

RECEIVED

Oct 18 2018

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

October 10, 2018

Heart South Cardiovascular Group, P.C.

Request for approval for Outpatient-Based Surgery Lab

Documents Included:

1. Letter of Non-Reviewability
2. Affirmation of Requesting Party
3. Blueprint of Floor Plan
4. Physicist Letter regarding Lead Shielding Specifications
5. Equipment listing and description
6. Equipment product specifications
7. Plug requirements for laser
8. Financial Proforma
9. Codes/Procedures to be performed in OBL
10. Anesthesia Agreement to provide services to our patients

1022 North First Street * Suite 500 * Alabaster, Alabama * 35007

Office- 205-663-5775 * 866-663-5775 * Fax- 205-664-2112

HEART SOUTH
CARDIOVASCULAR GROUP, PC

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STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

October 10, 2018

Melissa Bailey
Heart South Cardiovascular Group, P.C.
1022 First Street North, Suite 501
Alabaster, AL 35007
205-739-2018 (D)
205-234-4583 ©
205-739-2027 (F)
mbailey@heartsouthpc.com

To Whom It May Concern:

Heart South Cardiovascular Group, P.C. is a cardiology private practice that consists of eleven cardiologists. We are located in the heart of Shelby County and our clinic is next door to Shelby Baptist Hospital. We serve many areas not limited to Jefferson, Shelby, Chilton, Bibb, Lee, Coosa Counties. We provide cardiology services to roughly 30,000 patients within our clinic annually.

Heart South is requesting permission to open an outpatient-based lab to service the Shelby/Chilton County and surrounding areas. This lab will provide peripheral treatment to patients in order to give them a better quality of life and overall better health. Peripheral and endovascular procedures will be performed in this outpatient-based lab. These procedures will be iliac interventions, femoral/popliteal interventions, and tibial/peroneal interventions. Atherectomy with or without stent with or without PTA will be used for treatment, of course with the possibility of other vessels that could be treated.

In order to treat the patients with the best quality products and equipment, we have selected the Philips Medical Mobile Veradius Unity Flat Panel C-Arm as our equipment. We will have full screen collimation, vascular configuration with wireless-data transfer. We also purchased a UPS battery back-up generator to support the machine should the facility be without power. The Stille table is an IQ2 table with all required accessories. The Core M2 Vascular Imaging System has been purchased for IVUS (internal vascular ultrasound) for arterial and venous procedures. The contrast injector chosen is the Medrad Mark 7 Contrast Injector Pedestal. We purchased an Affiniti 50 Diagnostic Ultrasound with vascular configuration. We also purchased the Lumify L12-4 Linear Array Transducer for app-based ultrasound that can be used on compatible devices. Five patient monitors with stands were purchased to be used during patient procedures and in post-op recovery. Finally, we have a

rental agreement with Philips Medical to use the Spectranetics Laser for use at the physician's request.

Our first year annual operating costs are estimated to be \$944,747.00. This is salaries and benefits, utilities, non-medical supplies, medical supplies, equipment maintenance.

Our capital expenditures is 84-month loan through NBC bank of \$445,023.29 . This does not include the service/maintenance cost. These were included in the annual operating cost listed above.

The rent for the outpatient-based lab is \$24.19 per month for 4,314 square feet. This space includes four pre and post-recovery rooms, two overflow rooms (one with medical supply storage), a patient restroom, check-in and checkout area, the surgical space, a control room and two offices.

We spent an estimated \$896,777 to re-construct the area that is now the outpatient-based lab.

There are no other health care facilities or groups that have financial interests in our outpatient-based lab.

*The \$1300.00 check is included.

Thank you for your consideration,



Melissa G. Bailey
Chief Operations Officer
Heart South Cardiovascular Group, P.C.,
205-739-2018
205-234-4583
[mbailey@heartsouthpc.com](mailto:m Bailey@heartsouthpc.com)

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Factual Information Required for Reviewability Determination Requests (SHPDA Rule 410-1-7-.02)

Any person may request for informational purposes only a determination as to the current reviewability of an anticipated project or determination of exemption for replacement equipment. Such request shall be submitted pursuant to the electronic filing requirements of SHPDA Rule 410-1-3-.09, disclosing full factual information, as more specifically identified below, and supplemented by any additional information or documentation which the Executive Director may deem necessary. SHPDA Rule 410-1-7-.02(1).

The following information must be included in all requests for reviewability determinations other than requests made pursuant to the Physician's Office Exemption (POE) or regarding End Stage Renal Disease (ESRD) stations, which must provide unique information specific to those providers:

1. Name of company seeking the reviewability determination.
2. Address and contact information for the authorized company representative seeking the determination.
3. Service area for the proposed service/equipment.
4. Any new/additional services to be provided under the proposed project.
5. Approximated costs of the proposed project for:
 - a. Equipment
 - b. First year annual operating costs
 - c. Capital costs, to include
 1. Leases
 2. Land/Building costs
 3. Construction costs
6. Disclosure of financial interests in the entity requesting the reviewability determination held by any other healthcare facilities or groups.
7. Attestation by an officer, partner or authorized agent of the company having knowledge of the facts disclosed in the reviewability request, utilizing the following form:

