



### **Develop an Ambulatory Surgery Center Dedicated to Joint Replacement**

- » Efficient design
- » Shorter build cycle (1 year or less)
- » Small physician partnerships
- » Majority owned and controlled by joint surgeons
- » Highly efficient surgical days
- » Staff exclusively trained for joint replacement
- » Protocols and processes completely centered around outpatient joints
- » Patient outcomes tracking and data analytics
- » Direct marketing platform specifically targeted to outpatient joint replacement








### **WHY IT REALLY MATTERS?**

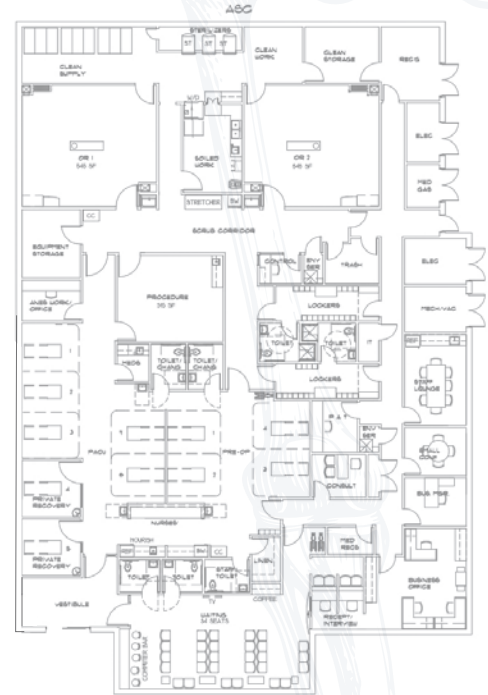
Better Outcomes  
Better Experience  
Better Value

20% of joint replacements currently outpatient

Leading surgeons are doing 50% to 90% outpatient today

Majority of joints replacements will be done in ASCs in the future

-  **Qualification:** 3 total joint surgeons doing 1,000 joints annually in total
-  **Expected ASC Volume:** 500 to 2,000 total joints annually in a single center
-  **Ownership:** Majority joint surgeon ownership
-  **Contracts:** National contracting platform
-  **Brand:** Associated with surgeons locally but supported by HKRI through digital marketing approach and recognition of quality
-  **Size:** 5,000 to 7,000 sq. ft.
-  **Financial Commitment:** ~\$750k to \$1M for surgeons in total (w/financing options available)



For high quality, high volume joint surgeons focused on patient experience: the Total Joint ASC is the single greatest opportunity for their practice.

**FINANCIAL PROFILE**

Volume	500	750	1000
<b>Net Revenue</b>	<b>\$5,471,810</b>	<b>\$8,207,466</b>	<b>\$10,943,121</b>
Implant Costs	\$1,752,870	\$2,627,520	\$3,498,600
Other Medical Expenses	\$390,000	\$540,000	\$690,000
Personnel Costs	\$927,763	\$1,081,632	\$1,231,022
Other Costs	\$1,014,775	\$1,137,995	\$1,261,330
Total Costs	\$4,085,408	\$5,387,147	\$6,680,953
<b>Net Income</b>	<b>\$1,386,402</b>	<b>\$2,820,319</b>	<b>\$4,262,168</b>