease shall include trustees, secured parties, ground or other lessors, and other parties holding any lien, security, or other interest in the Property pursuant to any mortgage.

(j) Any liability of obligation of Landlord or Tenant arising during or accruing with respect to the term of this Lease shall survive the expiration or earlier termination of this Lease, including without limitation, obligations and liabilities relating to (i) the final adjustment of estimated installments of Additional Rent to actual Additional Rent owed, (ii) the condition of the Premises or the removal of Tenant’s personal property, and (iii) indemnity and hold harmless provisions of this Lease.

(k) Tenant agrees not to record this Lease. Tenant may record a memorandum of this Lease in a form approved by Landlord in writing prior to recording provided Tenant pays all taxes, recording fees, or other governmental charges incident to such recording. The memorandum shall not disclose the rent payable under this Lease and shall expressly provide that it shall be of no further force or effect after the last day of the term or on filing by Landlord of an affidavit that this Lease has expired or been terminated. Additionally, Tenant shall not disclose the terms of this Lease to any third party except (i) legal counsel to Tenant, (ii) any assignee of Tenant’s interest in this Lease or sublessee of Tenant, (iii) as required by applicable law or by subpoena or other similar legal process, or (iv) for financial reporting purposes. Tenant may disclose this Lease to corporate lenders and outside audit firms.

(l) Landlord has delivered a copy of this Lease solely for Tenant’s review, and such delivery does not constitute an offer to Tenant or an option reserving the Premises. This Lease shall not be effective until executed by both parties.

*[Signatures on Following Page(s).]*

IN WITNESS WHEREOF, the parties have caused this Lease to be executed pursuant to authority duly given as of the day and year first above written.

**TENANT:**

The Plastic Surgery Center Brentwood, LLC

By: John R. Moore  
Name: John R. Moore  
Title: President

**LANDLORD:**

Tigerco, LLC  
a Tennessee limited liability company

By: John R. Moore  
Name: John R. Moore  
Title: President

**EXHIBIT A**

**Space Plan**



**EXHIBIT B****Work Letter**

1. No later than 45 days after the Effective Date of the Lease, Tenant shall submit to Landlord complete architectural, electrical, and mechanical plans and specifications for the construction of improvements to the Premises prepared by an architect mutually agreed upon by Landlord and Tenant (the "**Architect**"). Within ten (10) days thereafter, Landlord shall advise Tenant of any required revisions. Within ten (10) days thereafter, Tenant shall deliver to Landlord revised plans and specifications incorporating the revisions required by Landlord. Such plans and specifications as revised in accordance with Landlord's requirements shall constitute the "**Plans**" for purposes of this Work Letter.

2. Landlord's Contractor shall construct the Tenant Improvements (defined below), as described in the Plans, and shall pursue such construction with reasonable diligence to completion. Construction of Tenant Improvements shall be accomplished by contractors selected and approved by both Landlord and Tenant.

3. "**Tenant Improvements**" shall be defined as that work over and above the Base Building Improvements. "**Base Building Improvements**" shall be the responsibility of the Landlord and consist of the completion of all Common Areas. Landlord, at Landlord's sole cost, shall provide HVAC unit(s) in good working condition, which will be installed and stubbed out into space to 1 ton per 320 square feet. Additional tonnage shall be provided by Tenant as needed. Extra roof curbs are provided by Landlord. Landlord shall have available up to 300 amps for electrical service. Landlord shall also provide sprinkler heads and they will be turned up in the space.

4. Tenant shall be responsible for the cost to construct and install the Tenant Improvements to the extent the cost thereof exceeds Two Hundred Four Thousand Three Hundred Fifty No/100 Dollars (\$204,350.00) (based upon \$50.00 per usable square foot) (the "**Allowance**"). Subject to the other terms contained herein, the Allowance, until exhausted, shall be paid to directly to Landlord's Contractor on a monthly basis for the hard costs of Tenant's Improvements. Landlord shall not be required to pay any costs in excess of the Allowance and Tenant shall be directly liable to Tigerco, LLC for any additional costs associated with the Tenant Improvements. Notwithstanding anything to the contrary, in the event the Tenant Improvement costs are less than the amount of the Allowance, then Landlord shall retain any amounts that remain available under the Allowance and Tenant shall not be entitled to any cash or credit for the unused portion of the Allowance.

5. Tenant understands and agrees that the quality level of the finish-out for this space must be of high level to match the quality of the Building. Tenant agrees to work with The Innovations Group, LLC to set the level of finish for this location. If the cost of construction for the Tenant Improvements exceeds the Allowance, any excess costs shall be paid by Tenant. The cost of constructing Tenant Improvements shall include (a) fees and expenses of the Architect in connection with preparation of the Plans and construction of the Tenant Improvements, (b) costs of labor and materials, (c) fees and other charges payable to contractors, (d) fees to governmental

authorities for permits, inspections, and certificates of occupancy, (e) utilities during construction, and (f) other out-of-pocket costs and expenses incurred by Landlord that are directly related to the preparation of the Plans or the Improvements in excess of the Allowance shall be paid by Tenant to Landlord in full prior to commencement of construction of the Tenant Improvements. Any underpayment based on such estimate shall be paid by Tenant to Landlord within ten (10) days after delivery of Landlord's invoice to Tenant reflecting the final accounting of the cost of constructing Tenant Improvements. Any overpayment by Tenant shall be credited against the installment(s) of Minimum Rent first due under this Lease.

6. If Tenant requests any changes in the Plans, Tenant shall submit revised drawings and specifications for Landlord's approval. If Landlord approves such changes, Landlord shall incorporate such changes in the Tenant Improvements following Landlord's receipt of a change order executed by Tenant.

7. "**Substantial Completion**" of the Tenant Improvements shall be deemed to occur on the date the Tenant Improvements are completed in all material respects in substantial compliance with the Plans (including any changes thereto approved by a change order executed by Landlord and Tenant) excepting only minor finish and touch-up work that does not interfere in any material respect with the occupancy of the Premises by Tenant. The date of Substantial Completion shall be reasonable determined by the Architect, whose good faith determination shall be binding upon Landlord and Tenant. After the date of Substantial Completion, Landlord shall proceed with reasonable promptness to complete any minor finish and touch-up work required to finally complete the Tenant Improvements, and Landlord shall have the right to enter the Premises for such purposes at any time without prior notice to Tenant.

8. The failure of Tenant to make any payment when due under this Work Letter shall constitute an Event of Default by Tenant under this Lease.



**EXHIBIT C****Additional Rent Calculation – Common Area Maintenance**

Additional Rent for any calendar year shall be calculated based upon Tenant's Pro Rata Share of the Operating Expenses for the applicable calendar year.

1. **“Operating Expenses”** shall consist of all costs and expenses of Landlord or The Innovations Group, LLC, Landlord's property management company (**“Manager”**) accrued each calendar year for the management, operation, repair, replacement, and maintenance of the Property to preserve the utility and condition of the Property in substantially the same or better condition as of the Commencement Date, including without limitation, costs and expenses for the following in connection with the Property:

- (a) Wages, salaries and compensation (including fringe benefits) paid or incurred for employees of Landlord or Manager.
- (b) Materials, supplies, replacement parts, equipment, and tools (whether purchased or leased).
- (c) Services rendered by third parties, including services to be provided by Landlord pursuant to the terms of the Lease.
- (d) Utility costs and services in the Common Areas, including electrical, gas, water and sewer, refuse or garbage collection, fire protection, and security services (if furnished).
- (e) All costs associated with the Building equipment and systems including elevator, fire alarm, heating, ventilation and air condition systems, and any other systems and equipment.
- (f) Insurance premiums and policy deductibles paid, including property and casualty, rent loss, and public liability insurance.
- (g) Management fees not to exceed 4% of Gross revenues.
- (h) Accounting services.
- (i) Expenditures required to be capitalized in accordance with generally accepted accounting principles that are either required the Lease or under any governmental law or regulation that was not applicable to the Property at the time the Building was constructed or that are intended to reduce Operating Expenses.
- (j) Taxes (herein so called) for each calendar year shall consist of all real estate taxes, assessments (whether for drainage, sewage, or other public improvements), taxes on rent or on occupancy or use of the Property, and similar government impositions now or hereafter levied or assessed, whether general or special, and whether imposed by any governmental entity or special taxing or assessment district (excluding, however, any income, franchise, or similar tax imposed



directly on Landlord or landlord's net income from the Property), together with all costs incurred by Landlord in contesting same.

