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11/14/2013

Jackie Gonzalez
Chief Nursing Officer
Miami Children's Hospital
3100 S.W. 62nd Avenue
Miami, FL 33155

Re: Letter of Agreement ("LOA") - Surgical Profitability Compass™

Dear Jackie:

Thank you again for the time you have afforded us to evaluate The Advisory Board Company's Surgical Profitability Compass program. We are excited about the opportunity to work with Miami Children's Hospital ("Member" or "you") and are submitting this document for your signature to enroll your organization as a member of Surgical Profitability Compass.

I. Terms of Coverage

Under the terms of this LOA, Member will have access to all services provided to all members of Surgical Profitability Compass. This program will include access to a web-based reporting and business intelligence tool, on-site training sessions with end users, and access to best practice research and services to help member hospitals improve performance. Program components and services are described in greater detail in the *Scope of Services* attached to this LOA.

In addition to the Surgical Profitability Compass services outlined in the *Scope of Services*, we are pleased to provide additional implementation support to Member through Compass Connect, which is used to generate ASCII text data extracts for population of the Surgical Profitability Compass business intelligence tool. Member is responsible for providing Institution Support Requirements as outlined in the attached Compass Connect Scope of Engagement.

II. Terms of Enrollment

The term of your membership in Surgical Profitability Compass will begin on December 31, 2013 and end December 30, 2016 or such later date as is agreed upon by the parties in writing.

Your Surgical Profitability Compass membership includes only the following facilities:
Miami Children's Hospital

We are pleased to extend the following special preferred membership fees in recognition of Member's involvement in and support of Surgical Profitability Compass for the membership term specified above (*fees subject to change if different term*):

	Project Initiation Fee (One-Time)	Compass Connect Fee (One-Time)	Annual Service Fee Year 1
Standard Membership Fees	\$30,000	\$25,000	\$150,000
Preferred Membership Fees	\$30,000	WAIVED	\$98,000

Upon execution of this LOA, we request an initial payment of \$79,000 equal to the one-time project initiation fee and the first half of the program's first year annual service fee. After the initial invoice, the remaining annual service fees will be billed in advance in six-month increments. The annual service fee for each membership year beyond Year 1 shall increase by the lesser of three percent or a percentage equal to the percent change in CPI for All Urban Consumers (CPI-U, U.S. City Average for All Items) across the preceding 12-month period.

If you provide the data extract files in the format required for Compass by January 31, 2014, your site will be available for use within twenty weeks of the receipt of the data extract from Member. In the event you do not provide the data extract files to us within three (3) months of the start date of your membership term, we may terminate this LOA and shall be released from our obligations under this LOA as of the date of such termination.

Surgical Profitability Compass is a trademark of The Advisory Board Company

During the site build phase, the member will have access to all of our cohort activities, research, teleconferences, networking events, and Dedicated Advisor services. We will implement the Cohort Price Pulse functionality in the first 2 weeks following the welcome call, and during the data extraction phase, giving the member access to our pricing benchmarks. In the second month, we will begin building your Block Schedule into the Block Manager module. As functionality becomes available and validated, we will turn on those reports for the member to begin driving ROI. Typically this is our Spend Compass functionality and operational reports and benchmarks.

III. Enrollment in Surgical Profitability Compass

To initiate Member's involvement as a member of Surgical Profitability Compass under these terms of this LOA, please return a signed copy of this LOA no later than November 30, 2013 (after which the fees set forth above are subject to change).

The parties agree that the terms and conditions of the Standard Terms of Membership previously entered into by the parties regarding Member's membership in the Sourcing Compass Collaborative™ program pursuant to the Letter of Agreement, dated February 10, 2012 (the "Additional Terms") are hereby incorporated as additional terms and conditions of Member's membership in the Surgical Profitability Compass™ program. As such, with respect to this LOA, (a) references to the LOA in the Additional Terms shall mean this LOA and (b) references in such Additional Terms to the Sourcing Compass Collaborative program are to the Surgical Profitability Compass program where applicable.

