

ANNUAL LEADERSHIP AWARDS

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key physicians, JBSC was able to turn the corner and enjoy what he calls a "phenomenal" year.

"We have an incredible team who has shared the hard work as well as the success," Beluscak says. "It's especially meaningful to have been here through the tough times. It makes the good times that much sweeter."

BUSINESS OFFICE MANAGER OF THE YEAR (TIE):

Deette Amspough of **West Bay Surgery Center** took home this year's Business Office Manager of the Year honors and says she has the gray hair to prove it.

Amspough helped build West Bay's business office when Symbion partnered with the Largo, Florida, center in 2002. While volume was not an issue when she came on board – the center was doing more than 700 cases per month – she was charged with hiring a staff that could hit the ground running. She did just that, cross training many employees while working through challenges with provider numbers and computer systems.

For Amspough, the honor was years in the making. "During the 2003 ceremony I told my regional controller I'd be up there next year. Thanks to the support of my team, I was able to keep my word!"

BUSINESS OFFICE MANAGER OF THE YEAR (TIE):

Meeting goals isn't just an annual priority for **Cheryl Barbour** of **DuPont Surgery Center** in Louisville, Ky., it's a weekly one.

As business office manager, Barbour keeps a close eye on how her center is measuring up to each of its financial benchmarks. Of particular interest is reducing bad debt. In addition to providing staff with weekly updates, she often works collections herself, calling insurers and encouraging co-workers to do the same. Barbour's hands-on approach delivered results in 2004.

"It's a tremendous honor for everyone on the team," she says, who consulted with other Symbion surgery centers on business office issues before joining DuPont in 2002. "It's rewarding to focus your efforts in one place and see the hard work pay off."



Clockwise from top left: Teresa Brundige, Union City Surgery Center
Cathy Gilland, East Memphis Surgery Center
Shannon Charles, Debbie Clifton and Michelle Hasslerode
Multi-Specialty President Charles Neal and Cindy Armistead,
Midtown Surgery Center

PRESIDENT'S CLUB

Congratulations to the following centers for meeting financial benchmarks, quality standards and operational goals.

- Bayside Endoscopy Center
- Bellingham Surgery Center
- CCMP Surgical Center
- Deland Surgery Center
- DuPont Surgery Center
- East Memphis Surgery Center
- Jacksonville Beach Surgery Center
- Lakeside Women's Hospital
- Lee Island Coast Surgery Center
- Maury Regional Surgery Center
- Midtown Surgery Center
- NorthStar Surgery Center
- Orthopedic Surgery Center
- Oxford Surgery Center
- Physicians Ambulatory Surgery Center
- South Shore Ambulatory Surgery
- Texarkana Surgery Center
- Union City Surgery Center
- UT Day Surgery
- West Bay Surgery Center

Symbion welcomes California centers

Symbion recently added California to the growing list of states in which it operates with the purchase of an interest in five surgery centers. Located throughout Southern California, the centers include:

- Specialty Surgical Center of Beverly Hills/Brighton Way
- Specialty Surgical Center of Beverly Hills/Wilshire Boulevard
- Specialty Surgical Center of Encino
- Specialty Surgical Center of Irvine
- Specialty Surgical Center of Arcadia
- Specialty Surgical Center of Thousand Oaks, which is currently under development.

"The addition of these centers is significant in that it gives us the opportunity to secure a footprint on the West Coast," said Cliff Adlerz, Symbion's president. "We see a lot of opportunity in California and look forward to working with the employees and physicians at each of these locations."

SYMBION Connection

SYMBION
HEALTHCARE

THE QUARTERLY PUBLICATION FOR SYMBION HEALTHCARE EMPLOYEES

FALL 2005

CEO'S CORNER:

DEAR COLLEAGUES:



Richard E. Francis, Jr.
Chairman &
Chief Executive Officer

Every now and then something happens to reaffirm what you've always known. When Hurricane Katrina hit the Gulf Coast, it devastated the region, damaging three of our surgery centers in the New Orleans area and destroying the homes and possessions of several employees.

