

Application For Certificate of Need AMBULATORY SURGERY CENTER

READ THE ENTIRE APPLICATION FORM PRIOR TO COMPLETING THE QUESTIONS When complete return to Rebecca Swift at rebecca.swift@dia.iowa.gov

1. Applicant Name: Surgical Partners of Iowa LLC

2. Name of Facility: Surgical Partners of Iowa LLC

3. Address: 105 Valley West Drive, West Des Moines, IA 50265

4. Person responsible for this Project: Gordon Bruinsma – Link Healthcare

Telephone: 616-293-4769 **FAX:**

E-mail: gordy@medicaldevelopers.com

5. Type of Ownership: Proprietary X Nonproprietary

6. Will the sponsor/owner be the operator? Yes X No

If no, provide the name of the operator or management firm:

7. Will the facility be leased? Yes X No

If yes, to/from whom: A new LLC that will be formed for the project.

Monthly Cost: \$116,667

Term: 15 Years with options to renew

Total cost of one-year lease: \$1,400,000

Attach a schedule of leases associated with the proposed project. Indicate the term of lease, monthly lease payment, any prepayments, and if the lease is renewable or if there is a purchase option.

This will be a new LLC that will be formed for this Project. But the lease will be fair market value, based on costs and financing rates.

8. Will any of the equipment be leased? Yes X No

If yes, what equipment (list): Specific List will be formed

Monthly Cost: \$30,000

Term: 10 years

Total value of the lease, including sales tax, delivery and installation: \$2,200,000 Attach a schedule of leases associated with each piece of equipment. Indicate the term of lease, monthly lease payment, any prepayments, and if the lease is renewable or if there is a purchase options.

To be formed closer to project start.

9. Attach a list of the names and addresses of all persons holding ten (10) percent or more equity in the facility.

Timothy Simplot MD. 22.5%
Simon Wright MD. 22.5%
Eytan Young MD. 22.5%
Arun Gupta MD. 22.5%
Link Health Care 10.0%

10. If the facility is incorporated, attach a list giving the name, address and position of each corporate officer.

The Surgery Center will have the Following Officers:

Timothy Simplot MD President

Simon Wright MD Vice President

Eytan Young MD Vice President

Arun Gupta MD Secretary
Gordon Bruinsma Treasurer

11. Name of Administrator, Director, or CEO: Gordon Bruinsma

DESCRIPTION OF PROJECT

12. Provide a detailed narrative description of the proposed project (e.g., Does this involve constructing, remodeling, purchasing or leasing of a building? What equipment will be needed? How many operating and recovery rooms will there be? Etc.) Add an attachment if needed.

Surgery Partners of Iowa LLC is owned by four esteemed ENT surgeons from Iowa ENT Center PLLC, a practice that has been serving the Des Moines community for over 13 years. Dedicated to providing comprehensive ENT care for families, the partners are expanding their services with a new ambulatory surgery center (ASC) to enhance access to specialized, efficient care. The center will offer a range of ENT procedures, ensuring high-quality treatment from a dedicated team. This project represents a significant investment of over \$19 million, funded by the physicians and bank financing (see attached Bankers Trust letter). Additional details about the project and its owners are outlined in the following sections of this application.

The proposed project is to construct a new free standing 13,000 SF +/- Ambulatory Surgery Center. This ASC will have two (2) Operating Rooms and one (1) Procedure Room with all the required support spaces as per the FGI Guidelines, 2018 Edition.

This ASC will have a dedicated six (6) Bay PACU Unit and a separate six (6) Pre / Post (Stage II) Bay Recovery Unit.

It will have its own Instrument Sterilization and Processing facility within the ASC.

Please see the attached Exhibit 1 Space Program

All equipment will be leased.

1. Surgical and Operating Room Equipment

- **ENT Microscope** High-resolution surgical microscope for precision procedures (e.g., tympanoplasty, stapedectomy).
- Endoscopic Tower System Includes HD monitors, light source, insufflator, and recording system for endoscopic sinus, laryngeal, and ear surgeries.
- **Rigid and Flexible Endoscopes** Essential for sinus, nasal, laryngeal, and esophageal procedures.
- **Microsurgical Instruments** Delicate tools for ear and throat surgeries, including fine forceps, needle holders, and micro-scissors.
- ENT Surgery Power Systems Motorized instruments for drilling, cutting, and reshaping bone, such as:
 - Microdebriders (for sinus surgery)
 - Otologic drills (for mastoidectomy)
- Coblation System Used for tonsillectomy, adenoidectomy, and turbinate reduction.
- Electrosurgical Unit (ESU) & Cautery System For cutting, coagulation, and hemostasis (e.g., Bovie electrocautery).
- Suction and Irrigation System High-powered suction pumps and fluid management systems.
- Surgical Navigation System Image-guided technology for complex sinus and skull base surgeries.
- ENT Operating Table Adjustable, with headrests designed for ENT procedures.

- **Headlight and Loupes** For enhanced visualization during surgery.
- Anesthesia Workstation Includes ventilators, monitors, and gas delivery systems.

2. Diagnostic and Examination Equipment

- **Audiometry and Tympanometry Machines** For hearing tests and middle ear function analysis.
- Videostroboscopy System For detailed vocal cord and laryngeal assessments.
- Laryngoscopes (Flexible and Rigid) Used for voice and airway evaluations.
- Nasal Endoscopy Equipment For in-office and OR diagnostic nasal exams.
- Otoscope and Headlight System Essential for ear examinations.

3. Patient Monitoring and Recovery Equipment

- **Patient Monitoring Systems** Includes ECG, pulse oximetry, blood pressure, and respiratory monitors.
- Post-Op Recovery Beds and Stretchers Adjustable beds for patient comfort and monitoring.
- Oxygen and Suction Units Portable and wall-mounted options for post-operative care.

4. Instrumentation and Sterilization Equipment

- ENT Instrument Trays Specialized trays for ear, nose, and throat surgeries.
- **Autoclave Sterilizers** For sterilizing surgical instruments.
- **Ultrasonic Cleaners** For delicate ENT instruments.

5. Office and Support Equipment

- Medical Charting and EMR System For digital patient records and scheduling.
- Medical-Grade Refrigerators For medication and biologic storage.
- Emergency Crash Cart Stocked with resuscitation and emergency medications.