In addition, if we do not have a Business Associate Agreement in place that would cover this program, Member will also enter into a Business Associate Agreement with us that will contain additional terms to set forth obligations of the parties with respect protected health information.

Additionally, to the extent Member presently participates in more than one Advisory Board membership program or service offering or enrolls in or purchases additional Advisory Board membership programs or service offerings in the future ("Programs"), the data that Member provides to the Advisory Board in connection with a particular Program may be combined with data provided by Member in connection with other Programs or otherwise used by the Advisory Board in connection with other Programs to provide services to Member pursuant to the applicable agreement and other membership or services agreements between Member and the Advisory Board.

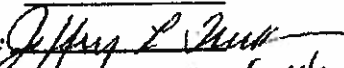
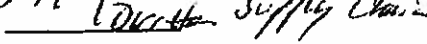
The Advisory Board Company:

Miami Children's Hospital:



Whitney Akers

Associate Director

Name: 
Title:  Director Supply Chain

MCH Legal
Approved

Digitally signed by MCH Legal Approved
DN: cn=MCH Legal Approved, o=Miami
Children's Hospital, ou,
email=amanda.bhishar@mch.com, c=US
Date: 2013.11.26 13:58:34 -05'00'

Scope of Services- Surgical Profitability Compass™

Overview

The purpose of the Surgical Profitability Compass program is to serve a permanent network of health systems, clinics, and hospitals focused on becoming best-in-class in surgery and supply chain management. This document summarizes the services offered to members of this program. While the specific services may change during the course of the membership as we continue to gather advice from our members as to how we can best help them improve operational, financial, and strategic performance, the program is comprised of three major components:

- Web-Based Reporting and Business Intelligence Tool
- Orientation, Training and Support
- Best Practice Research, Teleconferences, Member Networking and Cohort Benchmarking

Web-Based Reporting and Business Intelligence Tool

The Surgical Profitability Compass membership provides access to a web-based business intelligence tool that offers best-in-class analytics and reporting capabilities across surgical services, including the following:

- flexible views and analysis of Member's own surgery data (operations and financial) and spend department data (transactional, accounts payable and contract performance)
- ability for multiple users to easily access and track key performance metrics on demand
- detailed, drill-down reporting and analytics

Further specifications concerning the tool and Member's configuration are outlined in the *Configuration and Technical Specifications/Services* section of this document.

Orientation, Training and Support

An assigned team of Advisory Board employees, including a Compass Dedicated Advisor and a Compass Business Analyst, plays a key role in project planning, leading initial end-user training and actively helping Member leverage Surgical Profitability Compass to improve performance by working with Member to:

- conduct on-site assessment of hospital reporting needs and capabilities of current reporting environment;
- customize an implementation plan for product roll-out and end-user enfranchisement;
- coach Member's I.S. liaison on best practices to extract data that are loaded into the business intelligence tool;
- work with Member's I.S. liaison to troubleshoot process limitations affecting data quality and work to resolve these limitations;
- lead initial on-site training to instruct authorized users on the business intelligence tool (occurs after validation and acceptance of data);
- validate data against Member's reports;
- conduct web-based sessions to support Member in building, saving and/or exporting custom views and reports (typically two to four times per month); and
- provide regular updates to the executive sponsor and project team.

The Dedicated Advisor will provide up to three (3) onsite sessions within the first 12 months of membership (*or as needed during implementation*); each of these sessions will include a customized member presentation. During subsequent membership years, the Dedicated Advisor will provide up to two (2) onsite sessions. The Dedicated Advisor is also responsible for addressing Member's service requests, which should be prioritized and submitted by a designated contact at the member institution.

The Advisory Board Company would be pleased to provide supplemental training and support services at preferred rates; a current listing of additional services can be found in the *Additional Services Available* portion of this document.