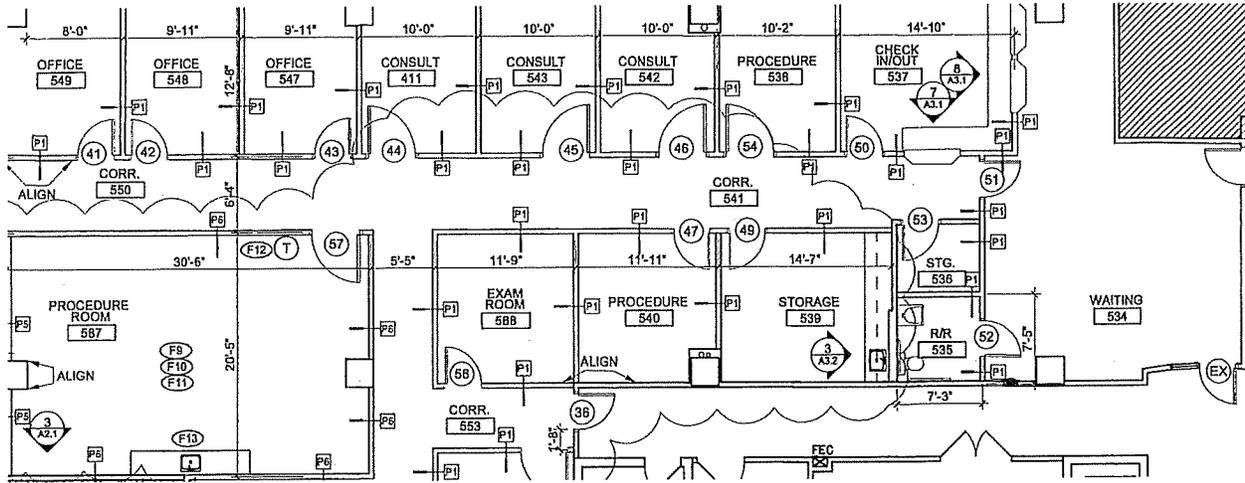
Affirmation of Requesting Party:

The undersigned, being first duly sworn, hereby make oath or affirm that he/she is [include position with entity requesting the determination], has knowledge of the facts in this request, and to the best of his/her/their information, knowledge and belief, such facts are true and correct.

Affiant Melissa G. Bailey (SEAL)
SUBSCRIBED AND SWORN to before me this 15th day of October
2018

Notary Public Deanna D. Melan
My commission expires: 3-7-22

Each determination must be accompanied by a \$1,000 filing fee submitted in accordance with SHPDA Rule 410-1-3-.09, Electronic Filing. Once deemed complete, notice of the request shall be published on the Agency's website for thirty (30) business days, and additional notice of the request shall be provided to the general distribution list maintained by the Agency. Any affected person may file comments with the Agency pursuant to SHPDA Rule 410-1-3-.09 regarding the issuance of the requested letter of non-reviewability. The Executive Director may provide a response to the request within forty-five (45) days of the request, unless additional time is needed to obtain additional information or to evaluate comments filed in opposition of the request.



HeartSouth Cardiovascular Group, PC
1022 North 1st Street, Suite 500
Alabaster, Alabama

Lead Shielding Specifications for
Exam Room 545

May 14, 2018

Physica Imaging, LLC, 732 Montgomery Hwy. #212, Vestavia Hills, AL 35216
Office & Work Cell: (205) 979-3070 Fax: (205) 979-6999
E-mail: staton@physica-imaging.com



Daniel J. Staton, Ph.D.
Certified Medical Physicist (ABR)

Physica Imaging, LLC

732 Montgomery Hwy, #212, Vestavia Hills, Alabama 35216

May 14, 2018

Ms. Amy Torbert, IDA, LEED AP
BDG Architects
2100 1st Ave. North, Suite 100
Birmingham, Alabama 35203

Re: Shielding requirements for Exam Room 545 at HeartSouth Cardiovascular Group, PC, 1022
North 1st Street, Suite 500, Alabaster, Alabama 35007

Dear Ms. Torbert:

Shielding calculations were performed for Exam Room 545 at HeartSouth Cardiovascular Group, PC. A Philips fluoroscopic c-arm will be used in the procedure room. A workload of 250 mA-min per week was assumed with an energy distribution ranging from 60-100 kVp (peak at 85 kVp). A Use Factor of 0 was assumed for all barriers.

In accordance with the radiation control regulations of the Alabama State, uncontrolled areas were shielded to 100 mrem/yr and reasonable occupancy factors were assumed. Only uncontrolled areas were assumed since there are no controlled / occupational areas to shield. The fluoroscopic room is located on the top floor of a multi-story building. No occupancy is assumed above the room but occupancy is assumed below the room. The floor of the room is reported to be composed of at least 4.75 inch thick, standard-density concrete (147 lb/ft³). The floor-to-floor separation is reported to be 13 feet, 4 inches. As such, no additional shielding is required in the floor or ceiling. Minimum shielding requirements are listed in Table 1.

These specifications are adequate to shield adjacent locations from routine fluoroscopic use and central locations of the c-arm in the exam room (refer to Figure 1). The c-arm was assumed to be located no closer than 2.5 feet to any wall and no closer than 6 feet to the door.