6. Specialty Equipment (Procedure-Specific)

- **Balloon Sinuplasty Equipment** Catheters, inflation pumps, and balloon dilation devices.
- CO2 and KTP Lasers Used for laryngeal and nasal surgeries.
- **Sleep Apnea Treatment Devices** Radiofrequency ablation (RFA) systems for sleep apnea procedures.
- Bone-Anchored Hearing Aid (BAHA) Surgery Tools For hearing restoration surgeries.

12a. Provide information about the procedures that will be offered.

Types of Cases

- Tonsillectomy and adenoidectomy, either of them separate as well.
- Myringotomy with ear tube placement
- Endoscopic sinus surgery
- Septoplasty
- Turbinoplasty
- Tympanoplasty (ear drum repair)

- Thyroidectomy
- Salivary gland surgery
- General neck surgery (ie. lymph node removal, soft tissue mass removal)
- Facial fracture repairs

13. Fill out Exhibit 1 to indicate the total square footage of space planned and divide this into clinical patient treatment exam and surgical areas, office, administration, and indirect service areas such as corridors and mechanical space. Also:

13a. Explain your rationale for the space allocated and why you believe it is adequate.

We used the FGI Guidelines (2018 Outpatient Edition) as the foundation for the Space Program and Schematic Design. This was then applied to our proposed Two Operating Room & One Procedure Room Ambulatory Surgery Center.

13b. Provide schematic drawings for the proposed project.

Please see Schematic Drawings included.

14. Describe in detail your contact with regulatory entities such as the state fire marshal, Department of Inspections and Appeals, and city zoning commission for approval of your project. With whom at these entities did you correspond? Provide copies of any correspondence with these entities.

To date we have not had any correspondence with the state fire marshal or DIAL. We also have not had communication with the city zoning commission. Our proposed project has been designed as per the local zoning requirements and is an approved use for the property. Upon CON approval we will engage with all of the above-mentioned regulatory entities.

15. Describe how you will adhere to current Life Safety Codes.

We plan our ASC's according to the requirements in the NFPA 101 and 99, 2012 Editions including Chapter 20 (New Ambulatory Health Care Occupancies). This complies with the Current CMS regulations. In addition, we comply with all of the State of Iowa adopted Codes: 2015 IBC, 2015 IFC, State Mechanical, Plumbing, and Electrical Codes.

16. Will you seek accreditation (i.e., from AAAASF or other accreditation body) for your facility? What are the associated costs?

Yes, Surgical Partners of Iowa LLC will seek accreditation from the Accreditation Association for Ambulatory Health Care, Inc ("AAAHC") AAAHC has been granted "deemed status" to certify ASCs for Medicare by the Centers for Medicare and Medicaid Services ("CMS"). Surgical Partners of Iowa LLC estimates the annual cost of AAAHC accreditation will be in the range of \$12,000 to \$18,000.

17. Will you seek Medicare certification as an ASC? Yes X No

18. For applicable items, indicate anticipated date for:

Completion of Construction/Modernization: Summer 2027

Offering of Service: Summer 2027

NEED DETERMINATION

19. In detail, describe the need for the proposed project.

This ASC (name) seeks to establish an ambulatory surgery center as a key component to deliver ambulatory otolaryngology care to patients in the greater Des Moines area and broader central Iowa community. This center will be the premier centralized surgical destination for all ENT and related ambulatory surgical needs and will centralize modern equipment, physician expertise, and ambulatory staffing with proficiencies specifically focused on otolaryngologic and related procedures.

The proposed project seeks to centralize ENT-specific access, equipment, and perioperative staffing skills to dramatically improve access and reliability of ambulatory surgical access. Having a single center fully equipped with up-to-date equipment, supplies, and specialty-specific perioperative staff will allow reliable and timely access to otolaryngologic care and increased patient outcomes.

As surgical fields of medicine become increasingly more advanced, an increasing degree of specialization is needed to meet evolving needs. This is reflected in the trend for ASC's to have specialty-specific, such as orthopedic ASC, urologic, ASC, etc. At present, the equipment and training capabilities of surgical facilities is fragmented and unreliable creating "deserts" of capability and supplies at various facilities which can be hard for surgeons to predict and lead to suboptimal outcomes.

At present, patients who require ENT surgical procedures are having those procedures across a wide variety of surgical facilities. These sites vary enormously in terms of access for scheduling, equipment available, and specialty specific training of perioperative staff. For example, at no hospital setting is there appropriate equipment for a contemporary standard of sinus surgery and only one ambulatory center has satisfactory equipment of this type. This group, whose participants include the region's only pediatric otolaryngologist and facial traumatologist, aim to provide a center that has dedicated specialized equipment to improve patient outcomes. This group does a significant volume of complex endoscopic sinus surgery which requires very specialized instrumentation for maximized patient outcomes. This specialized technology which continues to advance and change rapidly is not readily available in hospital settings.

The surgical field of otolaryngology routinely treats urgent (acute infections), semi-urgent (cancer biopsy) and time-sensitive (facial fracture) conditions which require short-warning access to surgical facilities which are properly equipped and staffed to handle the specific case. Currently, due to the non-centralized service locations, it can be difficult for patients to quickly access that care which can result in delays and increased costs to patients in order to provide adequate care. This is particularly true in the pediatric and trauma populations in which urgent, semi-urgent and time-sensitive conditions routinely arise. Delays in care in these situations adversely affect patient outcomes and can increase anxiety, uncertainty, and symptom distress for patients and their families. This can impact other patients as well, as their existing appointments for non-surgical matters can be cancelled due to the ever-changing surgical scheduling.

Beyond these locally specific reasons, the need for this ASC project is based on fundamental trends of contemporary local and national medicine from the standpoint of resource utilization, expansion of services offered, increased outpatient surgical volumes, reduced patient and systemic costs, and patient comfort and convenience.

