



ADVANCED ENDOSCOPY CENTER
 550 Broadway, Suite A
 Bronx, NY 10463
 Tel. 718-548-7900

HOSPITAL PARTNER:
 Montefiore Medical Center

Center Opened: May 2007
 Annual Procedures: 10,000
 Number of Physicians: 17
 Square Footage: 8,500
 Procedure Rooms: 4
 Admit/Recovery Bays: 7/8

Physician-Hospital Joint Venture

Academic Medical Center

CONTACTS:

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 Physicians Endoscopy
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REASON FOR THE JOINT VENTURE

In 2005, the GI outpatient service department at Montefiore Medical Center (Bronx, NY) performed over 7,000 ambulatory GI procedures. In addition to the 10-12 voluntary physicians on the hospital staff, Montefiore also directly employs a number of full-time GI physicians to address the complex needs of its local urban patient population as well as an active residency and fellowship program.

In 2005, the voluntary physicians on staff at Montefiore Medical Center also performed over 6,000 office-based endoscopy procedures within their various professional practice offices. These physicians had left the hospital over the past several years for a variety of reasons, thereby converting much of their outpatient GI procedural business to office-based endoscopy units within their own professional practice space.

POINT OF VIEW

The Hospital

“As we evaluated the concept of joint venturing with our voluntary physicians and a leading national firm specializing in the endoscopic ASC market, we identified three primary reasons to move forward with the project – identifying core competencies, limited capital budget and enhancing physician loyalty.”
 Don Ashkenase, Executive Vice President and member of the Board of Directors for AEC



The Physicians

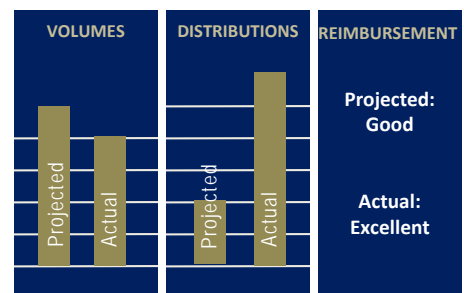
“Although many members of the voluntary staff at the hospital currently perform a significant volume of office-based procedures in our practices for a variety of reasons, many of us felt that developing a high quality state-of-the-art endoscopic ASC would best serve the needs of our patients, while in the longer term ensuring reasonable financial stability for ourselves.”
 Robert Sable, MD, Co-Medical Director, AEC



OWNERSHIP DETAILS

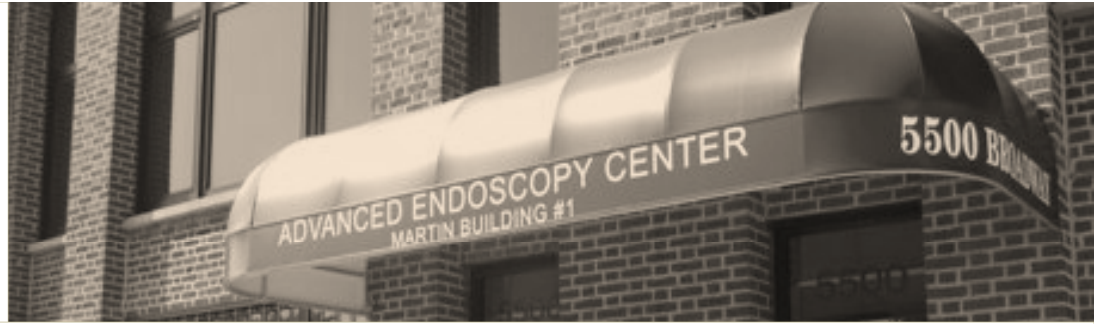
| Group | Equity Level |
|---------------------|--------------|
| Hospital | Minority |
| Physician Coalition | Minority |
| Business Partner | Minority |

FINANCIAL PERFORMANCE – 1ST YEAR



Advanced Endoscopy Center

A Physician-Hospital Joint Venture



MEDICAL TEAM

Michael Ader, MD
Isadore Gutwein, MD
Amnon Gotian, MD
Henry Katz, MD
Sammy Ho, MD
Beth Schorr-Lesnack, MD

Albert Kramer, MD
Robert Sable, MD
Philip Schweitzer, MD
Lawrence Brandt, MD
Alissa Mark, MD
Joseph Frager, MD

Ira Tepler, MD
Daniel Reich, MD
David Stein, MD
David Greenwald, MD
Aaron Tokayer, MD

FACILITY GOVERNANCE

The facility has a five-member Board of Managers comprised of two Class A members (the physicians), two Class C members (the hospital) and one Class B member (business partner).

MEDICAL LEADERSHIP

Robert Sable, MD
David Greenwald, MD
Ira Tepler, MD

Co-Medical Director
Co-Medical Director
Assistant Medical Director

Voluntary Physician
Hospital Physician
Voluntary Physician

ABOUT MONTEFIORE MEDICAL CENTER

Montefiore Medical Center, the University Hospital and Academic Medical Center for the Albert Einstein College of Medicine, ranks among the top one percent of all U.S. hospitals for investments in medical innovation and cutting-edge technology. Our vision for the future is guided by the decisions and strategies that have put Montefiore on a path of growth that is unique among hospitals in New York City and nationwide. Our admissions have increased steadily. As a nonprofit institution, we are proud of our solid financial situation, which enables us to invest in the future. As we move forward, we are planning developments that will strengthen our delivery of extraordinary healthcare to patients and confirm our place among the leading medical institutions in the country. www.montefiore.org

ABOUT PHYSICIANS ENDOSCOPY

Physicians Endoscopy, L.L.C. was formed in July 1998 with one purpose in mind – to raise the level of patient care and physician satisfaction through the development and management of freestanding ambulatory surgery centers. Our company was raised with an extensive GI focus, but always believed in being an advocate for our partners. Conceived as a business development and management company, we saw the opportunity to give physicians more autonomy and control over their work environment, while increasing their profitability and patient care standards.

Our expertise and commitment also extends to our Joint Venture Partnerships between physicians and hospitals. While most hospitals recognize that they know very little about how to manage a surgery center, which is totally different than managing a large facility with many services, they realize they need to work with their physicians to retain positive relationships.

Combining our expertise with the values a hospital can bring to the venture makes good business sense. The joint venture adds credibility and a referral base to the freestanding center, while still funneling a revenue stream back to the hospital. Moreover, many patients of the ASC are referred back to the hospital for ancillary tests and services. It is truly a “win-win” for both physician and hospital.