The shielding calculations were performed in accordance with the National Council on Radiation Protection and Measurement Report No. 147 and the radiation control regulations of the Alabama State. The lead installer should follow the guidelines set forth in the National Council on Radiation Protection and Measurement Reports No. 49 and 147.

Sincerely,

Daniel J. Staton, Ph.D.
Certified Medical Physicist

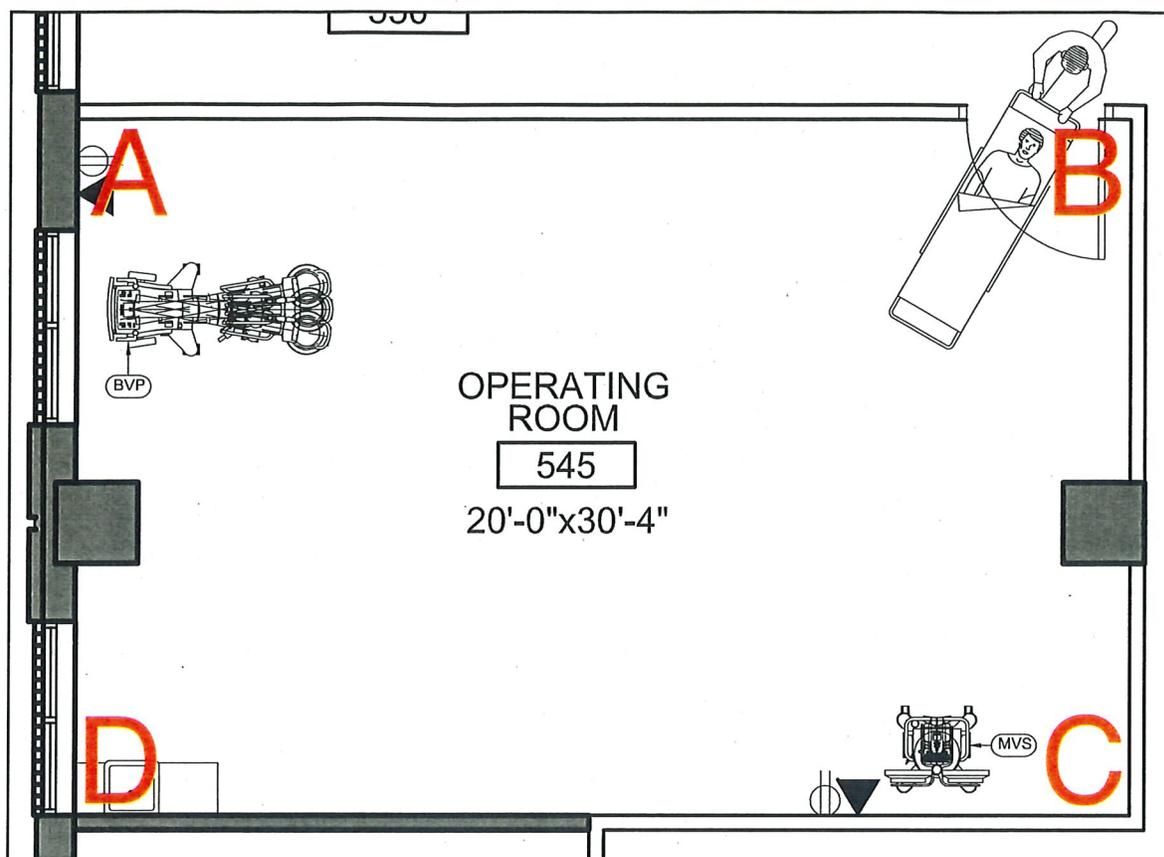


Figure 1: Diagram of Exam Room 545 at HeartSouth Cardiovascular Group, PC in Alabaster, Alabama.