A. Resource utilization.

- 1. Staffing. In the post-COVID era, hospitals struggled to maintain staffing in all areas of care. This is not only apparent in ER wait times but also in extended ER boarding times while waiting for hospital beds. This is unrelated to direct COVID care. Nationally, hospital occupancy rates have exceeded 85%, placing severe strain on staff and supporting mechanisms. Staffing shortages have also affected the operating room capabilities at major metro Des Moines hospitals. Transitioning surgical patients that can be safely performed in the ASC from the hospital decompresses hospital strain. Per case, ASCs require many fewer staff. This directly improves the overall efficiency of central Iowa medical staffing. The ENT-specific efficiency will allow few staff persons to perform many more cases and free up capacity in hospitals for sicker more complex medical and surgical patients.
- 2. CMS Policy. CMS has a long history of promoting the transfer of non-acute care patients from the hospital setting to the ASC. Since the 1990's, CMS has steadily expanded the list of procedures eligible for Medicare reimbursement rather than hospitals. For example, total knee arthroplasty (knee replacement) was added to the ASC-approved list in 2020, increasing the number of orthopedic procedures that can be performed in ASCs. The ASC Payment System has been updated to provide stable and competitive reimbursements, making ASCs financially viable alternative to hospital outpatient departments. CMS removed the requirement for ASCs to have written hospital transfer agreements, as long as physicians have admitting privileges at a local hospital. Thus, this project expands ASC capacity and capability specifically responds to long-term established CMS policy goals.
- 3. OR efficiency. By handling low risk surgeries for which the ASC is specialized in terms of equipment and staff, fewer medical staff are able to perform a higher volume of cases with shorter procedure times and more rapid turnover and without the need for overnight stays resulting in an overall increase in operative efficiency. Because this will be an ENT-specific facility, these cases will be conducted with maximal efficiency based on specific staff training and experience as well as reducing the community-wide redundancy and duplication of equipment and supplies.

B. Expansion of services offered.

1. Existing procedures. Both private insurance companies and CMS have expanded coverage for procedures that had previously been confined to the hospital setting. Well known examples include orthopedic procedures such as knee and hip arthroplasty, but also include otolaryngologic procedures including thyroid, parathyroid, image guided sinus surgery, facial fracture repair, and cochlear implantation. This trend is expected to continue, resulting in increased demand for ASC

- sites. For these procedures to occur, proper equipment and staff training must be available, conditions currently not met in central Iowa.
- 2. New procedures. Otolaryngology is a highly dynamic surgical field with new and innovative techniques and interventions emerging every year. Hospital settings and hospital-related ASCs are very slow at adopting and approving these new procedures. It can take years to bring a new procedure to a hospital and in many cases the facility simply does not agree to support this. The proposed facility will be able to offer the latest and best procedures to the community without these barriers. Below are examples of new procedures expected to be performed at this new center:
 - a) Radiofrequency ablation of thyroid tumors. Image guided ablation of benign and malignant tumors of the thyroid gland. This is likely to expand to other targets in the head and neck. Currently, Dr. Wright is the only surgeon in Iowa who offers this treatment, and no ASC has equipment available.
 - b) Hypogossal Nerve Stimulation (HGNS) for sleep apnea. This is an extremely effective implant system (like a pacemaker) for managing refractory obstructive sleep apnea. Case volumes are rapidly increasing in central Iowa as clinical demand surges.
 - c) Eustachain tube balloon dilation. This is a minimally invasive operative intervention targeting dysfunctional Eustachian tube in children and adults. Case volumes are increasing as clinical demand and awareness increase.
 - d) Tympanostomy tube placement. The goal of avoiding general anesthesia for pediatric tympanosty tube (ear tube) placement is becoming a reality. This will require specialized equipment and training that can only be done efficiently with high-volume and ENT-specific experience. The participating surgeons, especially with advanced pediatric training, make this project particularly beneficial to the community and will improve central Iowa pediatric quality of care.

C. Increased surgical volumes.

The overall number of surgical interventions is increasing per capita in the US, including in central Iowa. A study published in 2024 pound that among individuals living in household in the United States, 1 in 9 persons reported undergoing at least 1 surgical procedure in the past year. The highest prevalence was identified among persons 65 years and older and among Medicare beneficiaries, with surgical procedures reported by approximately 1 in 5 persons for both groups. As of 2019, approximately 70% of surgeries in the US were performed in an outpatient setting and the trend toward ASC surgeries is expected to increase for the foreseeable future. As the Des Moines Metro population grows and ages, local surgical demands are expected to rise. This center will effectively meet the needs of the community with quality care, efficiency and low cost.

D. Reduce patient and systemic costs.

1. Patient costs. Hospitals impose high facility fees due to the need to cover the very high overhead of operation. This is reflected in patient out of pocket costs and is out of proportion to the

simplicity of the procedure. For instance, costs are frequently double in the hospital vs ASC for tympanostomy tube (ear tube) placement – sometimes even more.

2. Systemic costs.

- a) Medicare and private insurers typically pay 30-50% less for procedures done in ASCs vs hospitals. This is possible because of the increased efficiency of the ASC due to faster turnover times, decreased pre-op and post-op time, and other efficiencies.
- b) Surgery centers also have a lower risk of complications, and a reduced risk of hospital acquired infections. This translates into fewer readmissions and reduces the risk of additional therapies and interventions.
- c) This project will be an ENT-specific center. This will allow for exceptionally efficient care for procedures of this type through highly specialized staff training, reduced need for redundant or rarely used supplies, optimal utilization of equipment, and other efficiencies.

E. Patient Comfort and Convenience

- 1. Transparent costs. Most ASCs offer clear, fixed-cost pricing with fewer "surprise" bills. Unexpected medical bills and delayed medical billing is a major source of dissatisfaction for patients undergoing surgery in hospital systems. This center will improve patient/family experiences in this fashion. Because it is an ENT-specific facility, the center will have particular expertise and experience with standard ENT codes and billing practices, further streamlining the billing process and improving billing transparency.
- 2. Decreased wait times and flexible scheduling. Expanded hours and more nimble staff allow for greater flexibility in working in urgent cases and meeting complex scheduling needs of patients.
- 3. Day-of-surgery experience. Streamlined check-in, the absence of ER-related delays, efficiencies of pre-op and post-op systems and protocols translate into shorter wait times and fewer delays on days of surgery.
- 4. Comfortable and personalized environment. The smaller facility is easier to navigate for and allows for a much more personalized experience for patients.

20. On an attachment, provide for the proposed service and for relevant ancillary services: 20a. Historical utilization statistics for each of the most recent three years, if applicable.

Not Applicable as Surgical Partners of Iowa LLC has not opened and has no historical Information.

20b. Expected utilization statistics for each of the first three (3) years after the proposal is operational (list assumptions used).

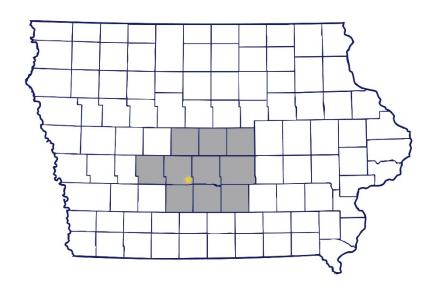
Surgical Partners of Iowa LLC has utilized historic data from surgeries performed at other Surgery Centers over the part 36 months to establish utilization. The 5 ENT surgeons that are the owners of this project are already doing the cases listed in the schedule and the increases will be due new type of cases that will be performed at this location that maybe being completed currently in a hospital.

