

August 2, 2011



Apollo Medical Holdings, Inc. Announces Acquisition of Pulmonary Critical Care Management, Inc. and Formation of Pulmonary Critical Care Division

GLENDALE, Calif., Aug. 2, 2011 /PRNewswire/ -- Apollo Medical Holdings, Inc. ("Apollo") (OTC-BB: [AMEH](#)), a leading provider of hospitalist and multi-disciplinary care management services to the healthcare community, today announced that it has acquired Pulmonary Critical Care Management, Inc. ("PCCM"), a provider of management services to the Los Angeles Lung Center, as well as the formation of its new Division of Pulmonary and Critical Care Medicine. In exchange for a 100% ownership interest in PCCM, Apollo will issue 350,000 common shares to the shareholders of PCCM.

Dr. Babak Abrishami, President of Pulmonary Critical Care Management, Inc. and President of the Los Angeles Lung Center, was named Head of the Division of Pulmonary and Critical Care Medicine. Dr. Abrishami founded the Los Angeles Lung Center in 2004 and has steadily grown the practice. In addition to a busy pulmonary practice, Dr. Abrishami and his group provide pulmonary and critical care services at Good Samaritan Hospital, St. Vincent's Hospital, Hollywood Presbyterian Medical Center and Cedars-Sinai Hospital. Dr. Abrishami completed both a residency in internal medicine and a fellowship in pulmonary and critical care medicine at the University of Southern California. He is Board Certified in Internal Medicine and in Pulmonary and Critical Care Medicine.

"We are pleased to welcome Babak and his group to the Apollo team and excited about our new pulmonary and critical care division," stated Warren Hosseinion, M.D., Chief Executive Officer of Apollo Medical Holdings, Inc. "It is our firm belief that hospitals will increasingly adopt a closed ICU model, in which patients will be co-managed by dedicated critical care specialists and hospitalists. We intend to market this new service to all our existing and new hospital partners."

Critical care services account for a large and growing proportion of inpatient services in the United States. Although intensive care units represent only 5-10% of all hospital beds, they may consume up to 34% of hospital budgets. According to one study, this figure extrapolates to over 1% of the gross domestic product. Given the increasingly high cost of health care delivery, more attention is being devoted to minimizing costs while maintaining or increasing the quality of care in ICUs. Most hospitals in the United States use the open model of ICU, in which patients are admitted and cared for by their primary care physicians. Multiple studies have demonstrated increased efficiency and better outcomes in the closed ICU model, including shorter ICU Length of Stay (LOS), shorter hospital LOS, decreased number of days on mechanical ventilation, reduction in ICU costs, increased compliance with core measures and a reduction in mortality rate. In nine studies, relative reductions in mortality rates in the closed ICU model ranged from 15% to 60%. Based on the conservative 15% rate, full implementation of closed ICUs would save 53,850 lives each

year in the United States.

"It is a pleasure to join forces with the management team of Apollo," stated Dr. Abrishami. "I look forward to growing the Division of Pulmonary and Critical Care Medicine and turning the company into a leader in critical care services."

"The Apollo integrated model now includes acute care services, including hospitalist and pulmonary/critical care solutions, as well as post-acute care services, including case management, disease management and 24/7 physician call center solutions. This combination of services is truly unique," stated Adrian Vazquez, M.D., President and Chairman of Apollo Medical Holdings, Inc.

About Apollo Medical Holdings, Inc.

Apollo is a leading provider of integrated medical management services that improves the efficiency in inpatient care plus multi-disciplinary care management services targeting inefficiencies in healthcare payer and provider networks. Our integrated model combines hospitalist medicine, critical care medicine, 24-hour physician call centers, case management and transition management that offers to help healthcare organizations engage in performance payments for utilization efficiency, quality of care objectives and shared accountability arrangements. The company intends to capitalize on the growing market for hospital-based physicians and care management services. There are 4900 acute care hospitals in the U.S., with over 35 million annual admissions. Total U.S. spending on hospital care is over \$650 billion, and is expected to increase to \$1.3 trillion by 2016. There are tremendous inefficiencies in the delivery of inpatient care, a high rate of hospital errors and high readmission rates. These are drivers for the growth of hospital-based medicine and care management services. Apollo and its affiliated medical groups have proven expertise in providing excellent and efficient care to hospitalized patients.

SOURCE Apollo Medical Holdings, Inc.