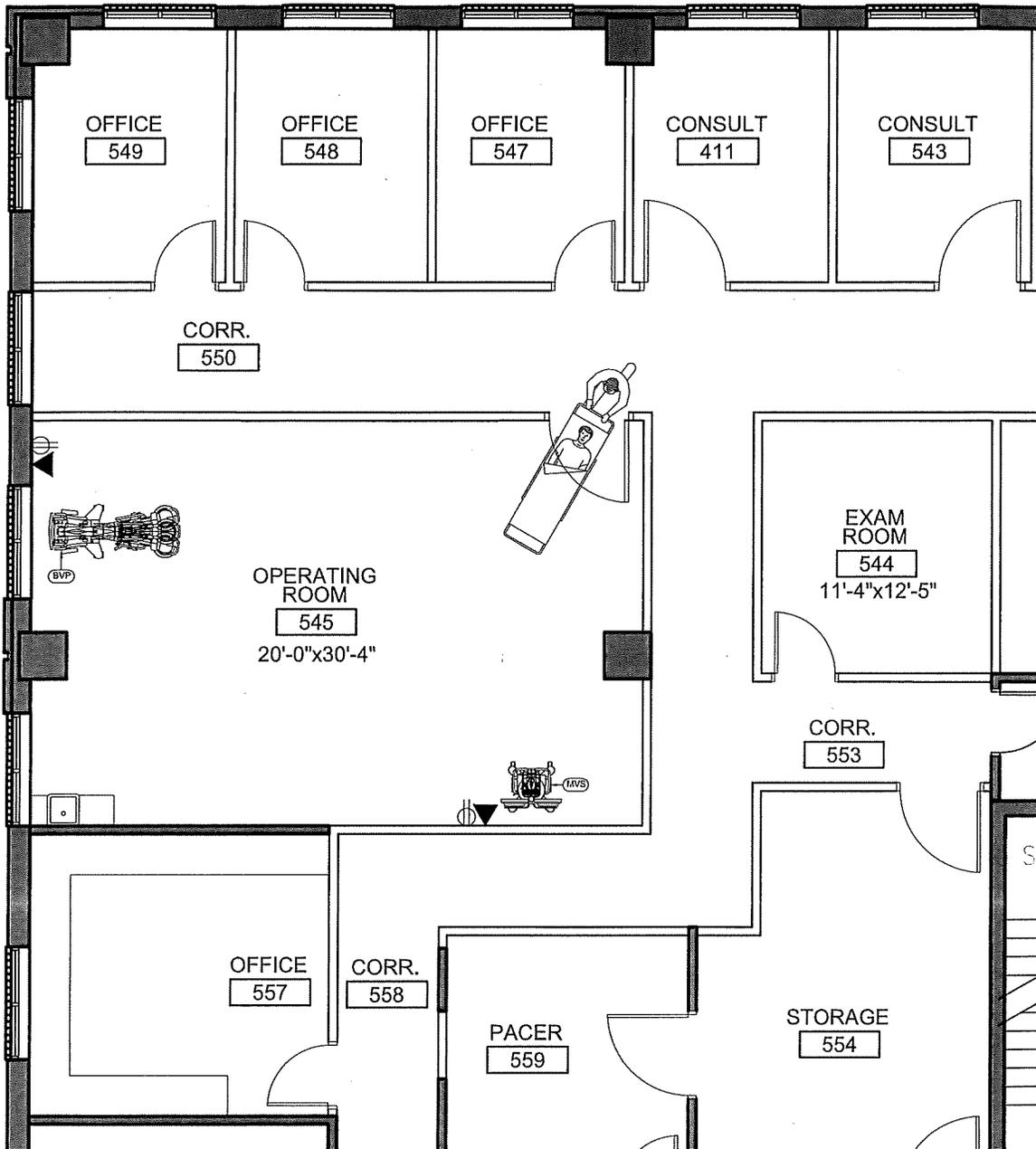


Figure 2: Diagram of areas surrounding Exam Room 545 at HeartSouth Cardiovascular Group, PC in Alabaster, Alabama.

Table 1: Shielding specifications for Exam Room 545 at HeartSouth Cardiovascular Group, PC. Refer to Figures 1 and 2 for the room diagrams and facility layout.

Barrier	Adjacent Area	Type of Area	E _p (mrem/week)	Occupancy	Considerations	*Pb Shielding Thickness
Wall AB	Corridor	Uncontrolled	2	1/5		1/16 inch
Door in Wall AB	"	"	2	1/5		1/16 inch
Wall BC	"	"	2	1/5		1/16 inch
Wall CD	Corridor & Office	"	2	1/5 & 1		1/16 inch
Wall DA	Fifth Story Exterior	"	2	0		none

*Installed shielding should have equal or greater thickness than this specification to a height of 7 feet above the finished floor (above floor height on each side of wall if floor heights are not level).

Customer Name: Heart South Cardiovascular Group, P.C.
 Address: 1022 1st Street North, Suite 500
 City, State and Zip: Alabaster, AL 35007

Reference# 000328

Proposal Date: 3 August 2018

Quotation(s): 1-1TEOWLF R1, 2300938270, and SymphonySuite Alliance Program Dated August 1, 2018

	Equipment	Description
	C-Arm p. 8 of 86 p. 14 of 86 p. 14 of 86 p. 15 of 86	1-Veradius Unity Flat Panel C-arm, Full Screen collimation, Vascular configuration with Wireless Data 1-Transfer and Spring Bow for C-Arc 1-Video Paper/Transparency Printer 1-Mobile C Arm UPS
	Table p. 14 of 86 p. 17 of 86	1-Stille IQ2Table with Accessories 1-Black Anti-fatigue Mats
	Volcano IVUS p. 76 of 86 p. 65 of 86	1-Core M2 Vascular Imaging System – IVUS for Arterial and venous Procedures 1 – SymphonySuite Alliance Program
	Spectranetics Laser p. 82 of 86 p. 82 of 86 p. 65 of 86	1-CV-300P or CVX300 Excimer Laser System (Rental) 1-Devices Stocking Order (Minimum of \$24,000) 1 – SymphonySuite Alliance Program
	Contrast Injector p. 17 of 86	1-Medrad Mark 7 Contrast Injector Pedestal
	Ultrasound p. 20 of 86 p. 23 of 86	1- Affiniti 50 Diagnostic Ultrasound, vascular configuration. 1 each - L12-4 and C6-2 Transducers
	Ultrasound p. 25 of 86	1-Lumify L12-4 Linear Array Transducer for App-based ultrasound offering on a compatible smart device
	Patient Monitoring p. 58 of 86	5-MP5 - Patient Monitor with roll stands monitoring during patient procedures and post-op recovery (1 configured with Entitle C02)
	Service p. 46, 47, 49, 84, and 85 of 86	Service coverage included: Imaging and Ultrasound equipment (4 years). (Includes tube and detector on C-Arm). Spectranetics Laser service included with rental. Mobile Volcano service.