The following is the number of cases for the first three years of operations:

	Year 1	Year 2	Year 3
Surgical Partners	2400	2800	3000
of Iowa LLC			

21. What do you consider to be the geographic service area for this project?

The ENT Physicians currently draw from a 50-mile radius of Des Moines Iowa. The following map illustrates the geographic service area for planned Surgical Partners of Iowa



County	Size
Dallas, IA	111,092
Polk, IA	505,255
Story, IA	98,566
Warren, IA	55,205
Marshall, IA	40,014
Jasper, IA	37,919
Marion, IA	33,770
Boone, IA	26,590
Madison, IA	16,971
Guthrie, IA	10,722

22. Where are the area residents now receiving services similar to those proposed? Provide the names and addresses of providers offering similar or the same services, including hospitals, located in the geographic area noted in Q. #21. What volume of service are others providing?

Name	Location	Address	Website
MercyOne Des Moines Medical Center	Des Moines, IA	1111 6th Ave, Des Moines, IA 50314	https://www.mercyone.org/desmoines
Iowa Methodist Medical Center - UnityPoint Health	Des Moines, IA	1200 Pleasant St, Des Moines, IA 50309	https://www.unitypoint.org/locations/unitypoint-healthiowa-methodist-medical-center
Broadlawns Medical Center	Des Moines, IA	1801 Hickman Rd, Des Moines, IA 50314	https://www.broadlawns.org/
Surgery Center of Des Moines – West	West Des Moines, IA	5901 Westown Pkwy #210, West Des Moines, IA 50266	https://scdmwest.com/
Lakeview Surgery Center	West Des Moines, IA	6000 University Ave, West Des Moines, IA 50266	https://www.lakeviewsurgerycenter.com/
West Lakes Surgery Center	Clive, IA	1501 50th St, West Des Moines, IA 50266	https://westlakessurgery.com/
MercyOne West Des Moines Medical Center	West Des Moines, IA	1755 59th Pl, West Des Moines, IA 50266	https://www.mercyone.org/westdesmoines
The Iowa Clinic Surgery and Endoscopy Center	West Des Moines, IA	5950 University Ave, West Des Moines, IA 50266	https://www.iowaclinic.com/
Advanced Surgery Center of Central Iowa	West Des Moines, IA	515 SW 36th St, West Des Moines, IA 50265	https://www.asccentraliowa.com/
Grinnell Regional Medical Center	Grinnell, IA	210 4th Ave, Grinnell, IA 50112	https://www.unitypoint.org/grinnell/
Guthrie County Hospital	Guthrie Center, IA	710 N 12th St, Guthrie Center, IA 50115	https://www.guthriecountyhospital.org/
MercyOne Newton Medical Center	Newton, IA	204 N 4th Ave E, Newton, IA 50208	https://www.mercyone.org/newton
Iowa Specialty Hospital	Clarion, IA	1316 S Main St, Clarion, IA 50525	https://www.iowaspecialtyhospital.com/

23. What will be the impact of your proposal on the service volume of other providers? Please explain your assumptions.

Iowa ENT Center, PLLC, (also the owners of Surgical Partners of Iowa LLC) is a 5-physician fully unaffiliated private otolaryngology practice whose physicians currently distribute operative cases throughout central Iowa through both MercyOne, UnityPoint facilities, and others as well as various outreach clinics. There are currently at least 20 otolaryngologists practicing in the Des Moines Metro region and hundreds of surgeons operating at the facilities frequented by surgeons anticipating operating at the proposed facility. Undeniably, the proposed ASC will absorb some care volume from surrounding facilities. However, in the scope of the overall volume of cases at each facility, we anticipate minimal changes. This shift will allow for transition of other providers who are currently performing cases in hospitals that are more suited for the ambulatory setting, thus improving the overall efficiency of the Des Moines surgical community.

24. State any other indicators of community need for this proposal.

- 1. Hospital and Operative wait times. High surgical volume in hospitals and limited ASC-access in hospital-affiliated ASCs leads to prolonged wait times for many procedures performed in the hospital setting. This puts strain on hospital staffing and depletes capacity for care for the community as a whole.
- 2. Increasing demand for outpatient procedures. The unrelenting trend for increased volume of procedures and new procedures supports expanded capacity for ASC-based surgical care.
- 3. Cost reduction. At present, countless procedures are performed in the hospital setting that would be entirely appropriate for the ASC. This results in a massive financial penalty to community members who find themselves paying dramatically more out of pocket costs for procedures that could have been performed in the ASC rather than the hospital setting.
- 25. As part of the public notice requirement, send a letter to each outpatient surgical service provider (including hospital-based) and ambulatory surgery center in the county stating that you are applying for a certificate of need and briefly describing your project. Attach a copy of the letter to this application.

See Exhibit 3

PERSONNEL

26. Attach a list of the medical staff, by specialty, who will supervise the operation of the project. If certain physicians have particularly relevant experience or interests, please elaborate. Which of these physicians will normally be on the premises during operating hours?

In accordance with guidelines from both CMS and AAAHC requirements, Surgical Partners of Iowa LLC will form a governing board with the goal of determining and monitoring policies for the surgery center's operations in conjunction with the outside management company. We will also have an Executive Committee that will interact with Management and staff to ensure quality care and compliance. The Executive Committee will meet monthly to review financial goals and quality care metrics at the Center. The initial Board and Executive Committee will be comprised by the Corporate Officers.

The Surgery Center will have the Following Officers:

Timothy Simplot MD

Simon Wright MD

Eytan Young MD

Arun Gupta MD

Gordon Bruinsma

Vice President

Vice President

Secretary

Treasurer

We will hire a Management Company that will have a direct oversight of the day-to-day operations, including a local office manager. Outside oversight by a professional organization is crucial not only to business practices but also to secure financing. A few of our owners have been involved in the Executive Committees of another center, giving them valuable experience in day-to-day operations. In addition, we will be hiring an outside revenue cycle manager for the implementation of billing and collection protocols."

27. What arrangements between your program and other health care providers have been made or are being proposed to refer emergencies, share services, and provide backup? Attach a copy of any formal agreements.

Surgical Partners of Iowa LLC physicians have privileges at numerous local Des Moines hospitals and will continue to do non-ASC cases at these hospitals.

