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Apollo Medical Holdings, Inc. Announces APA ACO Achieved \$48.8 Million in Shared Savings from Centers for Medicare and Medicaid Services for 2021 Performance Year

ALHAMBRA, Calif., Jan. 5, 2023 /PRNewswire/ -- Apollo Medical Holdings, Inc. ("ApolloMed," and together with its subsidiaries and affiliated entities, the "Company") (NASDAQ: AMEH), a leading physician-centric, technology-powered healthcare company focused on enabling providers in the successful delivery of value-based care, today announced that its wholly-owned subsidiary, APA ACO, Inc. ("APA ACO") generated \$56.2 million in gross savings for the 2021 performance year, resulting in \$48.8 million in shared savings from the Centers for Medicare & Medicaid Services ("CMS").



In 2016, APA ACO applied for and was approved by CMS to participate in the Next Generation Accountable Care Organization (ACO) Model. APA ACO was approved to participate in the All-Inclusive Population-Based Payment ("AIPBP") track, which was the most advanced risk-taking payment model. Under the AIPBP track, CMS estimates the total annual expenditures for the Next Generation ACO's patients and then pays that projected amount to the ACO in a per-beneficiary, per-month ("PBPM") payment. The Next Generation ACO is then responsible for paying all Part A and Part B costs for in-network participating providers and preferred providers with whom it has contracted. In the program, APA ACO took on the risk for all of Medicare Part A and Part B for contracted and participating providers, meaning that APA ACO worked hand-in-hand with its providers to manage their patient population.

For 2021, APA ACO's aggregate benchmark expenditure was \$437.2 million, with actual expenditures amounting to \$381.1 million, resulting in gross savings of \$56.2 million. The Company elected the 80/20 risk arrangement with CMS in 2021, the Next Generation ACO's final performance year, which allowed APA ACO to retain 15% of its gross shared savings, or \$48.8 million.

Brandon Sim, Co-Chief Executive Officer of ApolloMed, stated, "We are proud that our ACO generated \$56.2 million in gross savings, the highest nationwide in both gross savings amount and in savings percentage, as part of our participation in the Next Generation ACO program during the 2021 performance year. We truly believe that our continued ability to deliver leading results in healthcare delivery for Original Medicare patients across the country is validation of ApolloMed's physician-centric, tech-enabled, value-based care

model. This is, at its core, a superior level of care coordination and population health management that allows our providers to deliver high-quality care at lower costs."

As 2021 was the final performance year of the Next Generation ACO program, APA ACO transitioned to the Global and Professional Direct Contracting ("GPDC") program and began participating as a Direct Contracting Entity in the 2022 performance year, beginning January 1, 2022.

About Apollo Medical Holdings, Inc.

ApolloMed is a leading physician-centric, technology-powered, risk-bearing healthcare management company. Leveraging its proprietary end-to-end technology solutions, ApolloMed operates an integrated healthcare delivery platform that enables providers to successfully participate in value-based care arrangements, thus empowering them to deliver high quality care to patients in a cost-effective manner.

Headquartered in Alhambra, California, ApolloMed's subsidiaries and affiliates include management services organizations (MSOs), affiliated independent practice associations (IPAs), and entities participating in the Centers for Medicare & Medicaid Services Innovation Center (CMMI) innovation models. For more information, please visit www.apollomed.net.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, such as statements about the Company's operational focus and strategic growth plans. Forward-looking statements reflect current views with respect to future events and financial performance and therefore cannot be guaranteed. Such statements are based on the current expectations and certain assumptions of the Company's management, and some or all of such expectations and assumptions may not materialize or may vary significantly from actual results. Actual results may also vary materially from forward-looking statements due to risks, uncertainties and other factors, known and unknown, including the risk factors described from time to time in the Company's reports to the Securities and Exchange Commission ("SEC"), including without limitation the risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC and any subsequent quarterly reports on Form 10-Q.

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