Prepared by: Freddy Altomari Page 2

Freddy.Altomari@philips.com

312-825-5578

All information contained in this proposal is proprietary and confidential.

August 3, 2018

EXHIBIT C-1
Equipment Specifications
Spectranetics Equipment

CVX-300P & CVX300® Excimer Laser System Product Specifications

Active Medium:	• XeCl, Pulsed Laser System
Wavelength:	• 308 nm
Pulse Width:	• 125ns - 200 nS, FWHM
Long Gas Life:	• Minimum 3 months gas shelf life.
Catheter Output Fluence:	• 30-80 mJ/mm ² *
Maximum Repetition Rate:	• 25-80 Hz
Warm-Up Time:	• 5 minutes
Weight:	• 650 pounds / 295 kg
Length:	• 49 inches / 125 cm
Height:	• 35 inch unit / 89 cm
	• 6 7/8 inch control panel / 17.5 cm
Environmental Specifications:	• Operating temperature: 12°C to 30°C (54°F to 86°F)
	• Storage temperature: 0°C to 60°C (32°F to 140°F)
	• Operating humidity: 5 to 95% relative humidity, non-condensing
	• Storage humidity: 5 to 95% relative humidity, non-condensing
	• Avoid exposing the laser system to extreme temperatures (below 32°F or 0°C, above 140°F or 60°C).
Width:	• 24 1/8 inches / 61.3 cm
Movement and Storage:	• Small, compact, mobile unit
Power Requirements:	• 200-230 VAC
	• 50/60 HZ
	• Single Phase
	• 16 Amp
Systems Circuit Breaker:	• 16Amp / Located on the rear of the CVX-300P & CVX-300
Isolation Transformer:	• Internally Located in the CVX-300P & CVX-300
Power Cord Length:	• 12-feet / 3.65-meters
Power Cord Plug:	• NEMA L6-30R, Hubbell Part#2621, 250VAC-30A, Twist lock
Optional Extension Power Cord:	• 10-Feet / 3.04-meters Spectranetics Part # (2440-0076)
Nominal Ocular Hazard Distance (NOHD) :	• Using the ANSI® Z136.1 standard, the fiber NOHD can be calculated as 1.35 meters (53.1 inches) from the distal tip of the 2.5mm Reference Catheter device during calibration.
Wall Outlet Receptacle:	• NEMA L6-30R, Hubbell Part#HBL2620 250VAC, 30A, Wall mount twist lock Reference the picture below
Regulatory Approvals:	• The only US FDA-approved multi-purpose cardiovascular laser system CVX-300P complies with
	• UL 60601-1
	• CVX-300P & CVX-300 complies with
	• IEC-601
	• IEC-825
	• EN-60825
	• CE Mark Approved

*Maximum fluence and rate varies with the catheter device utilized. Please refer to the product IFU.

Warning: Use only catheters approved by Spectranetics in the CVX-300® system. Refer to the Operator's Manual 7030-0068 and the labeling accompanying each CVX-300® system for instructions as to safe operation, additional warnings and indications and contraindications for use. **Caution—**Use of controls or adjustments or performance of procedures other than those specified by the manufacturer, may result in hazardous radiation exposure.

7030-0299-07

Implemented: 30OCT2014



NEMA L6-30R,
Hubbell Part#HBL2620
250VAC, 30A,
Wall mount twist lock

7030-0299-07

Implemented: 30OCT2014



Office Based Lab (OBL) Vascular Model

REVENUE	Projected Revenue								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	
Annual Gross Revenue	\$ 1,480,000	1,480,000	1,480,000	1,480,000	1,480,000	1,480,000	1,480,000	1,480,000	1,480,000

Operating Expenses

Salaries & Benefits	\$ 249,747	\$ 257,239	\$ 264,957	\$ 272,905	\$ 281,092	\$ 289,525	\$ 298,211	\$ 307,157
Utilities	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149
Non-Medical Supplies	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149
Medical Supply	685,000	685,000	685,000	685,000	685,000	685,000	685,000	685,000
Equipment Maintenance	-	12,308	12,308	12,308	12,308	12,308	12,308	24,000
Total Operating Expenses	\$ 944,747	\$ 964,847	\$ 972,874	\$ 981,141	\$ 989,656	\$ 998,426	\$ 1,007,460	\$ 1,028,456

OBL Operating Income	\$ 535,253	\$ 515,153	\$ 507,126	\$ 498,859	\$ 490,344	\$ 481,574	\$ 472,540	\$ 451,544
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Build Out & Start Up Costs

BUILD OUT & START UP COSTS								
Build Out Costs *	\$ 55,571	\$ 55,571	\$ 55,571	\$ 55,571	\$ 55,571	\$ 55,571	\$ 55,571	\$ -
Equipment Purchase **	67,540	67,540	67,540	67,540	67,540	67,540	67,540	-
Other One-Time Start up Costs	35,000	-	-	-	-	-	-	-
Total Build Out & Start Up Costs	\$ 158,111	\$ 123,111	\$ 123,111	\$ 123,111	\$ 123,111	\$ 123,111	\$ 123,111	\$ -