(k) Landscaping repairs, maintenance and replacement (including the irrigation system, if any). Parking lot repairs, replacements and maintenance, including snow and ice removal (including removal of snow and ice from rooftops).

(l) Roof maintenance and repairs.

(m) Any costs of complying with any law, rule, regulation, statute, or order with respect to Property.

Notwithstanding the foregoing, Operating Expenses shall not include costs or expenses for: (i) except as otherwise provided above, expenditures required to be capitalized in accordance with generally accepted accounting principles, depreciation, or amortization, or interest, (ii) leasing commissions or brokerage fees, (iii) repairs reimbursed by insurance carried or required to be carried by Landlord, (iv) utilities and other services separately charged to tenants, or (v) the Tenant Improvements or renovations to premises of other tenants.

Tenant's Additional Rent for Year 1 is estimated to be \$12.66 per usable square foot. The maximum increase in the amount of Controllable Operating Expenses for each lease year shall be limited to five percent (5%) per lease year over the previous lease years' Operating Expenses. "**Controllable Operating Expenses**" means all Operating Expenses which are within the reasonable control of Landlord; thus, excluding taxes, insurance, utilities, snow removal costs and other weather-related costs (including third party landscape maintenance costs, such as those resulting from infestation, storms, drought and other severe weather), costs incurred to comply with governmental requirements, costs resulting from acts of force majeure, and other costs beyond the reasonable control of Landlord.

2. In calculating Operating Expenses, all costs except those charged directly to Tenant or other building tenants shall be determined on an annualized basis, and costs that vary with occupancy (such as janitorial service and utilities) shall be appropriately adjusted to reflect Operating Expenses at 100% occupancy of the Building for a full calendar year. In calculating Additional Rent, all rates per rentable square foot shall be based on the greater of ninety-five (95%) of the net rentable area of the Building or the actual annualized occupancy of the Building.

**EXHIBIT D****Rules & Regulations**

1. Sidewalks, doorways, vestibules, halls, stairways, elevator lobbies and other similar areas in the common areas of the Property shall not be used for the storage of materials or disposal of trash, obstructed by tenants or others, or used by tenants or others for any purpose other than entrance to and exit from tenant premises.
2. Plumbing fixtures shall be used only for the purposes for which they are designed, and no sweepings, rubbish, rags, or other unsuitable materials shall be disposed into them. Damage resulting to any such fixtures from misuse by a tenant shall be the liability of said tenant.
3. Movement in or out of the Building of furniture, equipment, or any other bulky or heavy materials shall be restricted to such hours as Landlord's property manager shall reasonably designate. Landlord's property manager will determine the method and routing of the movement of said items so as to ensure the safety of all persons and property concerned, and Tenant shall be responsible for all costs and expenses associated therewith. Advance notice of intent to move such items must be made to Landlord's property manager before the time of such move.
4. All deliveries to a tenant's premises shall be made through entrances, following routes and movement instructions within the Building as directed by Landlord's property manager. Delivery vehicles shall be permitted only in such areas as are designated by Landlord for deliveries to the Building.
5. Landlord's property manager shall have the authority to approve the proposed weight and location of any safes and heavy furniture and equipment, which shall if determined to be necessary by Landlord's property manager, stand on supporting devices approved by Landlord's property manager in order to distribute the weight.
6. Corridor doors that lead to common areas of the Building (other than doors opening into the elevator lobby on floors leased entirely to a tenant) shall be kept closed at all times.
7. Each tenant shall cooperate with Landlord's property manager in keeping its premises neat and clean. No tenant shall employ any person for the purpose of such cleaning other than the Building's cleaning and maintenance personnel without prior approval of Landlord's property manager.
8. No birds, fish or other animals shall be brought into or kept in, on or about the Building (except for seeing-eye dogs).
9. Each tenant shall comply with all security procedures (if any) both during business hours and after hours and on weekends. Landlord's property manager will provide each tenant with prior notice of any such security procedures and any changes thereto promptly.



10. No flammable or explosive fluids or materials shall be kept or used within the Building except in areas approved by Landlord, and each tenant shall comply with all applicable building and fire codes relating thereto.

11. No vending machines of any type shall be allowed in tenant space without the prior written consent of Landlord's property manager, consent to not be unreasonably withheld.

12. Tenant shall provide Landlord with a set of duplicate keys and/or control cards, as applicable, to the Premises.

13. No machinery of any kind other than normal office equipment shall be operated by any tenant in its premises without the prior written consent of Landlord's property manager.

14. Canvassing, peddling, soliciting and distribution of handbills on the Property (except for activities within a tenant's premises that involve only such tenant's employees) is prohibited. Each tenant is requested to notify Landlord (or Landlord's property manager) if such activities occur.

15. Prior approval from Landlord's property manager will be required for (a) access to Building mechanical, telephone or electrical rooms, (b) after-hours freight elevator use, (c) after-hours Building access by tenant's contractors, or (d) access to the room of the Building by any person. No penetration of the roof of the Building shall be allowed in any circumstances. The tenant will be responsible for contacting Landlord's property manager in advance for clearance of such tenant contractors, and tenants shall refer all contractors, contractor's representatives, and installation technicians rendering any service to them to Landlord for Landlord's supervision, approval, and control.

16. Each tenant and their contractors are responsible for removal of trash resulting from large deliveries or move-ins. Such trash must be removed from the Building and Building facilities may not be used for dumping. If such trash is not promptly removed, Landlord (or Landlord's property manager) may cause such trash to be removed at the tenant's sole cost and expense plus a reasonable additional charge to be determined by Landlord to cover Landlord's administrative costs in connection with such removal.

17. Tenants may not install, leave or store equipment, supplies, furniture or trash in the common areas of the Property.

18. Each tenant shall provide Landlord's property manager with names and telephone numbers of individuals who should be contacted in an emergency.

19. Electric current shall not be used for space heaters, cooking or heating devices or similar appliances without Landlord's prior written permission.

20. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways.

21. No portion of any tenant's premises shall at any time be used or occupied as sleeping or lodging quarters, nor shall personnel occupancy loads exceed limits reasonably established by Landlord

for the Building.

22. No vehicles shall be parked except in designated areas. No vehicles may be stored or abandoned on the Property. All persons on the property shall comply with traffic control and parking signs.

23. Except as otherwise set forth in the Lease, no antennas (including microwave or satellite dish antennas) shall be placed on the roof of the Building or elsewhere on the Property without the prior written consent of Landlord. Tenant may install a satellite dish receiver for its own usage with approval of installation and location by Landlord.

24. Smoking is not permitted in the building, and is permitted outside the building only in areas designated by Landlord.

Landlord reserves the right to amend and add to these rules as Landlord considers appropriate for the safety, care, maintenance, operation, and cleanliness of the Building, and for the preservation of good order therein. If any of these rules directly contradicts the other terms of the Lease, the terms of the Lease shall prevail.