In the event it is necessary to transfer a patient from Surgical Partners of Iowa LLC Center, the physicians will be able to do this through admitting privileges at local hospitals.

Surgical Partners of Iowa LLC expect existing relationships for collaboration and transfer arrangements to continue.

28. Specify your existing and forecasted full-time equivalents (FTEs):

Department	Current	Forecasted
Administrative		2
Physician(s)		6
Nursing RN		9
LPN		9
Aides/Orderlies		2
Therapists (specify type)		0
Other (specify)		2
TOTAL FTE'S		30

29. If new/additional personnel will be needed as a result of the proposed project, attach a statement describing what evidence there is that these personnel will be available and the plans your facility has for recruiting and employing them.

To ensure the successful staffing of our proposed outpatient surgery project in Iowa, we have assessed the availability of qualified personnel and developed a strategic recruitment and employment plan.

Availability of Personnel

Iowa has a strong healthcare workforce supported by numerous medical institutions, including the University of Iowa and Des Moines University, which produce a steady stream of skilled healthcare professionals. Additionally, labor market data indicates a competitive pool of registered nurses, surgical technologists, anesthetists, and administrative staff within the state. The presence of multiple healthcare training programs ensures a continuous pipeline of talent to support new healthcare facilities.

Recruitment and Employment Plan

- 1. **Collaboration with Local Educational Institutions** We will partner with local nursing schools, surgical technology programs, and residency programs to establish a direct hiring pipeline. Internship and training programs will be offered to encourage early engagement with our facility.
- 2. **Targeted Recruitment Campaigns** Our facility will implement a recruitment campaign using job boards, professional associations, and social media platforms to attract experienced surgical staff. Partnerships with organizations such as the Iowa Hospital Association and the Iowa Nurses Association will further enhance our outreach efforts.
- 3. **Competitive Compensation and Benefits** To attract top talent, we will offer competitive salaries, sign-on bonuses, tuition reimbursement programs, and comprehensive benefits packages, including health insurance, retirement plans, and continuing education opportunities.
- 4. **Retention and Workplace Culture** A focus on employee satisfaction and career growth will be central to our retention strategy. We will implement mentorship programs, flexible scheduling, and opportunities for professional development to ensure long-term staff retention.

5. **Relocation Assistance** – For hard-to-fill positions, we will provide relocation assistance and incentives to attract experienced professionals from other regions.

With these measures in place, we are confident in our ability to recruit and retain the necessary personnel to support the successful operation of our new outpatient surgery project in Iowa.

30. Describe plans for providing training and experience to new and existing personnel. Address legal limitations of professional practice.

Training and Experience Plan for New and Existing Personnel

To ensure high-quality patient care and compliance with all regulatory requirements, our outpatient surgery center in Iowa will implement a comprehensive training and development program for physicians, registered nurses (RNs), licensed practical nurses (LPNs), and medical assistants (MAs). This program will focus on onboarding, continuous education, hands-on experience, and adherence to legal and professional practice standards.

1. Initial Training and Onboarding

All new hires will undergo a structured orientation and training program, including:

- Facility Policies and Procedures: Introduction to our center's operational protocols, emergency response plans, and infection control practices.
- Electronic Health Record (EHR) System Training: Instruction on proper documentation, patient data management, and compliance with HIPAA regulations.
- Patient Safety and Quality Assurance: Training on best practices for surgical safety, medication administration, and sterile techniques.
- Workplace Safety & Compliance: Education on OSHA guidelines, proper use of personal protective equipment (PPE), and handling hazardous materials.

2. Specialty-Specific Training

- **Physicians** will receive procedural training specific to our center's specialties, including updates on the latest minimally invasive techniques, anesthesia protocols, and emergency management in an outpatient setting. Credentialing and privileging processes will ensure that only qualified surgeons perform specific procedures.
- Registered Nurses (RNs) will undergo advanced perioperative nursing training, including preop assessment, intraoperative assistance, and post-anesthesia care. ACLS (Advanced Cardiac
 Life Support) and PALS (Pediatric Advanced Life Support) certifications will be required based
 on patient population needs.
- Licensed Practical Nurses (LPNs) will receive training in patient preparation, monitoring, and post-operative care under RN supervision, ensuring they work within their scope of practice.
- **Medical Assistants (MAs)** will be trained in assisting with minor procedures, sterilization of instruments, vital signs monitoring, and patient education.

3. Ongoing Education and Professional Development

• Continuing Medical Education (CME) for Physicians: Required to maintain licensure and stay current with advancements in surgical procedures and patient care.

- **Nursing Continuing Education (CE) Credits**: RNs and LPNs will be provided with opportunities to earn CE credits to meet Iowa Board of Nursing requirements.
- **Simulation-Based Training**: Hands-on workshops and simulations for emergency response, such as airway management, cardiac arrest, and post-operative complications.
- Cross-Training Opportunities: Encouraging staff to expand their skill sets within legal practice limitations to improve team flexibility and efficiency.

4. Legal Limitations of Professional Practice

Each role will be trained and supervised to ensure practice within the legal scope of their licensure in accordance with Iowa state laws and regulations:

- **Physicians**: Must be licensed by the Iowa Board of Medicine, credentialed for specific procedures, and adhere to scope-of-practice laws.
- **Registered Nurses (RNs)**: Must hold an active Iowa RN license and work within the scope defined by the Iowa Board of Nursing, including medication administration, patient assessment, and surgical assistance.
- **Licensed Practical Nurses (LPNs)**: Will practice under the supervision of an RN or physician, following Iowa Board of Nursing regulations regarding medication administration and patient monitoring.
- **Medical Assistants (MAs)**: Must work under direct supervision of a physician or RN and are limited to non-invasive tasks such as obtaining vital signs, administering injections as allowed, and assisting with patient intake.

By implementing this structured training and education plan, we will ensure that our outpatient surgery center maintains a highly skilled, legally compliant, and patient-focused healthcare team.

FINANCIAL FEASIBILITY

31. What do you propose to charge for each service provided? What are the charges for similar services from other providers in your area? Please elaborate regarding comparability of service

Charges for services provided will be based on a methodology similar to other ambulatory surgery centers in Iowa. This methodology is the same used across the country in regard to charges for a full range of medical services provided not just in the surgical realm. This methodology is typically based upon a percentage of Medicare reimbursement for the state. Reimbursement rates are typically set and standardized so that there is not a wide discrepancy between reimbursement for ambulatory surgery centers within a geographic location. Medicare reimbursement for a ambulatory surgery center in the Des Moines metro region will be the same reimbursement for the same procedure performed in the Iowa City/Cedar Rapids metro region. Universally speaking, reimbursement rates and charges for ambulatory surgery centers are going to be substantially lower than corresponding hospital reimbursement/charge levels. This translates to substantial cost savings for the patient, the insurance industry and CMS.