Profit After Build Out & Start Up	\$ 377,142	\$ 392,041	\$ 384,015	\$ 375,748	\$ 367,233	\$ 358,463	\$ 349,429	\$ 451,544
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<i>Cumulative Profit (Loss)</i>	\$ 377,142	\$ 769,183	\$ 1,153,198	\$ 1,528,945	\$ 1,896,178	\$ 2,254,641	\$ 2,604,070	\$ 3,055,614
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* Buildout Cost of OBL

36005	Venogram
36010	Cath Placement, IVC
36012	Cath Placement, Venous
36200	Cath Placement, Aorta
36215	Cath PI, Thoracic, 1st Order
36216	Cath PI, Thoracic, 2nd Order
36217	Cath PI, Thoracic, 3rd Order
36245	Cath PI, Lower Ext, 1st Order
36246	Cath PI, Lower Ext, 2nd Order
36247	Cath PI, Lower Ext, 3 Order
36251	Cath PI, Renal, Unilateral
36252	Cath PI, Renal, Bilateral
37184	Arterial Thrombectomy
37191	IVC filter, insertion
37193	IVC filter, Removal
37220	Iliac PTA Only
37221	Iliac Stent
37224	Femoral PTA Only
37225	Femoral Atherectomy
37226	Femoral Stent
37227	Fem Stent & Atherectomy
37228	Tibial PTA Only
37229	Tibial Atherectomy
37230	Tibial Stent
37232 +	Tibial Add'l PTA
37233 +	Tibial Add'l Atherectomy
37238	Stent in Vein
37252	IVUS
75625	Abdominal Aortogram
75630	Abd Aortogram w/ runoff
75710	Angio, Ext, Unilateral
75716	Angio, Ext, Bilateral
75726	Angio, Visceral
75820	Venography, Ext- uni
75822	Venography, Ext, Bil
75825	Venography, IVC

INDEPENDENT CONTRACTOR'S AGREEMENT

THIS AGREEMENT is made by and between Heart South Cardiovascular, P.C. (hereinafter referred to as the "Corporation") and William R. Newton and Paul W. Meadows doing business as Cahaba Valley Anesthesia Services, INC, an Alabama limited liability company (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, the Contractor provides anesthesia services to various medical providers (the "Provider(s)") throughout the State of Alabama (the "Contractor's Business"); and

WHEREAS, Contractor represents to Corporation that Contractor is licensed to provide nursing anesthesia care services (the "Services") in the State of Alabama through one or more duly licensed certified registered nurse anesthetists.

NOW, THEREFORE, in consideration of the matter described above and of the mutual benefits and obligations set forth in this Agreement, and other valuable considerations, the receipt and sufficiency of which is acknowledged by the parties, the Corporation and Contractor agree as follows:

1. **Term.** The Corporation agrees to engage Contractor to provide the Services, and the Contractor agrees to provide the Services to Corporation for an initial term of one (1) year commencing on November 26, 2018 (the "Initial Term"). The term of this Agreement shall automatically renew for an additional one-year term at the expiration of the Initial Term and of each additional year-year term unless either (i) the Contractor is in default hereunder; or (ii) either the Corporation or Contractor sends the other party written notice of non-renewal at least sixty (60) days prior to the end of the then current term, by certified mail, return receipt requested, or by hand delivery to the address set forth below.
2. **Duties.**
 - 2.1. Contractor agrees to provide the Services for the Corporation in the Corporation's Surgery Suite(s) or at Such other places located in Alabaster, Alabama as are designated by Corporation and to perform all duties customarily associated with that position. All of the Services will be provided by Contactor's primary certified registered nurse anesthetist, William R. Newton and Paul Meadows (hereinafter the "Primary CRNAs) unless Corporation consents in writing to part of such Services being provided from time to time by another CRNA. In making requests to Corporation that it permit such other CRNA(s) to provide any part of such Services, Contractor shall submit information requested by Corporation regarding such other CRNA including, but not limited to, qualifications, proof of insurance and information regarding the relationship between the Contractor and the third party.

2.2. The Corporation will provide the appropriate Surgery Suites in which the Services are performed. Corporation will also provide such equipment as it deems advisable in its discretion. If Contractor concludes that additional anesthesia specific equipment and items are needed or helpful, Contractor shall furnish and maintain that equipment and furnish those items. Corporation shall furnish all anesthesia related and other drugs agreed upon and used by Contractor in providing the Services and Contractor will promptly reimburse Corporation of all such drugs upon notice by Corporation to Contractor of such costs.

2.3. The Corporation will be responsible for furnishing all personnel involved in all surgical procedures in which the Contractor is involved other than the CRNAs furnished by Contractor pursuant to this Agreement.