**EXHIBIT E****Estoppel and Commencement Date Certificate**

THIS ESTOPPEL AND COMMENCEMENT DATE CERTIFICATE ("Certificate") is executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by Tigerco, LLC ("Landlord") and The Plastic Surgery Center Brentwood, LLC ("Tenant") with respect to and forming a part of that certain building lease ("Lease") dated \_\_\_\_\_, 20\_\_\_\_, for the premises commonly known as 620 Church Street, E., Suite 201, Brentwood, TN 37027 ("Premises").

WHEREAS, the parties desire to reaffirm and/or amend and certify to certain provisions of the Lease; and

WHEREAS, the parties desire that the matters set forth herein be conclusive and binding on the parties.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Lease Commencement Date is deemed and agreed to be \_\_\_\_\_, 20\_\_\_\_, and the Lease Termination Date is \_\_\_\_\_, 20\_\_\_\_.

2. Tenant's first installment of Base Rent in the amount of Eleven Thousand Nine Hundred Twenty Dollars and 42 Cents (\$11,920.42) for the period of \_\_\_\_\_ (is due on) (was paid on) \_\_\_\_\_, 20\_\_\_\_.

3. By execution hereof, Tenant acknowledges and agrees that all improvements or other work required of Landlord has been satisfactorily performed and Tenant hereby accepts the Premises in full compliance with the terms and conditions of the Lease.

4. Except as may be amended herein, all terms and conditions of the Lease shall continue in full force and effect and are hereby republished and reaffirmed in their entirety.

5. This Certificate shall be binding upon and may be relied upon by the parties hereto and their respective legal representatives, successors, and assigns.

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

LANDLORD:

TENANT:

Tigerco, LLC

The Plastic Surgery Center Brentwood, LLC

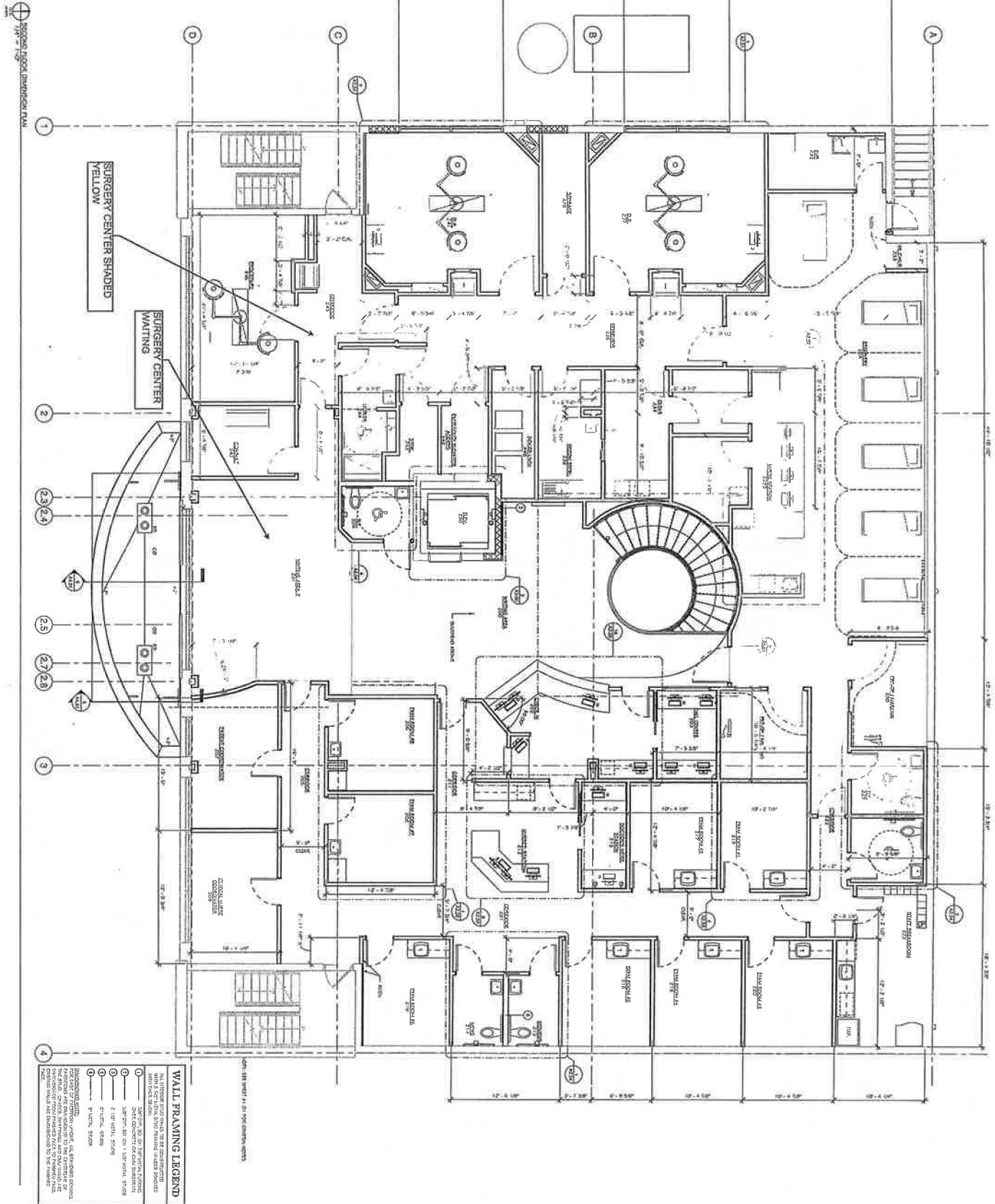
By: John R. Moore  
Title: President

By: John R. Moore  
Title: President

**ATTACHMENT 10A:**

**Floor Plan**

*See attached.*



Project Number: 161818  
 Issue Date: 10/12/17  
 Revisions:

No.	Description	Date

Sheet Number: **A1.02D**  
 SECOND FLOOR DIMENSION PLAN

**COOL SPRINGS PLASTIC SURGERY**

400 CHURCH STREET  
 BRENTWOOD, TN

CONSTRUCTION DOCUMENTS

consultants:

