

LAW OFFICES

Meadows & Macie

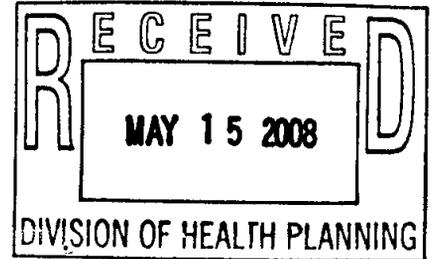
A PROFESSIONAL CORPORATION
101 EAGLE'S POINTE PARKWAY
STOCKBRIDGE, GEORGIA 30281-6385

Telephone 770-957-1199
Facsimile 770-954-1199
www.meadows-law.com

OF COUNSEL
James J. Macie
Bonnie L. Baker

Rod G. Meadows
Mary M. House
Melissa P. Malcom
Stephen P. Morris

May 13, 2008



Clyde L. Reese, III, Esq.
Executive Director of Health Planning
Department of Community Health
2 Peachtree Street, NW, 5th Floor
Atlanta, GA 30303

RE: Letter of Determination for full-time physiatrists to be considered members of the single-specialty group practice

Dear Clyde:

Thank you and the Department of Community Health for the opportunity to utilize a less formal determination process regarding Senate Bill 433, which becomes effective July 1, 2008. Pursuant to the Department's announcement of "a 30-day free determination period to answer specific written questions about the applicability of SB 433," our clients, Southern Orthopaedic Specialists, LLC, ("SOS"); Southern Orthopaedic Surgery Center of Fayetteville, LLC ("SOSCF"); Southern Orthopaedic Surgery Center of Atlanta, LLC ("SOSCA"); and Southern Orthopaedic Surgery Center of Gwinnett, LLC ("SOSCG"); respectfully submit the following question regarding the ability of full-time physiatrists employed by SOS to become members/owners of SOS without affecting the group's qualification as a single-specialty group practice.

As you may recall, SOS received letters of non-reviewability to establish its physician-owned, single-specialty, ambulatory surgical centers on June 3, 2003, for SOSCF, SOSCA, and SOSCG (collectively "POASCs"). On February 7, 2007, SOS received an updated LNR for SOSCG. Pursuant to O.C.G.A. §§ 31-6-40(c)(2) and 31-6-47(a)(18) as amended by SB 433, SOS will retain the previously established exclusions for SOS's POASCs from certificate of need ("CON") review and approval.

On June 4, 2003, we submitted a letter to the Department on behalf of our clients to confirm that SOS would remain a single-specialty group practice, pursuant to O.C.G.A. § 31-6-2(14)(G)(iii), if it hired physiatrists to provide services in compliance with specific conditions. A copy of the letter is attached hereto as Exhibit "A" for your reference and information. On June 17, 2003, the Department responded favorably to our request and stated that the physiatrists would be considered full-time employees and could "own a part of the surgery center through the

fifteen percent outside ownership avenue” provided that the physiatrists: (1) saw patients of the orthopedic group practice and the orthopedic surgery centers; (2) treated orthopedic patients in accordance with the treatment plans prescribed by the orthopedic physicians of SOS; and (3) provided treatment ancillary to the orthopedic practice and not an independent treatment regimen of the employed physiatrists. A copy of the Department’s determination letter is attached hereto as Exhibit “B” for your reference and information.

SOS has fully complied with the Department’s determination and recommendations. However, in an effort to retain qualified physiatrists and continue to provide quality and cost effective medical care, SOS now seeks a determination to allow those physiatrists employed now and in the future to become members/owners of the group without losing the group’s qualification as a single-specialty group practice.

As you know, amended SB 433 newly defines a single-specialty group practice by adding a definition for a single-specialty ambulatory surgical center. Specifically, O.C.G.A. § 31-6-2(33) defines single-specialty ambulatory surgical center as:

“an ambulatory surgical center where surgery is performed in the offices of an individual private physician or single group practice of private physicians if such surgery is performed in a facility that is owned, operated, and utilized by such physicians who also are of a single specialty; provided, however, that general surgery, a group practice which includes one or more physiatrists who perform services that are reasonably related to the surgical procedures performed in the center, and a group practice in orthopedics which includes plastic hand surgeons with a certificate of added qualifications in Surgery of the Hand from the American Board of Plastic and Reconstructive Surgery shall be considered a single specialty.”

O.C.G.A. § 31-6-2(33), *amended by* 2008 Georgia Laws Act 392 (S.B. 433).

The pertinent and relevant portion of the new definition which provides support for allowing employed physiatrists to become members/owners of the group is that “a group practice which includes one or more physiatrists . . . shall be considered a single specialty.” SOS understands and agrees that the full-time physiatrists would continue to see patients of the orthopedic group practice and the orthopedic surgery centers and provide those services which are reasonably related to the group practice.¹

Accordingly, SOS respectfully requests a determination by the Department that those physiatrists which it now employs (or will in the future) be allowed to become members/owners of SOS and that SOS will continue to be considered a single-specialty group practice pursuant to O.C.G.A. § 31-6-2(33) for all intents and purposes of Georgia’s CON laws.

¹ SOS also understands it will need to comply with O.C.G.A. § 31-6-47(a)(18)(C) and (D).

Please do not hesitate to contact me if you have any questions or concerns or require additional information regarding this request.

Sincerely,

MEADOWS & MACIE, P.C.



Rod G. Meadows



Melissa P. Malcom

Enclosures

cc: Patricia L. Brewster, FACMPE, Southern Orthopaedic Specialists, LLC
Michael S. Ochal, Vice President of Development, Southern Orthopaedic Specialists, LLC