

**SUMMARY OF REQUEST**

**DATE:** March 29, 2023

**FACILITY:** Broward Health Coral Springs and Broward Health Medical Center

**PROGRAM/PRODUCT LINE:** Surgery Robotics

**REQUEST:** Approval to enter into a contractual agreement with Intuitive Surgical Inc. for a placed system price per click Davinci XI robot and Single Port (SP) robot, with a second XI being placed contingent upon volume targets being met.

**PURPOSE:** This request is for approval of funding for the expansion of Broward Health Coral Springs' (BHCS) and Broward Health Medical Center's (BHMC) robotic surgery programs. This equipment will allow BHCS to accommodate increasing patient and community demand, whereas the SP technology will enable BHMC to meet patient demand and be first to market.

**CAPITAL REQUIRED:** N/A


**FINAL FMV REPORT RECEIVED<sup>1</sup>:** N/A

**FISCAL IMPACT:** ROI/ Payback period year one

**BUDGET STATUS:** No. Not currently budgeted

**PRACTITIONER CV<sup>2</sup>:** N/A

**LEGAL REVIEW:** The contract is subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved business terms.

**APPROVED:**  Shane Strum  
03/17/2023 14:24 EDT DATE: \_\_\_\_\_  
Shane Strum, President/CEO

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<sup>1</sup> This applies to physician/physician group contracts

<sup>2</sup> This applies to physician contracts

## MEMORANDUM

**TO:** Board of Commissioners

**FROM:** Shane Strum, President/Chief Executive Officer

**DATE:** March 29, 2023

**SUBJECT:** Approval to enter into a contractual agreement with Intuitive surgical Inc. for a placed system price per click Davinci XI robot, and Single Port (SP) robot.

### **BACKGROUND**

Broward Health Coral Springs (BHCS) and Broward Health Medical Center (BHMC) seek to further expand their robotic surgical programs with an additional XI robotic system and a Single Port SP robotic system. Over the last 10 years Broward Health has performed 13,896 robotic surgeries. The demand for robotic surgery continues to increase driven by growing populations, preference for robotic rather than open surgeries, and new technology, such as the Single Port (SP) robot which is specifically used in urology, ENT, and head and neck surgery. Broward Health's historical robotic volumes allow for the potential for future growth, and participation in the placed system price per click for both a Single Port (SP) and an XI, without the need of an upfront capital commitment. BHCS has exceeded its capacity on its existing two robots that are in place making it necessary to add an additional XI system today, with a second XI to be added contingent upon volume growth. BHMC is expanding its ENT, head and neck, and urology programs, and the Single Port (SP) provides the technology to support this growth.

### **PRACTITIONER C.V<sup>3</sup>**

N/A

### **ACTION/PROJECT DESCRIPTION**

Approval to enter into a contractual agreement with Intuitive surgical Inc. for a placed system price per click for one XI robot and one Single Port (SP) robot, with agreement to add a second XI at BHCS once there are two consecutive quarters with volumes on the new XI equal to or greater than 75 cases per quarter. BHCS will be acquiring the robots to support the growing demand and current capacity challenges; while BHMC will acquire the SP to support the expanding services of ENT, head and neck, and urology.

### **FINAL FMV REPORT<sup>4</sup>**

N/A

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<sup>3</sup> This applies to physician contracts

<sup>4</sup> This applies to physician/physician group contracts

### **FINANCIAL/BUDGETARY IMPACT**

BHCS will be entering into an agreement with Intuitive for one additional XI robot, with a second XI robot contingent upon volume targets. The cost of the agreement will be based on a per click fee each time that the robot is used for a surgical procedure. The estimated cost during a 7-year period, based on estimated volumes, is \$4,425,000.

BHMC will also be entering into an agreement with Intuitive for a Single Port (SP) robot. The cost of the agreement will be based on a per click fee each time that the robot is used for a surgical procedure. The estimated cost during a 7-year period, based on estimated volumes, is \$2,683,800.

Total estimated incremental operating expense, paid to Intuitive over a 7-year period collectively for BHCS and BHMC, based on estimated volumes, is \$7,108,800.

### **JUSTIFICATION**

Provide approval to enter a per click accelerating minimally invasive procedures (AMP) agreement with Intuitive Surgical Inc to expand our minimally invasive surgery enabling technology with an XI robot, one Single Port (SP) system, and an additional XI robot contingent upon volume targets for the term of 7-years to support the increasing demand for robotic surgeries.

North Broward Hospital District has documented and objectively determined that there is a legitimate business purpose to provide such services.

### **STAFF RECOMMENDATION**

**Therefore, it is requested that the Board of Commissioners of the North Broward Hospital District authorize the District to enter into a contractual agreement with Intuitive surgical Inc. for one XI robot, one Single Port (SP) system, and one additional XI robot contingent upon volume targets being met, all on a per click fee basis, estimated in the amount of \$7,108,800 over a 7-year period.**