N/A

PWP STRUCTURAL ENGINEERS  
 1000 WOODLAND DRIVE, SUITE 200  
 MEMPHIS, TN 38117

ENTECH ENGINEERING  
 120 VIRGINIA WEST BLDG. 100, SUITE 200  
 MEMPHIS, TN 38117

SPECIALTY: N/A

THE SHREVEPORT GROUP

**ntegrous**  
 ARCHITECTURE

national capability  
 2010 NORTH GROVE DRIVE, STE. 300 FRAZEEBUR, TN 37079 6025

**ATTACHMENT 12A:**

**Plot Plan**

*See attached.*



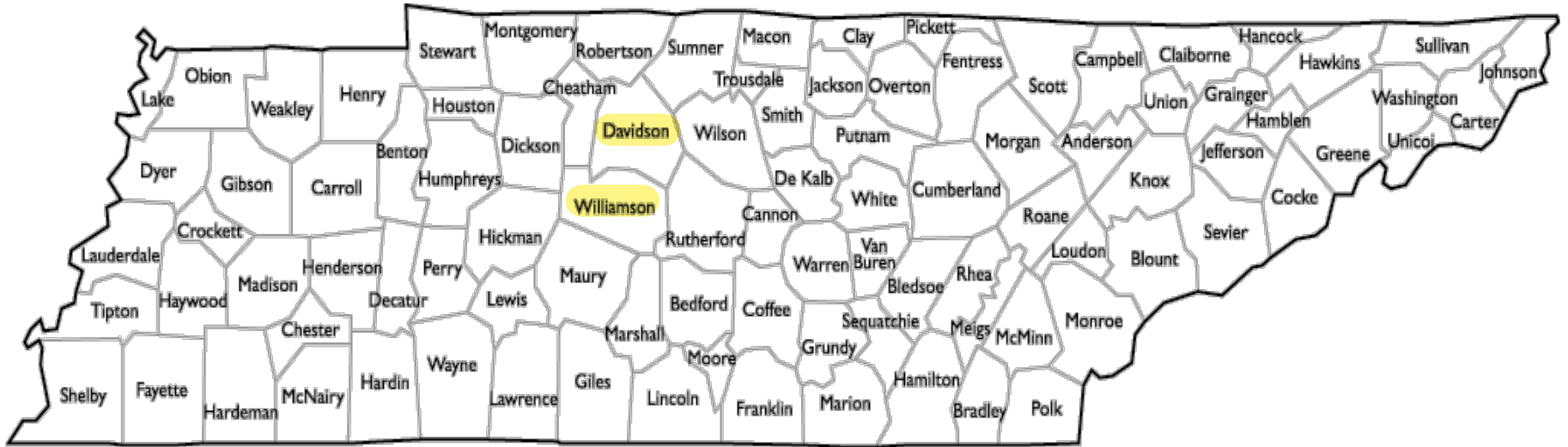


**ATTACHMENT 2N:**

**Map of the Proposed Service Area**

*See attached.*

# TENNESSEE COUNTY MAP



**ATTACHMENT 5NR2:**

**Service Area Historical Utilization**

*See attached.*



**Item 5N - Service Area Historical Utilization**

Facility Name	County	Single or Multi-Specialty	Most Recent 3 Years Reported			Total ASTC 2021-2023
			Total ASTC Cases 2023	Total ASTC Cases 2022	Total ASTC Cases 2021	
Eye Surgery Center of Middle Tennessee	Davidson	Single Specialty	2,815	2,307	2,406	7,528
Centennial Surgery Center	Davidson	Multiple Specialties	7,090	7,331	7,169	21,590
Planned Parenthood of TN and North Mississippi Memphis Region	Davidson	Multiple Specialties	0	624	926	1,550
Northridge Surgery Center	Davidson	Multiple Specialties	5,596	5,596	5,555	16,747
Urology Surgery Center	Davidson	Single Specialty	5,846	5,518	5,295	16,659
Digestive Disease Endoscopy Center	Davidson	Single Specialty	7,486	7,552	7,095	22,133
Nashville Endo Surgery Center	Davidson	Single Specialty	3,258	2,805	2,874	8,937
Southern Endoscopy Center	Davidson	Single Specialty	2,054	1,544	2,001	5,599
Mid-State Endoscopy Center	Davidson	Multiple Specialties	0	0	792	792
Saint Thomas Medical Group Endoscopy Center	Davidson	Single Specialty	5,374	4,696	3,038	13,108
Nashville Gastrointestinal Endoscopy Center	Davidson	Single Specialty	3,151	2,326	3,261	8,738
Southern Joint Surgery Center	Davidson	Single Specialty	475	25	0	500
Oral Facial Surgery Center	Davidson	Multiple Specialties	5,511	3,720	2,096	11,327
Wesley Ophthalmic Plastic Surgery Center	Davidson	Single Specialty	1,433	1,253	1,200	3,886
Associated Endoscopy	Davidson	Single Specialty	7,178	6,163	4,286	17,627
Baptist Ambulatory Surgery Center	Davidson	Multiple Specialties	7,153	7,978	10,029	25,160
The Center for Assisted Reproductive Technologies	Davidson	Single Specialty	608	291	388	1,287
Eye Surgery Center of Nashville	Davidson	Single Specialty	5,852	5,522	5,568	16,942
Saint Thomas Campus Surgicare	Davidson	Multiple Specialties	7,535	6,368	7,632	21,535
LVC Outpatient Surgery Center	Davidson	Multiple Specialties	0	0	0	0
Tennessee Pain Surgery Center	Davidson	Single Specialty	7,151	6,864	6,616	20,631
Saint Thomas Surgery Center Midtown	Davidson	Multiple Specialties	8,180	8,728	8,122	25,030
Premier Orthopaedic Surgery Center	Davidson	Multiple Specialties	2,372	2,498	1,711	6,581
Delozier Surgery Center	Davidson	Single Specialty	471	1,313	422	2,206
Nashville Vision Correction	Davidson	Single Specialty	98	149	148	395
Summit Surgery Center	Davidson	Multiple Specialties	5,427	5,036	4,970	15,433
American Endoscopy Center	Davidson	Single Specialty	565	498	582	1,645
NFC Surgery Center	Davidson	Multiple Specialties	1,037	978	879	2,894
Brentwood Surgery Center/Southern Hills Surgery Center, LP	Davidson	Multiple Specialties	3,933	2,460	110	6,503
Gurley Surgery Center	Davidson	Single Specialty	117	147	156	420

Premier Radiology Pain Management Center	Davidson	Single Specialty	2,392	2,249	2,271	6,912
Turner Surgery Center	Davidson	Single Specialty	45	87	115	247
The Plastic Surgery Center Brentwood, LLC	Davidson	Single Specialty	512	502	551	1,565
Music City Surgery Center, LLC	Davidson	Single Specialty	1,505	0	0	1,505
Vanderbilt Surgery Center Cool Springs/Cool Springs Surgery Center	Williamson	Multiple Specialties	10,200	10,141	10,177	30,518
Vanderbilt-Ingram Cancer Center at Franklin	Williamson	Single Specialty	10,735	10,068	12,257	33,060
Crossroads Surgery Center	Williamson	Single Specialty	1,191	1,769	2,821	5,781
Franklin Endoscopy Center	Williamson	Multiple Specialties	7,636	6,691	4,417	18,744
Bone and Joint Institute of Tennessee Surgery Center, LLC	Williamson	Single Specialty	3,556	3,380	2,641	9,577
<b>TOTAL</b>			<b>145,538</b>	<b>135,177</b>	<b>130,577</b>	<b>411,292</b>

Source: Joint Annual Report for ASTCs

**ATTACHMENT 6NR:**

**Applicant Historical & Projected Utilization**

*See attached.*

**Item 6N - Applicant Historical Utilization (Last 3 Years)**

Facility Name	County	Single or Multi-Specialty	Total ASTC Cases 2023	Total ASTC Cases 2022	Total ASTC Cases 2021	Total ASTC 2021-2023
The Plastic Surgery Center Brentwood, LLC	Davidson	Single Specialty	512	502	551	1,565

Source: Joint Annual Report for ASTCs

**Item 6N - Applicant Projected Utilization (Year 1 and Year 2)**

Facility Name	County	Single or Multi-Specialty	Total ASTC Cases 2025	Total ASTC Cases 2026	Total ASTC 2025-2026
The Plastic Surgery Center Brentwood, LLC	Davidson	Multiple Specialties	742	742	1,484

**ATTACHMENT 1C:**

**Transfer Agreement**

*See attached.*



## **PATIENT TRANSFER AGREEMENT**

**THIS AGREEMENT** is made as of the 1<sup>st</sup> day of November, 2018, by and between Williamson County Hospital District d/b/a Williamson Medical Center, (herein called "Hospital") and The Plastic Surgery Center Brentwood, LLC (herein called "Institution").

**WHEREAS**, both the Hospital and Institution desire by means of this Agreement, to assist the parties hereto in the treatment of patients, (a) by facilitating the timely transfer of patients and medical and other information necessary or useful in the care and treatment of patients transferred, (b) in determining whether such patients can be adequately cared for otherwise than by either of the parties hereto, and (c) to insure continuity of care and treatment appropriate to the needs of the patients in the Hospital and at the Institution, utilizing the knowledge and other resources of both facilities in a coordinated and cooperative manner to improve the professional health care of patients.

