

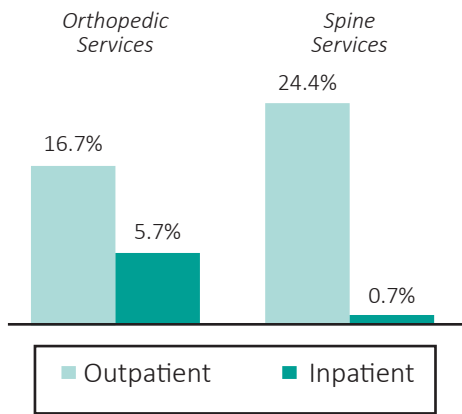
mySPINE Health

Forward-Looking Growth: Spine Services

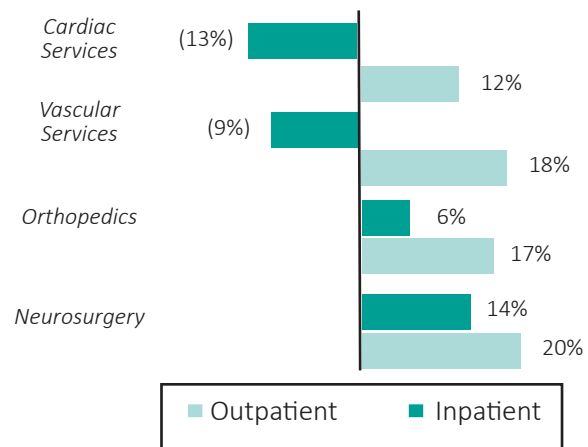
Future growth in spine services is largely concentrated in the outpatient setting. The outlook is positive based on growing demand.

All-Payer Volume Growth Projections

2014-2019



2015-2020

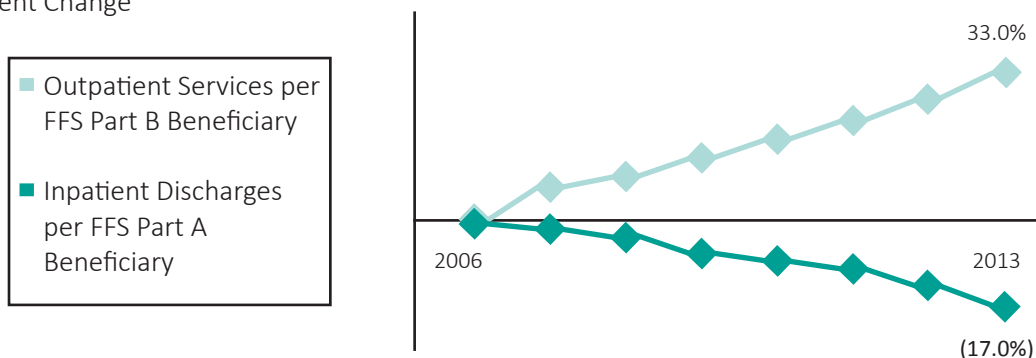


"Select patients, by health and indication, can safely be treated as outpatients with XLIF or other modern MIS approaches."

- "Outpatient Minimally Invasive Lumbar Interbody Fusion: Predictive Factors and Clinical Results", Spine, February 2016

Medicare Volume Growth

Cumulative Percent Change



Source: "Report to the Congress: Medicare Payment Policy," MedPAC, March 2015, available at: www.medpac.gov

ABOUT USPI:

Since 1998, USPI has been an industry leader in the short-stay surgical business. We continue to maintain our commitment to our physician partnerships and the critical alignment that allows us to collectively deliver the highest quality care with outstanding service to our patients. Overall, we are able to leverage our size, scope, and experience to deliver best practices for complex spine procedures.

Key Drivers to Future Orthopedic Growth



Technology Adoption

- Minimally invasive advanced surgical techniques drive outpatient shift



Coverage Expansion

- Reimbursement trends encourage utilization in lower-cost outpatient settings
- Coverage expansion of outpatient joints among private payers



Disease Incidence and Prevalance

- Growing osteoarthritis prevalence
- Prevalence of diabetes and obesity
- Growing elderly population (65+)
- Increasing activity levels drive earlier utilization

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