Best Practice Research, Teleconferences, Member Networking and Benchmarking

The Surgical Profitability Compass membership also includes access to a full complement of resources and services aimed at fostering networking across the cohort and sharing knowledge of how member hospitals are leveraging Surgical Profitability Compass to drive better operational, financial and strategic results, including

- case studies profiling hospital surgical suite and supply chain process reform
- research briefs on surgery and spend management best practices
- cohort teleconferences on key surgery and supply chain management topics (unlimited participation)
- annual summit to explore best practices and provide input on product roadmap
- access to cohort benchmarks on select metrics
- networking opportunities -- at Member's request, the Dedicated Advisor will coordinate conference calls with other cohort members to discuss relevant topics of Member's choice

Configuration and Technical Specifications/Services – Surgical Profitability Compass

The information below reflects the Surgical Profitability Compass configuration for Member.

Surgery Operations Extract Frequency	Weekly
Other Extract Frequency	Monthly
Number of Authorized Users	10 per facility
Annual Surgical Volume	Up to 10,800
Annual Operating Expenses	\$289,177 (In Thousands)
Number of Facilities	1
Current IT Systems	OR: Corner MM: Lawson Pat Acc/Cost Acct: Currently transitioning to Corner

Source Data File(s):

- 12 month Purchase Order data file
- Vendor Master data file
- Item Master data file
- Case file
- Case procedure file
- Case supplies file

Standard Data Submission

Member recognizes as a term of this LOA that it is responsible for providing data extract files on a recurring basis in a format that conforms to the Standard Submission Format (SSF) and for designating the appropriate I.S. resource(s) to do so. Member's initial data load may include all surgical cases with a procedure date in the last 12 months. Once Member is providing recurring data feeds (i.e., after Member has submitted its first monthly data update following initial site build), Member shall deliver an automated extraction and transmission at the frequency listed in the above configuration and in an agreed-upon format and at agreed-upon times to be memorialized in the Recurring Data Planning Form.

Data Configuration

The following objects in Member's Surgical Profitability Compass tool can be configured according to Member-specific operations and business logic:

- Fiscal Date
- Definition of "first case of the day"
- Definitions of outlier minutes for exclusions in turnover calculation: "close to cut" and "patient out to patient in"
- Holidays
- Block credit allocation by block and surgeon
- Custom release time per block

Volume Changes

Should Member's surgical volume (*i.e. the most recent 12 months surgical volume*) increase by more than 10% for any continuous 90-day period, the Advisory Board reserves the right to increase the annual service fees for the remainder of the membership term based on the new projected annual surgical volume upon written notice to Member. Annual surgical volume will be assessed three months prior to each membership anniversary date; fees will be adjusted by the Advisory Board accordingly for the remainder of the membership term.

System Conversions, Upgrades and Other Changes

Membership fees are based upon Member's current system configuration. The Advisory Board is pleased to accommodate data feeds from anticipated new source systems within the first year of membership. These anticipated changes shall be provided by the Member in writing within 60 days of signing the LOA. For all other system conversions, upgrades and/or material modifications which require remapping and revalidation of data, and any additional technical services that may include, but are not limited to accommodating additional files, providing custom data extracts, accommodating recurring data feeds more than 48 hours after agreed-on times, and/or providing user interface customizations, fees will be assessed based on the Advisory Board's preferred hourly rate of \$175 per hour. No additional technical services will be provided without prior written consent from the Member.

Compass Connect®

For members who would like additional extraction assistance, the Advisory Board would be pleased to provide our Compass Connect service to outsource the development and automation of data extracts. Fixed fees are based on the project scope.

Compass Connect Scope of Engagement

Overview

The Compass Connect service is used to generate ASCII text data extracts for population of the Surgical Profitability Compass business intelligence tool.

Implementation Support

In providing the Compass Connect service, The Advisory Board Company shall do the following, where possible:

- Map source data fields to the fields and files required for implementation of Surgical Profitability Compass in consultation with The Advisory Board Company staff and Member subject matter experts;
- Create extract queries or code in the Query Environment specified above to output text data files for implementation of Surgical Profitability Compass;
- Develop query logic and/or code to generate regular updates of the output text data files; and
- Work with Member's staff to integrate the Compass Connect queries or code into the production environment.