**NOW THEREFORE, THIS AGREEMENT WITNESSETH:** That in consideration of the potential advantages accruing to the (a) patients of each of the parties, and (b) the mutual advantages accruing to the parties hereto, the Hospital and Institution hereby covenant and agree with each other as follows:

1. In accordance with the policies and procedures of Hospital, Hospital agrees to accept patients in transfer from Institution. Hospital and Institution agree to exercise their best efforts to provide for prompt admission of patients provided that all usual, reasonable conditions of admission are met.
2. Hospital and institution agree to provide each with full and adequate information concerning the other's resources so that either can determine whether the other can provide the care needed by a patient as prescribed by his physician.
3. In compliance with federal law, including the provisions of Title IX of the Education Amendments of 1972, Sections 503 and 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, the parties hereto will not discriminate on the basis of race, sex, religion, color, national or ethnic origin, age, disability, or military service in its administration of its policies, programs, or activities; its admissions policies; other programs; or employment.
4. Institution agrees:
  - (a) to arrange for appropriate and safe transportation of the patient,
  - (b) to arrange for the best possible care of the patient during such transfer,

- (c) to transfer the personal effects, including money and valuables, and information relating to the same and be responsible therefor until signed for by a representative of the party to whom transferred,
  - (d) that clinical records of a patient transferred shall contain evidence that the patient was transferred promptly and safely, and,
  - (e) that transfer procedures shall be made known to the patient care personnel of each of the parties.
5. Institution agrees to transmit with each patient at the time of transfer, or in the case of an emergency, as promptly as possible thereafter, an abstract of pertinent medical and other records necessary in order to continue the patient's treatment without interruption and to provide identifying and other information. Such medical and other information is to be provided on the agreed-to-form in use at the time of the transfer, and must include (a) current medical findings, (b) diagnosis, (c) administrative and pertinent social information, including any information regarding advance directives provided by the patient or his family, including code status, Living Will or Durable Power of Attorney.
  6. If the services performed by the Hospital are not payable to the Hospital under the terms of any third party insurance or other coverage, if requested by the Institution, the Hospital may bill the Institution directly and the Institution assumes responsibility for payment to Hospital, for the reasonable cost of any services, including emergency or outpatient services performed for patients of the Institution.
  7. The Board of Directors of the Hospital and the Board of Directors of their Institution shall have exclusive control of the policies, management, assets, and affairs of their respective facilities. Neither party assumes any liability, by virtue of the Agreement, for any debts or other obligations incurred by the other party to this Agreement.
  8. Nothing in this Agreement shall be construed as limiting the right of either to affiliate or contract with any other hospital or nursing home on either a limited or general basis while this Agreement is in effect.
  9. This agreement shall be effective from the date of execution and shall continue in effect for one (1) year and renewing for one year increments, except that either party may withdraw by giving sixty-(60) days' notice in writing to the other party of its intention to withdraw from this Agreement. Withdrawal shall be effective at the expiration of the sixty-(60) day notice period. However, if either party shall have its license to operate revoked by the State or become ineligible as a provider of service under Title 1, Part 1 of Public Law 89-97, and ineligibility becomes effective.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year above written.

WILLIAMSON COUNTY HOSPITAL  
DISTRICT d/b/a/ Williamson Medical Center

THE PLASTIC SURGERY  
CENTER BRENTWOOD, LLC

DocuSigned by:  
*Donald Webb*  
\_\_\_\_\_  
Donald Webb, CEO  
9/12/2018 5:58:34 AM PDT

*[Handwritten Signature]*  
\_\_\_\_\_  
*[Handwritten Signature]*  
1/7/19  
For 9/13/18

**ATTACHMENT 3Q:**

**State License and Accreditation**

*See attached.*

# Board for Licensing Health Care Facilities

State of  Tennessee

License No. 0000000235

*This is to certify, that a license is hereby granted by the Health Facilities Commission to*  
THE PLASTIC SURGERY CENTER BRENTWOOD, LLC *to conduct and maintain*

*an Ambulatory Surgical Treatment Center* THE PLASTIC SURGERY CENTER BRENTWOOD, LLC

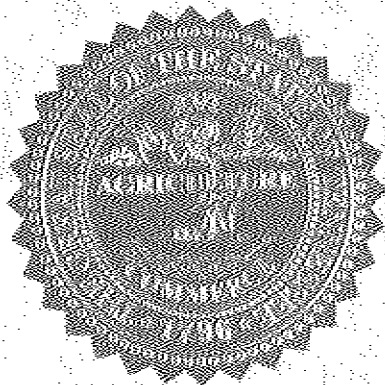
*Located at* 620 CHURCH STREET EAST, BRENTWOOD

*County of* DAVIDSON, *Tennessee.*

*This license shall expire* JANUARY 17, 2024, *and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the Health Facilities Commission, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the Health Facilities Commission issued thereunder.*

*In Witness Whereof, we have hereunto set our hand and seal of the State this* 1ST *day of* FEBRUARY, 2023.

*In the Speciality(ies) of:* PLASTIC SURGERY



*By* Caroline R. Ayers, Esq., C.H.C.  
DIRECTOR, LICENSURE & REGULATION

*By* Logan H.  
EXECUTIVE DIRECTOR



# Certificate of Accreditation



## The Plastic Surgery Center Brentwood

for having met the standards of a CLASS C MEDICARE ambulatory surgery facility in which major surgical procedures are performed under intravenous Propofol or general anesthesia with external support of vital organs.

Accredited Since: September 28, 2020

Certificate: 7298

Annual Expiration: September 28, 2024

William B. Rosenblatt, MD  
President

Thomas S. Terranova, JD MA MBA  
Chief Executive Officer



**Project Name :** The Plastic Surgery Center Brentwood

**Supplemental Round Name :** 1

**Due Date :** 6/13/2024

**Certificate No. :** CN2405-013

**Submitted Date :** 6/10/2024

### 1. 9A. Legal Interest in the Site

The ownership option selected by the applicant in response to Item 9A can be unselected if site control is established through a facility lease.

**Response :** Site control has been established through facility lease provided in original application submission. Ownership option in response to Item 9A has been unselected.

### 2. 1E. Overview

It is noted the applicant plans to expand services at the ASTC to include general surgery (hernia repair), ophthalmology, and otolaryngology.

What specific types of procedures are proposed within these categories?

Are the majority of these proposed procedure types related to the types of plastic surgery currently being performed at the applicant's ASTC facility, i.e. are they all procedure types which are precedent to the subsequent plastic surgeries currently performed by the applicant?

Are any of the additional procedure types unrelated to the types of plastic surgery procedures currently being performed at the facility? If so, which types?

If the applicant only intends to offer the three additional surgery types post-expansion, will it accept limitation on the Certificate of Need limiting it to the addition of general surgery, ophthalmology, and otolaryngology?

**Response :** The below information has been added to the application:

All expanded services currently contemplated are within the purview of cosmetic plastics and relate to some of the surgery procedures currently being performed at the applicant's facility. The expanded services (with CPT codes included in parenthesis) are: Canthoplasty (67950), Medial Canthopexy (21280), Lateral Canthopexy (21282), Septoplasty (30520), and Repair of anterior abdominal hernia(s) (49591). Canthoplasty

and Canthopexy are related to the Upper and Lower Blepharoplasty, which is currently being done. Hernia repair is related to other abdominal procedures in that, once exposure is obtained for an abdominoplasty, the hernia can be repaired at the same time. Septoplasty is related to rhinoplasty, as the septum can be repaired at the same time. The applicant would prefer not to accept this limitation because it cannot anticipate how its patients' needs or the healthcare landscape will change in the future (including regulatory changes, improvements in surgical techniques, etc).

### 3. 2E. Rationale for Approval

Is the need for an unrestricted multi-specialty ASTC driven by the procedure types being outside of the specialization of the existing staff or is it a result of limited capacity because of case volumes handled by existing staff, or both?

