

April 11, 2017



# ApolloMed Subsidiary APA ACO Announces Commencement Of All-Inclusive Population-Based Payment Operations Under CMS Next Generation ACO Model

***COMPANY WILL MANAGE CARE AND PAY CLAIMS FOR 32,000 MEDICARE PATIENTS***

***MONTHLY PAYMENTS TO BEGIN IN APRIL 2017***

GLENDAL, Calif., April 11, 2017 /PRNewswire/ -- [Apollo Medical Holdings, Inc.](#) ("ApolloMed" or "the Company") (OTC: AMEH), an integrated population health management company delivering value-based care, today announced that its subsidiary, APA ACO, Inc., has, effective April 1, 2017, commenced All-Inclusive Population-Based Payment operations as a participant in the Centers for Medicare and Medicaid Services ("CMS") Next Generation ACO Model ("NGACO Model").

As previously announced, APA ACO is one of 44 ACOs in the country selected by CMS to participate in the Next Generation ACO Model. APA ACO was approved to participate in the All-Inclusive Population-Based Payment ("AIPBP") track, which is the most advanced risk-taking payment model, and is **the only ACO in the country out of 44 which is participating in the AIPBP model.** Under the AIPBP track, CMS will estimate the total annual expenditures for the Next Gen ACO's patients and then pay that projected amount to the ACO in a per-beneficiary, per-month ("PBPM") payment. The Next Gen ACO would then be responsible for paying all Part A and Part B costs for in-network participating providers and preferred providers with whom it has contracted.

ApolloMed believes that APA ACO's participation in the NGACO Model may generate an average of between \$9 million to \$10 million per month in revenue, beginning in April 2017. For the trailing twelve months ended on December 31, 2016, ApolloMed reported revenues of \$55 million.

Under the NGACO Model, APA ACO will be responsible for the medical management and care coordination of over 32,000 Medicare beneficiaries in California. This number may decrease due to beneficiaries who join a managed care (HMO) plan, pass away or move out of the ACO's service area. In 2016, in advance of commencing its participation in the program, APA ACO signed agreements with over 700 providers, including over 590 physicians, 18 hospitals, over 15 skilled nursing facilities and multiple labs, radiology centers, outpatient surgery centers, dialysis clinics and other service providers. Under the terms of these agreements, the Next Gen ACO providers, including hospitals, agreed to get 100% of their claims for ACO beneficiaries reimbursed by APA ACO. APA ACO successfully negotiated discounted Medicare rates with multiple physicians and other service providers,

discounted DRG (diagnosis-related group) rates with multiple hospitals and discounted RUG (resource utilization group) rates with multiple skilled nursing facilities.

APA ACO is jointly owned by ApolloMed and Network Medical Management, Inc. ("NMM"). As announced on December 22, 2016, ApolloMed and NMM have signed a definitive merger agreement pursuant to which the companies will combine in a stock-for-stock transaction. On a proforma basis, and **excluding the impact of APA ACO's participation in the NGACO Model**, the combined organization would have had more than \$330 million in revenues for the twelve months ended on December 31, 2015 and would provide medical management and care coordination for over 700,000 patients through a network of over 3000 healthcare professionals and over 400 employees.

"We believe that our selection to participate in the NGACO Model and especially the AIPBP track reflects our success in providing high-quality, cost-efficient, coordinated care," stated Warren Hosseinian, M.D., Chief Executive Officer of Apollo Medical Holdings. "It also validates our ongoing, multi-year investments in creating an advanced technology and care platform that promotes value-based care over volume-driven care."

"The investments we have made in ApolloMed's clinical knowledge base and risk management infrastructure have positioned the Company to participate in this important healthcare program," stated Gary Augusta, Executive Chairman of Apollo Medical Holdings. "Our integrated model spans the entire inpatient and outpatient care continuum, and includes Apollo Care Connect, a robust, cost-effective population health platform that combines technology, data and connectivity into clinical and risk-management processes that are essential for the delivery of value-based care."

### **About Apollo Medical Holdings, Inc.**

Founded in 2001 and headquartered in Glendale, California, ApolloMed is an integrated population health management company committed to providing exceptional multi-disciplinary care in the communities it serves. ApolloMed is addressing the healthcare needs of its patients by leveraging its integrated healthcare delivery platform comprised of: ApolloMed Hospitalists, ApolloMed ACO (Accountable Care Organization), APA ACO (Next Generation ACO), Maverick Medical Group (Independent Physician Association), Apollo Care Connect and Apollo Palliative Services (Hospice/Palliative Care and Home Health Services). ApolloMed strives to improve medical outcomes with high-quality, cost-efficient care. For more information, please visit [www.apollomed.net](http://www.apollomed.net)

### **Forward Looking Statements**

*This press release may contain forward-looking statements, including information about management's view of future expectations, plans and prospects for Apollo Medical Holdings, Inc. ("the Company"). In particular, when used in the preceding discussion, the words "predicts," "believes," "expects," "intends," "seeks," "estimates," "plans," "anticipates," and similar conditional expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could" are intended to identify forward-looking statements. In addition, our representatives may from time to time make oral forward-looking statements. Any such statements, other than those of historical fact, about an action, event or development, are forward-looking statements. Such statements are based on the current expectations and certain assumptions of the Company's management. Such statements*

are, therefore, subject to a variety of known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which could cause the actual results, performance or achievements of the Company, its subsidiaries and concepts to be materially different than those that may be expressed or implied in such statements or anticipated on the basis of historical trends. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual results, performance or achievements may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. Unknown or unpredictable factors also could have material adverse effects on the Company's future results. The forward-looking statements included herein are made only as of the date hereof. The Company cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, the Company undertakes no obligation to update or revise these forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made, except as required by law, and also takes no obligation to update or correct information prepared by third parties that are not paid for by the Company. You should not place undue reliance on any forward-looking statement and should consider the uncertainties and risks discussed under Item 1A. "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended March 31, 2016 and in any of the Company's other subsequent Securities and Exchange Commission filings.

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To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/apollomed-subsiary-apa-aco-announces-commencement-of-all-inclusive-population-based-payment-operations-under-cms-next-generation-aco-model-300437843.html>

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