32. Attach a budget for each of the first three years of operation. Project revenue and expenses, and comment on variable line items that could be cut if revenue does not meet expectations.

Surgical Partners of Iowa LLC

	P	ROFIT & LOSS		
Estimated Revenue per Year		<u>Year 1</u>	Year 2	Year 3
Simplot	\$	750,000	\$ 750,000	\$ 825,000
Wright	\$	1,050,000	\$ 1,102,500	\$ 1,155,000
Young	\$	1,836,000	\$ 1,927,800	\$ 2,019,600
Gupta	\$	750,000	\$ 787,500	\$ 825,000
Others	\$	1,200,000	\$ 1,260,000	\$ 1,320,000
ESTIMATED TOTAL REVENUE	\$	5,586,000	\$ 5,827,800	\$ 6,144,600
Expenses increase 3% annually				
Direct Supplies - Drugs & Medical	\$	1,872,000	\$ 1,928,160	\$ 1,986,005
Non Direct Supplies & Services	\$	120,000	\$ 123,600	\$ 127,308
Payroll	\$	936,025	\$ 964,106	\$ 993,029
Mgmt/Billing/Collecting Fees *	\$	391,020	\$ 402,751	\$ 414,833
Professional & Labor	\$	18,000	\$ 18,540	\$ 19,096
Maintenance & Repairs	\$	240,000	\$ 247,200	\$ 254,616
Facility Costs	\$	1,200,000	\$ 1,236,000	\$ 1,273,080
Purchased Services	\$	38,268	\$ 39,416	\$ 40,598
Miscellaneous Expenses	\$	119,790	\$ 123,384	\$ 127,085
ESTIMATED TOTAL EXPENSES	\$	4,935,103	\$ 5,083,156	\$ 5,235,651
Operating Exp percentage of inc		88%	87%	85%
ESTIMATED EBITDA	\$	650,897	\$ 782,144	\$ 908,949
EST. EBITDA percentage of income		12%	13%	15%

33. By source, indicate the percentage breakdown of total patient revenues for your facility

BCBS	45%
Medicare	15%
United Health Products	12%
WellPoint	5%
Molina and Iowa Total Care	1%
Medicare Advantage plans	4%
Aetna	1.5%
Tricare	1.5%
Other commercial payors	13%
Other payors	2%

34. Provide a description of the liability insurance you propose to carry, along with any other information which substantiates that your project will either be financially viable or will have adequate subsidy to assure reasonable patient charges.

Surgical Partners of Iowa LLC will obtain liability insurance and will be consistent with other surgery centers. This will be dictated by Lenders and Landlords. Typical is at least \$1,000,000 per occurrence and \$3,000,000 in aggregate. As mentioned, we will carry what is required and what our insurance consultant recommends.

35. Fill out Exhibit 2 to itemize capital costs and anticipated depreciation. If your project does not expect to include depreciation and interest expense reimbursement through Medicare, Medicaid or other insurer, please explain briefly how this cost will be recovered (e.g., through patient charges, owner's income taxes, etc.)

See Exhibit 2.

36. What will be the source of capital funds? Attach a description of asterisked items.

	Estimated Amount
Cash on Hand	\$2,000,000
Borrowing*	To Be Determined
Federal Funds*	
State Funds*	
Gifts/Contributions	
Lease**	\$360,000 per year
Other (specify)	
TOTAL	

^{*}For borrowed funds, please attach a letter from the bond consultant or the lender, indicating the probable terms. Also attach an amortization schedule for the life of the loan, showing the total debt service per year and the portion of each payment that is principal and which part is interest.

Formal Lease arrangements will occur as we precure equipment. Lease arrangements with be from equipment vendors, leasing companies or local banks.

37. Attach audited financial statements and notes for each of the three most recent years. Attach a balance sheet forecasting after three years of operation.

This is a new company and there are no financial statements currently. See attached.

^{**}Attach a copy of the proposed lease.

OTHER CRITERIA

38. Explain how the proposed project will contribute to meeting the needs of the medically underserved, including persons in rural areas, low-income persons, racial and ethnic minorities, persons with disabilities, and the elderly.

Iowa ENT Center PLLC (also owners of Surgical Partners LLC) provides more outreach services than any other group in central Iowa. In this capacity, this group offers care to rural patients through a vast swath of the state. Rural Iowans are more likely to be medically underserved, have lower incomes, and have more limited access to advanced care. The proposed facility will allow relatively low-cost access for surgical care in a personalized setting. Depending on the outreach clinic, we are more likely to encounter racial, religious, and ethnic minorities. The ease of access to the facility as well as the personalization possible with a small facility will make persons with disabilities and the elderly more comfortable and will reduce barriers encountered at larger facilities.

Two physician participants have provided care with particularly dipropionate percentages of underserved, rural, racial/ethnic minorities. The pediatric specialist encounters children of all backgrounds and locations. The efficiencies and expertise concentrated in the proposed facility will be particularly advantageous for patients in these groups under his care.

The facial traumatologist in the group likewise encounters a disproportionate percentage of patients of the aforementioned background. Currently, limitations on equipment, training, billing practices, and access results in significant limitation to optimal timing of facial trauma care. Similarly, as with the pediatric age group, this population will benefit efficiencies and expertise concentrated in the proposed facility will be particularly advantageous for this patient cohort.

39. Describe what potentially less costly or more appropriate alternatives to the proposed project including but not limited to staffing, scheduling, design service sharing, etc., were considered and rejected. Specify the reasons therefor.

Alternate and under-utilized existing ASC facilities were examined but determined to be in need of extensive renovation and modernization to meet the needs of participating surgeons; this was determined to be impractical. The participating surgeons perform many specialized procedures requiring unique equipment (advanced sinus guidance, radiofrequency ablation, etc.). Duplicating this equipment at alternate sites adds costs, lowers expertise and support skills at each site, and does not add to efficiency. Grouping these procedures at a single site with high-volume users is the most efficient way to provide high quality and efficient care to the community.

40. Describe what impact the proposed project will have on-the distance, convenience, cost of transportation, and accessibility to health services for persons who live outside metropolitan areas.