In other words, can the plastic surgeons currently operating at the ASTC perform the types of procedures, such as hernia repairs, blepharoplasties?

Will the applicant allow procedure types unrelated to plastic surgery cases to be performed at the facility?

**Response :** The below information has been added to the application:

The need is driven by a desire and need to consolidate procedures for improved patient experiences, as the expanded services, which can be done at the same time as procedures done by the current physicians, cannot be performed by the current surgeons. The need is also driven by four additional physicians wanting to operate at the center because their patients in Williamson and Davidson County often have to drive outside their county to get scheduled sooner or wait longer to be operated on in their county. The applicant does not currently intend to allow unrelated procedure types at the facility because the applicant does not plan to invest in additional equipment, or otherwise expand the size of the facility. The facility does not have minimally invasive equipment, so it is not equipped to offer surgical time for unrelated procedures. One of those four additional physicians, Dr. O'Connor, also presents a distinct reason for expanding to multi-specialty. While she is the same specialty and would only perform the procedures currently done by the two current physicians, she is unable to operate at the facility because of regulatory and certification requirements.

### 4. 2E. Rationale for Approval

Does the applicant intend to provide a list of the non-affiliated physicians who are requesting access to the ASTC?

Does the applicant intend to provide any letters of support from physicians who will perform cases at the facility if approved?

**Response :** The below information has been added to the application:

The non-affiliated physicians requesting access to the ASTC (with their specialties in parenthesis) are:

1. Debra Sherman (oculoplastics)
2. Mark Melson (oculoplastics)
3. Kate O'Connor (facial plastics ENT)
4. Preston Brown (general surgery)

The applicant intends to provide, but is still awaiting, letters of support. These will be submitted when received.

#### 5. 10C. Project Only Payor Mix

Please confirm whether the Projected Payor Mix is consistent with the historical payor mix of the applicant for this facility.

How is the projected payor mix going to change with the number of cases more than doubling?

It is noted that approximately 90% of gross operating revenue is projected to be from self-pay patients and 10% will be through commercially insured patients. Will the expansion of services at this facility not result in a more diverse payor mix?

Does the applicant maintain a charity care policy?

**Response :** The payor mix is not projected to change, in part because many of the additional procedures would be done on a patient already undergoing surgery. The facility does not offer charity care and does not accept TennCare, so even if a new physician accepted TennCare, which is unlikely but may apply to Dr. Brown, that patient would be scheduled at another facility. Dr. Brown's procedures are all expected to overlap with cosmetic work that a TennCare patient would not be adding on to a hernia repair. Dr. O'Connor's practice is generally "cash pay" based on her specialty. Dr. Sherman and Dr. Melson are able to charge insurance for approximately 50% of upper blepharoplasties, but the lower blepharoplasties are all considered cosmetic and therefore not covered by insurance.

## 6. 6C. Historical/Projected Data Chart

Please utilize the same unit of measurement, i.e. procedures or patients for the Historical and Projected Data Charts.

What is the difference between the two Projected Data Charts? Why is there one completed for the Project Only and the Total Facility? Does it reflect only the expanded number of cases to be performed?

Why are there no Contractual Adjustments accounted for in the Projected Data Charts, when they are accounted for in the Historical Data Chart?

**Response :** Projections based on the additional cases alone are reflected in the Project Only Chart. For the Total Facility chart, these additional cases were added to 2023 data, given that the numbers based on procedures from the current two physicians should not change. Even if one of these physicians were to retire, the replacement would be expected to perform the same type and number of procedures. The facility is currently investigating why Contractual Adjustments exist for 2023, but not 2022 or 2021 as reported. Without a better understanding of what prompted these adjustments, we do not know that they can be projected to reoccur in 2025 and 2026.

## 7. 4Q. TennCare MCO's

Please confirm that the applicant does not plan to accept TennCare patients and will not become TennCare certified.

Do any of the physicians that will utilize the facility accept TennCare patients?

Are the new physicians who are projected to utilize the ASTC facility not going to refer TennCare patients for general surgery, ENT, or ophthalmology cases?

**Response :** The below information has been added to the application:

The applicant does not plan to accept TennCare patients and will not become TennCare certified. None of the current physicians accept TennCare patients. It is not believed that the additional physicians accept TennCare, with the possible exception of Dr. Brown



based on his general surgery specialty. However, Dr. Brown still plans to perform surgeries at other facilities, and his procedures at the applicant's facility should all overlap with other procedures that would not involve a TennCare patient. This is not only because the patient would not combine the surgeries but also because the facility is not investing in additional equipment. Without the exposure provided by a separate cosmetic abdominal surgery, Dr. Brown would be using laparoscopic equipment or other minimally invasive equipment, which the applicant facility does not have. Thus, any single-procedure surgeries performed by Dr. Brown would have to be done at another facility based on equipment needs.

#### 8. 2E. Rationale for Approval

Will the proposed facility be open staffed or limited to a specific pool of physicians performing cases related to the applicant's existing patient base?

Will the applicant allow any new case types that are eligible for Medicare or TennCare to be performed at the facility?

**Response :** The below information has been added to the application:

The facility will not be open staffed, but instead limited to physicians who are owners or employees of the Plastic Surgery Clinic, PLLC and (at this time) the four additional physicians previously listed.

#### 9. 4N. Special Needs of Service Area

What are the current eligibility restrictions for Medicare and TennCare patients that result in the historical and projected payor mixes for the applicant being almost entirely private pay or commercial?

It is noted that historically, the procedures performed at the applicant's facility are elective and not typically covered by TennCare. What types of procedures does the applicant propose to make available through this expansion project that will increase patient access beyond the applicant's current patient base and payor mix?

**Response :** The below information has been added to the application:

TennCare patients are not accepted because the facility does not have TennCare certification. There are no eligibility restrictions for Medicare patients. Patient access will be increased simply because the Williamson County and Davidson County patients will be able to receive care sooner and in their home county (or an adjoining county).

#### 10. 5N. Unimplemented services

The utilization data in Attachment 5N appears to be based on patients instead of cases. Please revised and resubmit Attachment 5N with the number of cases represented (labeled as Attachment 5NR).

**Response :** Attachment 5N has been revised and resubmitted, labeled as Attachment 5NR.

### 11. 5N. Unimplemented services

Please address the unimplemented services for outstanding CON projects in the service area including CN2103-011 Grassland Surgery Center, and CN1908-030 Nashville Midtown Surgical Center in the context of overlap in case types and projected volume of cases in the same service area counties proposed by the applicant.

**Response :** The below information has been added to the application:

According to the Staff Summary for Nashville Midtown Surgical Center it will be a single specialty facility limited to oral-maxillofacial and dental surgery, so the applicant does not anticipate any overlap. According to the application for Grassland Surgery Center, that facility will be somewhat similar as to the types of surgeries anticipated, but different in that it will be an open-staff facility, with an emphasis on long-duration plastic and reconstructive surgery cases, so the applicant does not anticipate any significant overlap.

### 12. 6N. Utilization and/or Occupancy Statistics

Please 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.

Please provide a table of the types of cases currently performed and contrast that to the new types of cases that will be performed at the facility if approved.

Detail the number of each case type in the applicant's historical and projected case types. What types of cases will drive the increased volume at the facility?

What is the basis for these projections?

Where are the projected cases currently being served? What are the reasons they are projected to be referred to the applicant's facility instead of where they are currently being served?

**Response :** The below information has been added to the application:

Below is a table of the types of cases currently performed, contrasted to the new types of cases that will be performed at the facility if approved.