Compass Connect Application(s)

The Compass Connect service will be engaged during Member's implementation of Surgical Profitability Compass for the following application(s):

Type of Application	Vendor	Application & Version	Query Environment
OR System	Cerner		
Materials Management	Lawson		

Your Compass Connect service includes only the following Member Sites:
Miami Children's Hospital

Institution Support Requirements

Member agrees to provide the following for each application named above:

- On-site and/or remote VPN access, as mutually agreed, to the application and its network and OS environment;
- Information about the vendor, name and version of the application as well as the database platform on which the application's data is stored;
- Documentation of the physical structure used by the application (such as relational database, VSAM indexed file, or proprietary database), a data dictionary and a schema (where applicable) for the application;

- Access to the Query Environment specified above, including all necessary development and query software. This Query Environment should be one that can be configured by the Compass Connect programmer to create update text files on a regular schedule and supported by Member's IT Operations;
- Availability and support to answer Compass Connect programmers' questions regarding application configuration and customization; and
- Regular maintenance of the extract queries following confirmation that the Compass Connect project is complete.

Member shall also provide a networked share directory which can receive output text files, and an SFTP system that will securely transfer these output text files to The Advisory Board Company. If no suitable SFTP application currently exists, The Advisory Board Company will provide one at no additional charge.

The Compass Connect service shall be considered complete when Member and The Advisory Board Company sign off that the files from each application include the required information and three successful regular updates have been completed. The Advisory Board Company will use commercially reasonable efforts to work towards completion, although Member acknowledges that such completion depends on the nature of the data provided by Member and other factors. Member shall be responsible for integrating the code into its production environment and maintaining the delivered code once this sign-off is complete.

Additional Services Available

The Advisory Board is pleased to offer additional professional services at preferred pricing to Surgical Profitability Compass members. Each of the services detailed below leverages the Advisory Board's deep expertise in the surgery terrain and can further extend the impact of Surgical Profitability Compass.

Consulting Support: Beyond the services outlined in the Scope of Services, the Advisory Board would be pleased to conduct additional customized analyses, customized benchmarking, and/or prepare additional presentations. No additional services will be provided without prior written consent by Member. These additional services will be provided at a preferred fee based on the scope of the consulting support.

Additional Onsite Sessions: Beyond the onsite presentations outlined in the Scope of Services, the Advisory Board would be pleased to deliver and/or facilitate additional onsite sessions, which may encompass training, consulting, or staff enfranchisement. Fees will be based on the content and personnel requirements, and will be agreed to in advance by both parties in writing.

Clinical Technology Acquisition Decision Support: Technology Insights®, an Advisory Board research program, provides on-demand, customized clinical technology decision support to client hospitals and health systems. Launched in 2004, Technology Insights has performed nearly 3,000 customized clinical, financial, and operational analyses on 700+ discrete clinical technologies, working with over 500 institutions in support of ongoing service line planning and clinical technology decision-making. Representative reports include: *Break-Even Analysis and Current and Future Applications for the da Vinci Robotic Surgical System* and *Selecting the Most Appropriate Stereotactic Radiosurgery Platform*.

Leadership Development & Change Management: The Advisory Board Academies® provide a portfolio of leadership development programs, each targeted at distinct constituencies across the hospital or health system. Utilizing an on-site or national university teaching format (depending on the constituent need), the Advisory Board Academies provide a full suite of leadership development infrastructure and support, including dedicated faculty advising, rigorous application of course concepts, integration of local issues and examples, online study, and participant recognition. Our ambition is to build the bench strength of skilled leaders with the perspective, desire, business vocabulary and analytics needed to drive meaningful health system improvement.

To learn more about these services, please contact us at 202-266-6459 or via e-mail at programinquiries@advisory.com. You may also contact your Dedicated Advisor.