3. **Compensation.**

3.1. Contractor's Compensation. As compensation for all of the Services, Contractor shall receive only such amounts as Contractor shall be paid by patients and third party payers. Patients' fees so charged, billed, and collected by Contractor shall constitute full payment for all those Services rendered by Contractor pursuant to this to this Agreement. Contractor's Compensation Agreement requires a minimal case number per scheduled day as listed below:

Arterial Cases	Stipend
4	0.00
3	275.00
2	550.00
1	825.00

3.2. CVASI would ask that a 20 day notification in writing be given that there will be no cases that require anesthesia services on any certain dates. In the event that less than a 20 day

notice is given an agreed upon amount of 500.00 will be paid to CVASI by Heart South Cardiovascular, P.C.

3.3. **Billing of Professional Services.** Contractor shall have the Sole and exclusive right to bill and collect from all patients and/or their third-party payers all fees charged for the Services furnished by Contractor and its employees pursuant to this Agreement. All fees so charged, billed, and collected shall constitute full payment for all those services rendered by Contractor and its CRNAS pursuant to this to this Agreement. Corporation shall bill and be paid for all services rendered by it and its employees incident to such Services including, but not limited to, fees for its surgeon's services and allowable technical fees.

4. **Authority to Contract.** The Contractor shall have no authority to enter into any contract or contracts for or on behalf of the Corporation without the written consent of the Corporation.

5. **Severability.** All of the clauses in the Agreement are distinct and severable, and if any clause shall be deemed illegal, void, or unenforceable, it shall not affect the validity, legality, or enforceability of any other clause or portion thereof.

6. **Termination.**

6.1. The Corporation shall have the right to immediately terminate this Agreement upon Written notice to Contractor upon any of the following occurrences: (i) breach of any agreement, obligation, covenant, representation, or warranty of Contractor, (ii) misconduct, malfeasance, or misfeasance by Contractor or any CRNA furnished by it in connection with the performance of Contractor's duties or the Services, (iii) if the Primary CRNA suffers an incapacity or illness which, in the sole discretion of the Corporation, substantially disables said Primary CRNA from performing Contractor's duties and the Services hereunder, (iv) willful or knowing refusal by Contractor or any CRNA furnished by Contractor to perform Contractor's duties and the Services under this Agreement, (v) if, in the sole discretion of the Corporation, Contractor or any CRNA furnished by it fails to meet recognized professional standards of care, (vi) fraud, embezzlement, breach of trust or any criminal act, or (vii) failure of Corporation or any CRNA furnished by it to (a) maintain professional liability insurance in the limits and types as designated by the Corporation, (b) maintain proper licensure as a certified registered nurse anesthetist in the State of Alabama, or (c) promptly furnish the Corporation, upon demand, with reasonable proof of insurance or licensure. This Agreement shall automatically terminate upon the death of the Contractor's Primary CRNA. The provisions of this Section shall survive the termination of this Agreement.

6.2 This agreement may be terminated by either party on sixty (60) days advanced written notice effective as of the expiration of the notice period. The agreement may be terminated by either party for any reason or no reason at all with the giving of an appropriate 60 day notice.

7. **Assignment.** The Corporation may assign its rights and delegate its responsibilities under this Agreement to any affiliate of Corporation. The Contractor may not assign any rights

or delegate any obligations under this Agreement without the written consent of the Corporation, which consent may be withheld in Corporation's sole discretion.

8. **Indemnification.** Contractor agrees to indemnify the Corporation from any and all costs and claims growing out of or arising from a breach of this Agreement or any representation, covenant, or warranty of Contractor contained in this Agreement, and to defend and to save and hold harmless Contractor from any and all liability, claims, losses, or damages the Corporation may suffer as a result of such claims, losses, or damages which are or may at any time be made against the Corporation on account of Services required to be performed by Contractor hereunder and all other actions and omissions of Contractor and CRNAs furnished by it, including, but not limited to claims, demands, costs, or judgments against Contractor resulting from litigation or threatened litigation and counsel fees incurred by Contractor.

9. **Covenants, Warranties and Representations of Contractor.** Contractor represents, covenants, and warrants as follows:

9.1. Contractor and its Primary CRNA is certified or licensed to practice nurse anesthesia in the State of Alabama.

9.2. Entering into this Agreement does not constitute a breach of any other agreement to which Contractor is a party.

9.3. Contractor shall not engage in any practice which is prohibited under any State or federal law, either as an independent contractor on behalf of the Corporation or Otherwise.

9.4. All fees billed by Contractor for the Services shall be in compliance with all applicable laws and regulations and in compliance with all requirements of third party payers.

10. **Notice.** Any notice required or permitted to be given under this Agreement shall be in writing, addressed to the party to whom it is being given and shall be sent by United States certified mail, postage prepaid, return receipt requested. Any notice to Corporation shall be addressed to 1004 1st St. N Ste 150 Alabaster, Alabama 35007 and any notice to the Contractor shall be addressed to 1114 Harriet Street, Clanton, Alabama 35045. Either party may change its notice address by giving the other party written notice of Such change pursuant to this Section.

11. **Mutual Releases for Prior Services.** Any and all agreements heretofore entered into between the Corporation and Contractor are hereby terminated, and each of the parties hereby releases and discharges the other from any and all obligations and liabilities heretofore or now existing under or by reason of any such prior agreements, it being the intention of the

Corporation and Contractor that this Agreement shall supersede and be in lieu of any and all prior agreements or understandings between them.