<b>Cases Currently Performed</b>	<b>Additional Procedures</b>
Abdominoplasty	Canthoplasty
Blepharoplasty	Medial Canthopexy
Body Lift	Lateral Canthopexy
Brachioplasty	Septoplasty
Breast Augmentation	Repair of anterior abdominal hernia(s)
Breast Implant Exchange	
Breast Implant Removal	
Breast Reconstruction	
Breast Reduction	
Breast Revision	
Browlift	
Buccal Pad Removal	
Calf Augmentation	
Capsulectomy	

Capsulectomy with Aug	
Capsulectomy with implant removal	
Capsulorrhaphy	
Capsulotomy	
Cheek Lift	
Chin Implant	
CO2 Laser	
Dermalipectomy	
Facelift	
Facial Fat Grafting	
Fat Grafting	
Gynecomastia	
Labiaplasty	
Lesion Removal	
Lip Lift	
Liposuction	
Mastopexy	

Mastopexy with Augmentation	
Necklift	
Otoplasty	
Platysmaplasty	
Rhinoplasty	
Scar Revision	
Thigh Lift	
TRL	

The only increase in procedures will be from the additional procedures, many of which will be done at the same time as current procedures.

Cases are currently being serviced in the service area with long wait times (specifically, Surgicare at St. Thomas West or St. Thomas Midtown), or outside the county (Dr. O'Connor currently schedules patients at a surgery center in Rutherford County, which is inconvenient to most patients given her office in Nashville). Dr. Sherman and Dr. Melson formerly did a majority of their cases at the Atrium at Centennial before it closed. They have since had to rotate among various operating rooms for surgical time. Dr. Sherman is operating in Davidson County but has to operate at various facilities to obtain sufficient availability for her patients. Dr. Brown is currently performing surgeries in Williamson County.

### 13. 1N. Criteria and Standards

#### Attachment 1N, ASTC Criterion #10 - Patient Safety

Please 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.



**Response :** A revised Attachment 1N will be provided as Attachment 1NR.

#### 14. 1N. Criteria and Standards

##### Attachment 1N, ASTC Criterion #9 - Access and Economic Efficiencies

Please 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. Please explain how the patient volume is projected to increase twofold.

**Response :** A revised Attachment 1N will be provided as Attachment 1NR.

#### 15. 3C. Effects of Competition and/or Duplication

Please discuss how the project will impact consumer choice of services in the proposed service area. How will the types of procedures made available under this expansion positively impact consumer access, affordability, and outcomes?

What differences in the patient base are expected post-expansion?

**Response :** The below information has been added to the application:

The applicant believes the additional procedures made available under this expansion will have a positive impact for consumers, including better outcomes through quicker recovery times (for example a hernia repair and an abdominoplasty can be performed at the same time in the same location, instead of a patient having a hernia repair at one facility, followed later by a second surgery at a different facility for the abdominoplasty). That example would increase the patient base for the applicant's facility, as it could now include not only patients seeking an abdominoplasty for cosmetic reasons, but also patients who need the hernia repair for medical reasons, and would have a positive impact on affordability due to the lower cost of one surgery rather than two (both medical expenses and time off from work for the patient and possibly family members of the patient).

#### 16. 4C. Accessibility to Human Resources

Please provide a more detailed response regarding the additional staffing, including physicians and contracted staff positions that will be required to support the expansion project.

What clinical leadership structure is currently in place at the facility? What staff positions are being added to support this expansion?

Discuss the additional staff that will be required to support HFC licensing, CMS Certification and AAAASF Accreditation.

**Response :** This portion of the application has been replaced with the below:

The two current physicians operating at the facility are also owners of the facility. Upon approval of this application the project is currently anticipated to involve four additional physicians, which would require additional facility personnel to staff a second surgical support team. The clinical leadership and administrative structure will not change, but the additional surgical support team would involve the addition of 2 nurses, 2 scrub technicians, and 1 certified registered nurse anesthetist. There will be no contracted staff.

#### 17. 2N. Service Area

Why are the same number of cases (473) reflected in both the historical and projected utilization charts?

Please utilize a consistent unit of measure when presenting historical and projected utilization data in the application for 2N, 6N, 6C, 1N, etc. as the historical and projected utilization data provided in response to Item 2N, does not match other responses throughout the application

Please revise items throughout the main application and attachments as necessary to ensure consistent representation of utilization data.

**Response :** The 2N projected utilization chart has been revised. Assumptions are that the patient origin distribution will not change, and that there will be 230 additional patients total in 2025, compared to 2023. As about 17 of these patients will be outside of Tennessee, 213 should be in Tennessee. Then, adding the historical number of Tennessee patients from 2023 that can be expected to repeat, which is 473, the 2025 total of patients from Tennessee is 686.

To be consistent with historical data reported in the Joint Annual Report (JAR), projected data in the application has been revised to reflect a consistent unit of measure – patients/cases. However, the project will result in additional procedures that are not reflected in these projections because they will be performed during other cases and thus not count as a separate case or unduplicated patient as defined in JAR instructions. The application has been revised where appropriate to highlight this nuance.

### 18. 8C. Proposed Charges

Please detail the case types currently delivered at the ASTC facility and contrast that to a list the additional case types proposed to be performed at the facility post-expansion.

**Response :** Please see response to 6N.

### 19. 3N. Demographics

Please complete Item 3NB. with 2024-2028 population data. Please revise and resubmit Item 3NB. either within the main application or as an Attachment (labeled as Attachment 3NB.)

**Response :** The population data has been revised in Item 3NB. of the application, to reflect 2024-2028 population data.

### 20. 8Q. Staffing

The staffing chart for the project includes no additional staff. Please explain how the applicant is doubling its caseload without any additional staff.

**Response :** Staffing information in the application has been revised to reflect that an additional OR team (to include 2 nurses, 2 scrub technicians, and 1 certified registered nurse anesthetist) will be hired. Additionally, while both operating rooms are currently in use, each is used only about half the time. Procedures are done five days a week for full days, but only one operating room is open and used per day. With the additional staff, both operating rooms would be open and used every day, as opposed to just one room each day.

### 21. 4E. Project Cost Chart

Why are there no facility lease costs included in the Project Cost Chart?

**Response :** The facility does not plan to lease addition space in connection with the project and will only utilize space already leased by the applicant.

### 22. 1N. Criteria and Standards

#### Attachment 1N, ASTC Criterion #1 - Determination of Need

Please provide a more detailed explanation of how the projections of 1,200 and 1,400 cases were developed. What types of cases requiring an operating room will be required for this expansion.

Why are no procedure room cases projected or reported historically?

**Response :** A revised Attachment 1N will be provided as Attachment 1NR.

### 23. 1N. Criteria and Standards

#### Attachment 1N, ASTC Criterion #2 - Need and Economic Efficiencies

Do the case types proposed by the applicant differ significantly from each other in the amount of time required?

Do any plastic surgery case types exceed the timeframes outlined in the criteria and standards for ASTCs or does the applicant accept those assumptions?

Please detail the methodology used in calculating the case times for the operating rooms differentiating as necessary between case types with longer durations.

The number of projected cases appear to represent historical utilization and does not match the projections provided in response to Criterion #1 (1,200 and 1,400 cases).

Please revise and resubmit Attachment 1N (labeled as Attachment 1NR).

**Response :** A revised Attachment 1N will be provided as Attachment 1NR.

### 24. 1N. Criteria and Standards

#### Attachment 1N, ASTC Criterion #3 - Need and Economic Efficiencies; Access

Please complete the historical utilization for all service area providers based on all of the case types projected to be provided by the applicant including cosmetic, general surgery, ophthalmology, and otolaryngology.

Please revise and resubmit Attachment 1N (labeled as Attachment 1NR).

**Response :** A revised Attachment 1N will be provided as Attachment 1NR.

### 25. 1N. Criteria and Standards

**Attachment 1N, ASTC Criterion #4 - Need and Economic Efficiencies**

Please exclude ASTC facilities from the utilization tables for single specialty ASTCs that do not offer the types of services proposed by the applicant unless it is the applicant's intention to offer those case types in the future, i.e orthopedics, megavoltage radiation therapy.