The location of the proposed project is readily accessible through multiple interstate exits and is easily reached from the downtown and suburban communities. The location on a major thoroughfare with plainly evident landmarks and street visibility makes it particularly convenient to people unfamiliar with the area. The location avoids barriers of "city traffic" that may deter elderly or rural persons from seeking care.

41. Explain how existing facilities providing services similar to those proposed are being used in an efficient and appropriate manner.

At present, many ASC-suited procedures are being performed in the hospital setting, which is a particularly inefficient use of resources. ASCs are generally run in an efficient and appropriate manner. Inefficiencies develop when specialized procedures requiring specialized equipment and training are duplicated in multiple centers where use may be limited. The combination of increased ASC capacity along with concentration of specialization in a single ASC substantially increases efficiency. Currently there are no ENT-specific ASCs in the Des Moines metropolitan. The current ASCs are multispecialty, requiring limited staff and the centers to attempt to provide high level, efficient care for multiple specialties simultaneously. Inefficiencies develop when specialized procedures requiring specialized equipment and training are duplicated in multiple centers where use may be limited. The combination of increased ASC capacity along with concentration of specialization in a single ASC substantially increases efficiency.

42. Describe how patients will experience serious problems obtaining care of the type proposed in the absence of that proposed service.

There are several major limitations to the access of care under the current system and which are addressed by the proposed facility.

- 1. Facial trauma. At present, many patients who experience facial trauma can only be done at hospital settings due to institutional policies at existing ASCs related to pricing of facial plates. Concentrating outpatient facial fracture surgery in a single center allows for much more competitive pricing and eliminates the need for extensive redundancy of facial reconstruction plating inventory.
- 2. Radiofrequency ablation. At present, no ASC facility offers equipment for radiofrequency ablation of thyroid tumors. This will be offered at the proposed facility.

- 3. Costs. More efficient transfer of patients that would otherwise be treated in the hospital setting will lower costs and open access to patients who may be otherwise unable to afford care.
- 4. New procedures. Multispecialty centers have limited equipment that has to be shared across multiple specialties. There is currently a constantly growing queue of patients waiting for hypoglossal nerve stimulator implantation. In this specific scenario, a highend surgical microscope, nerve monitors are utilized among various specialties. While this can promote some degree of optimization of use of resources, in the current scenario, it creates further scheduling conflicts and delay in patient care.

CERTIFICATION

I, the undersigned, certify that:
I have read Chapter 135.6183 Code of Iowa, and the Administrative Rules (641
IAC 202 and 203) promulgated pursuant thereto; and
I have read this application, including all exhibits and attachments, and the
information therein is, to the best of my knowledge and belief, accurate and
Gordon Bruinsma
Signature of Owner or Printed Name
Chairperson, Board of Directors
Manager 3/11/2025
Rosition or Citle Date
If you wish to designate an official representative to act on your behalf, as addressee for
written notifications and/or to speak for you before the Health Facilities Council, specify
below:
Name Gordon Brunna Agency of Link Healthcare LLC
Address
Phone 616-293-4769
Email gordo Medicaldove/opers. com
0 0

EXHIBIT 1

Square Footage Chart

Name of Functional Area*	Present Square Feet	Square Feet to be Constructed/ Renovated	Total Square Feet
OPERATING ROOM #1		540	540
OPEARTING ROOM #2		540	540
PROCEDURE ROOM		335	335
DECONTAMINATION		415	415
CLEAN WORK		280	280
STERILE SUPPLY		280	280
EQUIPMENT STORAGE		275	275
ANESTHESIA WORKROOM		165	165
SOILED WORKROOM		150	150
TRASH SOILED HOLD		100	100
POST ANESTHESIA CARE UNIT		800	800
23 HOUR RECOVER (1) W/TLT		170	170
MEDS ROOM		110	110
PROVIDER OFFICE		110	110
NURSE STATION/NOURISHMENT		500	500
RECEPTION, WAITIN, CONSULT		1040	1040
LKRS, TLT/SHWRS, BREAK, MNGR		970	970
MECHANICAL/ELECTRICAL		1300	1300
PATIENT DISCHARGE		220	220
CORRIDORS/CIRCULATION/TLT'S		4700	4700
TOTALS		13000	13000

^{*}Examples of functional areas (nursing stations, lab, physician's office, lobby, medical records, operating rooms, etc.)

EXHIBIT 2

Estimate Application of Funds and Estimate Depreciation

Application of Funds	Estimated Amount	Estimated Average Useful Life	Estimated First Year Depreciation
1. Site Costs:			
Site Acquisition	\$985,871		
Demolition of Existing Structures	N/A		
Site Preparation	\$539,787		
Other (Specify)	N/A		
Subtotal	\$1,525,658		
2. Land Improvements (Specify)	\$788,980		
Site utilities, parking lot paving, side	ewalks, signage, landscap	oing	
3. Construction Costs (all areas mus General (Construction Shell) Heating, Ventilating, A/C Plumbing Electrical Elevator Other Fixed Equipment Architectural Construction Management, Supervision, Engineering, Testing, Inspection	t meet current applicable \$4,694,061 \$2,215,805 \$1,201,098 \$1,581,476 N/A \$980,000	Life Safety Code (Insurance, Legal/Profession	
		Fee, Constructio	
Other (Specify)	\$1,821,593	Fees, Lease Com	nmissions)
Subtotal	\$17,327,529	T	.1 1.
1. Movable Equipment (list each	Φ2 200 000	Equipment list p	rovided in
item and its cost)	\$2,200,000	Question 12	
2. Equipment Lease (list each item and its cost)			
Total value including sales tax,			
delivery and installation			
Annual Cost	\$360,000		
6. Land Lease			
Annual Cost	N/A		
7. Facility Lease			
Total cost of a one-year lease	#1 100 000		
Annual Cost	\$1,400,000		

\$19,527,529

EXHIBIT 3



March 12, 2025

Via USPS

[Facility]
Attn: [Admin]
[Address]

Re: Certificate of Need Application for Ambulatory Surgical Center

Dear Administrator:

This letter is to notify you that Surgical Partners of Iowa, LLC is applying for a Certificate of Need to establish an ambulatory surgical center in Dallas County, Iowa. The proposed facility will be located near 142nd Street and Hickman Road.

Please feel free to contact me if you have any questions.