12. **Independent Contractor Status.**

12.1. The Corporation and Contractor hereby expressly agree and acknowledge that Contractor is engaged by Corporation as an independent contractor and not as an employee of the Corporation, and that Contractor shall, among other things, be fully responsible for paying all required payroll and other employment income related taxes. Moreover, Contractor acknowledges and agrees that as an independent contractor, neither Contractor nor the Primary CRNA or any other employee or agent of Contractor shall be entitled to any benefits typically or occasionally afforded to an "employee" and to the extent Contractor or its employees wish to have any such benefits, including, but not limited to, disability or health insurance coverages, Contractor shall make its own arrangements therefore at its own expense.

12.2. Contractor is retained and employed by the Corporation only for the purposes and to the extent set forth in this Agreement, and Contractor's relationship to the Corporation and its affiliates, if any, shall, during the Initial Term and any renewal terms of this Agreement, be that of an independent contractor and practitioner. Contractor shall be free to dispose of such portion of its and its employees entire time, energy, and skills during regular business hours as Contractor is not obligated to devote hereunder to the Corporation and its affiliates in such manner as Contractor sees fit and to such persons, firms, or the Corporation as Contractor deems advisable. Neither Contractor, the Primary CRNA nor any other agent of Contractor shall be considered as having an employee Status or as being entitled to participate in any insurance programs, plans, arrangements, or distributions by the Corporation or its affiliates pertaining to or in connection with any pension, stock, bonus, profit sharing, or similar benefits for their regular employees.

13. **Expenses.** It is expressly understood and agreed by Contractor that, except as otherwise specifically provided herein, all expenses incurred by Contractor in connection with performing its duties and providing the Services contemplated hereunder shall be the sole and exclusive responsibility and obligation of Contractor, including but not limited to expenses relating to travel, automobile use, and insurance requirements or needs.

14. **Insurance and Indemnity.** Contractor agrees that Contractor will obtain at Contractor's sole cost and expense malpractice insurance in connection with the performance of any services hereunder in the minimum coverage amounts of \$1 million per incident/\$3 million annual aggregate with carriers satisfactory to Corporation. Contractor shall provide written evidence of such insurance to the Corporation upon request. The Corporation shall not be liable for any injury or damages to persons arising out of Contractor's rendering any Services or performing any duties pursuant to this Agreement, and Contractor agrees to indemnify and hold the Corporation harmless from any claims, loss, or damage, including any costs and attorney's fees (at either the trial or appellate level, and whether suit be brought to not) arising either directly or indirectly out of such services.

15. **Compliance.**

15.1 **HIPAA/Privacy of Patients.** During the term of this Agreement and at all times thereafter, Contractor shall comply, and shall cause of Contractor's Anesthesia Providers to comply with all applicable laws, rules, regulations, standards, guidelines, policies, procedures and bylaws promulgated by all applicable Regulatory Authorities and all applicable policies and procedures of Contractor and the Facility regarding maintaining the confidentiality of the identity and the privacy of the patients of the Facility, and of any individually identifiable health information relating to patients treated at the Facility ("Protected Health Information" or "PHI"). In particular, except as permitted or required by this Agreement or by law, Contractor will not, and shall cause each Anesthesia Provider to not, use or disclose patient information in a manner that would violate the requirements of the Health Insurance Portability and accountability Act of 1996 ("HIPAA") and the federal privacy regulations ("Privacy Regulations") set forth at 45CFR Part 160 and Part 164. If the Facility receives a request from a patient wishing to exercise such patient's rights with respect to PHI, to exercise such rights, including (i) the right to inspect PHI within the possession or control of the Facility, its business associates, and their subcontractors, (ii) the right to amend such PHI, and (iii) the right to obtain an accounting of certain disclosures of their PHI to third parties, and the Facility reasonably believes Contractor is in possession or control of all or portions of such PHI that is not already in the possession or control of the Facility, the Facility shall notify Contractor in writing of the request.

15.2 **Anti-kickback and Stark Laws.** Contractor shall adhere to and maintain compliance with federal and state law regarding the Anti-kickback Statute and the Stark Law.

16. **Miscellaneous Provisions.**

16.1. In connection with any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to recover all costs incurred by it including, but not limited to, its reasonable attorney's fees at all trial, bankruptcy court and appellate levels and post-judgment proceedings.

16.2. This Agreement shall be governed and controlled by and enforced and construed under the laws of the State of Alabama. Venue for any action or proceeding brought hereunder or pursuant hereto shall be exclusively in Alabama, except as same may be in contravention of applicable law.

16.3. Whenever the context so requires or admits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

16.4. This Agreement shall be binding upon the parties hereto and their respective successors and/or assigns.

16.5. This instrument contains the entire agreement of the parties regarding employment. This Agreement may not be changed orally, but only by an agreement in Writing signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

16.6. The waiver of a breach of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach.

16.7. This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which shall be deemed to constitute one instrument.

Executed and delivered on this the day of _____, 2018.

The Corporation:

Heart South Cardiovascular, P.C.,

By: Clifford Vance

Clifford Vance, MD

By: Melissa Y. Bailey

Melissa Bailey, Practice Administrator

The Contractor:

CAHABA VALLEY ANESTHESIA SERVICES, INC

By: _____

William R. Newton, President

By: _____

Paul W. Meadows, Vice President/Secretary