

Ambulatory Surgery Center Northfield Hospital + Clinics

Lakeville

Concept Introduction





NH+C is exploring the development of
an Ambulatory Surgery Center in the
Lakeville market







Significant national trend:

Certain surgical procedures are moving out of the hospital



Services

Outpatient surgeries and other procedures that can be done without a hospital stay



Examples

- Orthopedics
- ENT
- Endoscopy
- Pain
- Others



Payers are starting to prefer or even steer patients to these settings and away from hospitals



Community hospitals like NH+C are surgery-dependent facilities from a finance perspective



NH+C does not offer this level of care
in our system currently



We will likely lose this group of patients to organizations that do offer ASC services (particularly in the south metro)



We have been evaluating options for
a number of years



An ASC in Northfield would likely not have a large enough population draw, and risks simply cannibalizing our existing business



Our northern market, specifically Lakeville, is close enough for coordination with our hospital but in a significantly larger market segment



We are vetting potential partners and evaluating building and site options in Lakeville



The model assumes that we enter into a lease agreement with a developer



The current prime real estate in Lakeville is diminishing quickly, and we feel it is important to commit to the real estate component of the project soon



We feel strongly that having an ASC
will become crucial to remaining
independent and financially healthy



In August, we will come back to the City Council with additional details and a request to take action on the Lakeville real estate component of this project



Questions