Sincerely,

Gordy Bruinsma Link Medical Developers

616-293-4769

gordy@medicaldevelopers.com



Surgical Partners of Iowa, LLC

Summary of Terms and Conditions

(For Discussion Purposes Only - Not a commitment to Lend)

This is a Proposal for discussion purposes only, and does **not** a **constitute** a **commitment to lend**, and is tendered with the reservation that if Borrower agrees to the proposed terms, the undersigned will have to submit this Proposal to such group or committee as required by Bankers Trust internal loan procedures for approval.

Borrower:

Surgical Partners of Iowa, LLC (the "Borrower")

Guarantors:

Timothy Simplot, Arun Gupta, Eytan Young, Simon Wright (the

"Guarantors")

The loan will be guaranteed on an unlimited and unconditional

basis

Bankers Trust Company ("Bankers Trust")

Lender:

Purchase/Construct medical center financing

Purpose:

~\$14,000,000 secured term loan

Amount:

Construction loan estimate- final number to based on the lessor of

80% LTV or 100% LTC

Term:

5-year term

Repayment:

Monthly principal and interest payments amortized over

20-years

Interest Rate:

Term Loan fixed rate based on UST5Y +300bps (6.98%

as of 3/11/25). Rate not to be fixed until 15-days of

closing.

Mortgage:

1st mortgage on subject real estate property.

Other Items:

Other items customary to CRE transactions such as, but

not limited to, an appraisal, environmental due

diligence, adequate insurance, financial and reporting

covenants, etc.

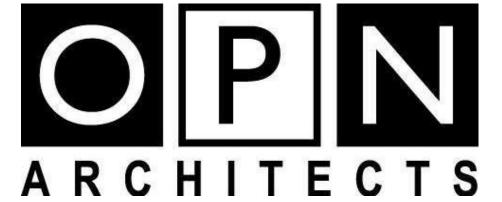
This summary of Proposed Terms and Conditions is not intended to be, and should not be construed as, a commitment to lend, nor should it be constructed as an attempt to establish all of the terms and conditions relating to the Credit Facilities. It is intended only to be indicative of certain terms and conditions around which credit approval may be sought, and once approved, how the loan documents might be structured, and not to preclude negotiations within the general scope of these terms and conditions. The loan documents containing final terms and conditions will be subject to approval by Borrower and Guarantor, if applicable, and Bankers Trust.

Accepted By:		······································
	Manager/Member	Date

Surgical Partners of Iowa LLC

Balance Sheet	After Year 3
Assets:	
Cash Accounts Receivable Fixed Assets Depreciation Net Fixed Assets	\$ 700,000.00 \$ 750,000.00 \$ 2,200,000.00 \$ 1,800,000.00 \$ 400,000.00
Total Assets	\$ 1,850,000.00
<u>Liabilities</u>	
Accounts Payable Equipment Debt	\$ 250,000.00 \$ 1,000,000.00
Toital Liabilites Equity	\$ 1,250,000.00 \$ 600,000.00
Total Liabilies and Equity	\$ 1,850,000.00





301 N BROOM STREET #100, MADISON, WI 53703
P. 608.819.0260 F. 608.819.0261 www.opnarchitects.com

ARCHITECT

OPN ARCHITECTS 100 COURT AVENUE DES MOINES, IA 50309 CONSTRUCTION MANAGER

DCI GROUP 2500 WEST 2ND AVENUE INDIANOLA, IA 50125 MECHANICAL ENGINEER/ BUILDER

ARCHITECTURAL DRAWINGS

SHEET NAME

3D VIEWS FLOOR PLAN ROOF PLAN

EXTERIOR ELEVATIONS

WALL SECTIONS

SHEET NUMBER

BAKER GROUP 4224 HUBBELL AVENUE DES MOINES, IA 50317

O P N

ARCHITECTS

100 Court Ave., Suite 100 Des Moines, IA 50309 P: 515-309-0722 www.opnarchitects.com

All reports, plans, specifications, computer files, field data, notes and other documents and instruments prepared by OPN Architects, Inc. as instruments of service shall remain the property of OPN Architects, Inc. OPN Architects, Inc. shall retain all common law, statutory and other reserved rights, including the copyright thereto.

© 2024 OPN Architects, Inc.

LINK SURGERY CENTER

105 Valley West Drive
West Des Moines, IA

oject
ON

THE RESERVE PLAT 2, LOT 1 URBANDALE, IA 50111

General Contractor

DCI GROUP

220 SE 6TH STREET, SUITE 200

DES MOINES, IA 50309

P. 515-244-5043

I hereby certify these plans and specifications were prepared by me or under my direct personal supervision and that I am a duly licensed professional architect under the laws of the state of Minnesota.

nature:

w Plan

Registration Number:

Key Flaii

OPN Project No.

Project Number

Issue Date **12/**2

SITE LAYOUT

Sheet Number

PRELIMINARY. NOT. FOR CONSTRUCTION.

et Number

C100

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 PRELIMINARY. NOT FOR CONSTRUCTION.

301 N Broom St., Suite 100

www.opnarchitects.com

rights, including the copyright thereto.

LINK SURGERY CENTER 105 Valley West Drive West Des Moines, IA

THE RESERVE PLAT 2, LOT 1 URBANDALE, IA 50111

220 SE 6TH STREET, SUITE 200

DES MOINES, IA 50309 P. 515-244-5043

© 2024 OPN Architects, Inc.

50265

General Contractor **DCI GROUP**

3D VIEWS

A100

All reports, plans, specifications, computer files, field data, notes and other documents and instruments prepared by OPN Architects, Inc. as instruments of service shall remain the property of OPN Architects, Inc. OPN Architects, Inc. shall retain all common law, statutory and other reserved

Madison, WI 53703 P: 608-819-0260

301 N Broom St., Suite 100

Madison, WI 53703 P: 608-819-0260

www.opnarchitects.com All reports, plans, specifications, computer files, field data, notes and other documents and instruments prepared by OPN Architects, Inc. as instruments of service shall remain the property of OPN Architects, Inc. OPN Architects, Inc. shall retain all common law, statutory and other reserved rights, including the copyright thereto. © 2024 OPN Architects, Inc.

LINK SURGERY CENTER

105 Valley West Drive West Des Moines, IA

THE RESERVE PLAT 2, LOT 1 URBANDALE, IA 50111

General Contractor **DCI GROUP** 220 SE 6TH STREET, SUITE 200 DES MOINES, IA 50309 P. 515-244-5043

OPN Project No. 24819000

Sheet Issue Date

A102

Sheet Name **ROOF PLAN**