Please revise and resubmit Attachment 1N (labeled as Attachment 1NR).

**Response :** A revised Attachment 1N will be provided as Attachment 1NR.

**26. 1N. Criteria and Standards****Attachment 1N, ASTC Criterion #7 - Access to ASTCs**

Please provide a more detailed response explaining the accessibility of the site to public transportation options.

Please revise and resubmit Attachment 1N (labeled as Attachment 1NR).

**Response :** A revised Attachment 1N will be provided as Attachment 1NR.



**Project Name :** The Plastic Surgery Center Brentwood

**Supplemental Round Name :** 2

**Due Date :** 6/13/2024

**Certificate No. :** CN2405-013

**Submitted Date :** 6/12/2024

### 1. 2N. Service Area

The historical and projected utilization tables still do not match the data included in Items 6N or 6C. Please revise Item 2N in the main application to reflect the total number of patients served.

**Response :** 2N has been revised in the application.

### 2. 4N. Special Needs of Service Area

What % of cases are for surgeries that are eligible for Medicare reimbursement?

**Response :** The facility currently does minimal procedures which are reimbursed by Medicare so the percentage is less than 1%.

### 3. 5N. Unimplemented services

There is an error in Attachment 5NR for the following:

2022 - Southern Endoscopy Center - State ID #19303 - Number of Cases.

Please revise and resubmit Attachment 5NR (labeled as Attachment 5NR2).

**Response :** Attachment 5NR has been revised, labeled as Attachment 5NR2, and attached to the application.

### 4. 6N. Utilization and/or Occupancy Statistics

The table identifying new case type to be offered is noted. Please include an estimated number of these six new procedure types with the response.

**Response :** The new procedure types will all be add-ons to other procedures already being offered at the facility. They will be done at the same time as other procedures, and therefore do not impact case projections. Dr. Brown (general surgery) will perform approximately 6-10 hernia repairs at the facility each year. Dr. O'Connor (facial plastics ENT) will perform approximately 92 cases at the facility each year. These cases will be predominantly facelifts, which are already being done at the facility. Dr. Connor will also be able to do

septoplasty when needed, and when another physician is performing a rhinoplasty. Dr. Sherman (oculoplastics) and her partner Dr. Melson (oculoplastics) will each perform approximately 69 cases each year at the facility. These cases will be predominantly upper blepharoplasty, lower blepharoplasty, and quad blepharoplasty, which are already being done at the facility. However, Dr. Sherman and Dr. Melson will be able to do canthoplasty and canthopexy in connection with upper blepharoplasty when needed. We do not currently have estimates for canthoplasty and canthopexy, as the number will be patient dependent.

### 5. 8C. Proposed Charges

Please detail the case types currently delivered at the ASTC facility and contrast that to a list the additional case types proposed to be performed at the facility post-expansion.

**Response :** The following cases are currently delivered at the facility: Abdominoplasty, Blepharoplasty, Body Lift, Brachioplasty, Breast Augmentation, Breast Implant Exchange, Breast Implant Removal, Breast Reconstruction, Breast Reduction, Breast Revision, Browlift, Buccal Pad Removal, Calf Augmentation, Capsulectomy, Capsulectomy with Aug, Capsulectomy with implant removal, Capsulorrhaphy, Capsulotomy, Cheek Lift, Chin Implant, CO2 Laser, Dermalpectomy, Facelift, Facial Fat Grafting, Fat Grafting, Gynecomastia, Labiaplasty, Lesion Removal, Lip Lift, Liposuction, Mastopexy, Mastopexy with Augmentation, Necklift, Otoplasty, Platysmaplasty, Rhinoplasty, Scar Revision, Thigh Lift, TRL. The additional types of cases proposed to be performed post-expansion are the following: Canthoplasty, Medial Canthopexy, Lateral Canthopexy, Septoplasty, Repair of anterior abdominal hernia(s).

### 6. 1N. Criteria and Standards

It does not appear that a revised version of Attachment 1N is attached. Please provide a revised Attachment 1N (labeled as Attachment 1NR).

**Response :** A revised version of Attachment 1N has labeled as Attachment 1NR and attached to the application.

### 7. 3N. Demographics

The demographic table appears to include an error with the following:

Target Population - Project Year 2028 - Davidson County.

Please revise and resubmit Item 3N.B within the main application.

**Response :** 3N.B. has been revised in the application.

**Project Name :** The Plastic Surgery Center Brentwood

**Supplemental Round Name :** 3

**Due Date :** 6/14/2024

**Certificate No. :** CN2405-013

**Submitted Date :** 6/13/2024

**1. 2N. Service Area**

The tables for Historical and Projected Utilization by county of residence still do not match the number of projected patients listed in response to 6C or 1N - Criterion #1, i.e. (2N Historical = 473 patients/ Projected = 685 patients) while 6C = 551 patients in 2023 and 742 patients in Year 1 (2025). 1N #1 and #2 also show 742 patients.

Please explain the difference and revised the tables as necessary.

**Response :** 2N has been revised to include the 39 out of state patients in 2023, and to project an equivalent percentage, 57 out of state patients, for 2025.

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

**Attachment 1N, ASTC Criterion #2 - Need and Economic Efficiencies**

The table included with the response lists 742 projected patients for two different rooms which is inconsistent with the projection submitted in Criterion #1. Please revise and resubmit the table.

**Response :** The rooms will be used equally for the projected 742 cases each year. We have not projected procedures because, as noted in the item number 4 response to Supplemental 2, all of the new procedure types will be performed at the same time as other procedures which would not add to case totals, and how many are performed will be patient dependent. However, assuming that cases are the best estimate of procedures, and if the Procedures column should be procedures per room, the data should reflect 371 for each room. The chart has been revised accordingly and is below:

**Criteria #2: Need and Economic Efficiencies**

Operating Rooms	Procedures	Procedures/Room	Average Turnaround Time	Minutes Used	Schedulable minutes*	% of Schedulable Time Used
<u>Operating Room #1</u>	371	371	1-4 hours	89,040	135,000	66%
<u>Operating Room #2</u>	371	371	1-4 hours	89,040	135,000	66%

\* defined as the summation of the minutes by each room available for scheduled cases  
 Example: 7:30 AM to 4:30 PM, 5 days per week, 50 weeks/ year, equates to 9 hrs/ day X 60 min/hr = 540 minutes/day X 5 days/week = 2,700 minutes / week X 50 weeks/year=135,000 schedulable minutes/room X the number of rooms=surgical suite schedulable capacity

### 3. 1N. Criteria and Standards

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

Please list the (15) specific ASTCs including in the table.

**Response :** The 15 ASTCs included for 2023 are below. The 15 ASTCS for 2022 only differ in that The Plastic Surgery Center Brentwood, LLC is included instead of Music City Surgery Center, LLC (note- Vanderbilt Surgery Center Cool Springs is listed as Cool Springs Surgery Center, but has the same state license number of 117). The 14 ASCs for 2021 are the same as 2022 except for the exclusion of Brentwood Surgery Center.

#### ASTCs in Attachment 1N, ASTC Criterion #4 for 2023

Centennial Surgery Center

Northridge Surgery Center

Oral Facial Surgery Center

Baptist Ambulatory Surgery Center

Saint Thomas Campus Surgicare

Saint Thomas Surgery Center Midtown

Summit Surgery Center

Brentwood Surgery Center

Vanderbilt Surgery Center Cool Springs

Franklin Endoscopy Center

Eye Surgery Center of Middle Tennessee

Eye Surgery Center of Nashville

Delozier Surgery Center

Nashville Vision Correction

Music City Surgery Center, LLC