Fortunately, no one was injured. St. Luke's Surgery Center in Hammond and Surgical Specialty Hospital in Houma were able to re-open in the week following the storm, and we hope to re-open Greater New Orleans Surgery

Center in Metairie later this year. However, the employees who lost everything are just beginning the long process of rebuilding their lives.

As news of Katrina's damage spread, the home office was overwhelmed with offers of help from co-workers around the country. The Symbion Employee Disaster Relief Fund was established to aid employees affected by the disaster. Thanks to your amazing generosity, we collected more than \$25,000 in contributions, which Symbion will match dollar for dollar. Even though some employees at our Houma and Hammond centers suffered minor damage from the storm, they graciously refused assistance, electing instead to make sure their co-workers in Metairie who suffered greater damage benefited from your generous donations.

I've always known our company is blessed with employees who reach out to help others on a daily basis, but this experience speaks volumes about your compassion and generosity. We will continue to keep those affected by this disaster in our thoughts and assist them in any way we can. Thank you for all you do each day – for our patients and our co-workers.

Very truly yours,

Richard E. Francis, Jr.
Chairman & Chief Executive Officer

SYMBION HONORS ITS BEST WITH ANNUAL LEADERSHIP AWARDS

Symbion once again recognized its brightest stars during the third annual Leadership Conference in Ft. Lauderdale, Fla. in June. Nominated by the regional staff, the organizations and individuals honored with awards embody Symbion's values and exemplify the hard work and dedication it takes to achieve success. Here are this year's winners:

CENTER OF THE YEAR:

Teamwork is the name of the game at **NorthStar Surgical Center** in Lubbock, Texas. Despite being locked out of some of the area's biggest health plans, the multi-specialty facility still managed to consistently meet and exceed its volume, revenue and quality goals in 2004.

According to Todd Davis, assistant administrator, it's the dedication of physicians and staff that makes the difference. "Our staff is 100 percent committed to making the experience at NorthStar superior for both patients and physicians," he says. "There's none of the 'it's not my job' attitude here because everyone understands they play an important role in helping us meet our goals."

TURNAROUND CENTER OF THE YEAR:

UT Day Surgery celebrated its first full year of operation by taking home the Turnaround Center of the Year award, which honors the center making the most financial improvement.

Located in Knoxville, Tenn., the facility faces stiff competition from several hospitals and surgery centers in the immediate area. Thanks to the hard work of Administrator Debbie Clifton and her team, the center was able to overcome these competitive challenges by recruiting new physicians while maintaining the satisfaction of current physician partners.

"Quality always comes first. We build upon great clinical outcomes, increasing case volumes, controlling costs and making our surgeons happy," she says.

ADMINISTRATOR OF THE YEAR:

Many qualities are required of an effective leader. For **Tim Beluscak** of **Jacksonville Beach Surgery Center** (JBSC), perseverance proved to be one of the most important.

Success seemed far away in 2003. The center was not included in several major health plans, and its remote location meant patients had to drive past three surgery centers and two hospitals to get there. After losing three orthopedic surgeons, Beluscak refocused the center's efforts to include ophthalmology and pain management. With the support of

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GROWTH THROUGH (MANAGED CARE)

Unlike most businesses who have a single customer to please, healthcare providers have many. Patients and their families are the consumers of our services, but physicians influence where they will go for surgery and a third-party – usually a government, state or commercial payor – foots the bill.

To help centers thrive in this complex environment, Symbion offers the expertise of its managed care team. The three-person department provides strategy and support to each surgery center and physician group.

According to John Rutherford, vice president of managed care for the single specialty division, it's a process that requires intense research and preparation.

"We begin working with the facility months before a contract expires to understand what's going on in their market and how we can use it to our advantage," he says. "By the time we get to the table, most of the work is done."

That's because a facility's negotiating strategy – as well as its overall business strategy – is often driven by information uncovered in this

process. For example, a cost analysis may show that current reimbursement rates are too low. Or a closer look may reveal a shortage of specialists in the market – allowing the facility to negotiate more competitive rates for a particular service.

"Managed care strategy can drive everything from physician recruitment to marketing and business strategy," says Doug Peter, vice president of reimbursement and cost management for the multi-specialty division. "Sometimes facilities create a niche for themselves as a result of the due diligence process we undertake to prepare for negotiations."

In other cases, payors simply need to be educated about the quality resources Symbion brings to the table.

"In states where we have multiple facilities, we're able to build strong

relationships with payors by demonstrating our value," says Lisa Mann, director of managed care for the multi-specialty division. "They know our centers have access to strong quality and risk management resources."

ONE SIZE DOESN'T FIT ALL

Just as every center is different, so is every strategy. Though many contract with the same payors on a national level, agreements are negotiated by region or state – allowing for significant variances. This market-by-market approach requires the managed care department to travel constantly.

"Symbion has always focused on being in-network wherever possible. It all comes back to relationships. We want physicians to be able to refer easily and patients to pay less. That's why it's important to form strategic partnerships and show the added value we bring."

Doug Peter, VP - Reimbursement & Cost Management

"We're in the bunker with centers and the regional teams," says Peter. "California is not the same as Texas or Florida so we have to know the market and develop a customized strategy for each location."

While some centers use the contracting process to change their case

mix, others see an opportunity to gain entry into a plan or terminate unfavorable agreements.

"Sometimes just getting an agreement with a payor is a success," says Rutherford. "If we know a contract isn't sustainable, we may take a calculated risk. If payments end up closer to market, then that's a victory."

"It's like any other sale," says Mann. "You have to stay the course and be persistent. I've been told a network is closed for months before finally gaining entry. You have to educate them about what we offer and follow through."

One factor driving negotiations in many markets is pressure to be "in network." In the past, providers were paid more for treating patients who go to a physician or facility not included in their health plan. Today, there is pressure to control costs by encouraging "in network" contracts. While this means lower co-pay costs for the consumer as well as the payor, it can also mean lower reimbursements for the provider.

"Symbion has always focused on being in-network wherever possible," says Peter. "It all comes back to relationships. We want physicians to be able to refer easily and patients to pay less. That's why it's important to form strategic partnerships and show the added value we bring."

While the department often provides support at the negotiating table, their main focus is giving administrators the information – and the confidence – they need to reach agreements that help them meet their overall goals.

"People make the right decisions when they have the right information. We believe in empowering administrators with knowledge," says Rutherford.

"It's critical to not only know the impact of reimbursement, but also to understand how to manage that impact and potentially change the mix and recruit effectively to maximize revenue," agrees Peter. "Many times, we have to show a payor the 'opportunity cost' of not using our center."

Symbion salutes employees who serve our country

Many people are drawn to the healthcare profession out of a desire to help others. That's especially true for several Symbion employees who choose to serve their country through military service in Iraq and Afghanistan.

Currently, Jason Jacobus of DuPont Surgery Center in Louisville, Ky., is stationed in Iraq where he works as a surgical technician in the

Army Reserves Medic Division. He has been there since November 2004 and is expected to return home in November.

"We're praying for his safe return," says Co-Administrator

If you know of a co-worker or physician serving our country in Iraq or Afghanistan, please contact Donna St. Louis at dstlouis@symbion.com

Vicki Lococo, who together with DuPont employees, often collects goody baskets of food, CDs or supplies for Jacobus.



Julie Major-Frunz (center) with her fellow soldiers



Major-Frunz gets a warm welcome

Paul Carpenter, a certified registered nurse anesthetist who sometimes works at Oxford Surgery Center, also spent time in Iraq in 2004 as did Julie Major-Frunz, a surgical nurse at Dry Creek Surgery Center in Englewood, Col.

Major-Frunz, who recently retired from the Air Guard as a Master Sergeant E-7 after 22 years of service, completed tours of duty in Afghanistan and Iraq. During both missions she was part of a medical team charged with

treating and transporting injured soldiers to a military hospital in Germany.

Despite living in crowded tents with up to 15 other soldiers, Major-Frunz says she wouldn't trade her experiences and already misses flying with the Guard.

"It forces you to develop close bonds with others," she recalls. "I met some amazing people – from fellow American soldiers to soldiers from Spain, Italy and even a wounded Iraqi prisoner. You realize that we're all more alike than different."



Transporting wounded soldiers