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✦. Astrana Health

# **Apollo Medical Holdings, Inc. Announces APA ACO Achieved \$19.8 Million in Shared Savings from Centers for Medicare and Medicaid Services for 2019 Performance Year**

ALHAMBRA, Calif., Feb. 16, 2021 /PRNewswire/ -- Apollo Medical Holdings, Inc. ("ApolloMed") (NASDAQ: AMEH), a leading physician-centric, technology-powered healthcare management company, today announced that its wholly-owned subsidiary, APA ACO, Inc. ("APA ACO") generated \$37.3 million in gross savings for the 2019 performance year, resulting in \$19.8 million in shared savings from the Centers for Medicare & Medicaid Services ("CMS").



APA ACO applied and was approved by CMS to participate in the Next Generation Accountable Care Organization (ACO) Model in 2017. APA ACO was approved to participate in the All-Inclusive Population-Based Payment ("AIPBP") track, which is 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.

For 2019, APA ACO's aggregate benchmark expenditure calculated by CMS was \$504.9 million. APA ACO's actual expenditures were \$467.6 million, resulting in gross savings of \$37.3 million. However, as CMS caps gross savings at 5%-15% of the benchmark expenditure and the Company electing the 5% cap, gross savings maxed out at \$25.2 million. APA ACO had chosen an 80/20 risk arrangement with CMS. With a 2% sequestration rate, the resulting net shared savings to APA ACO was \$19.8 million for 2019.

Kenneth Sim M.D., Executive Chairman and Co-Chief Executive Officer of ApolloMed, stated, "We believe the \$37.3 million in gross savings generated during the 2019 performance year is a testament to ApolloMed's physician-centric, value-based integrated care model, all of which is supported by our internally developed proprietary technologies. We continue to invest in innovation and technology, as it enables us to improve outcomes for our member population by empowering our contracted physicians to provide highly personalized care in a more cost- and time-efficient manner. ApolloMed is continuously

working to improve our population health management platform, which combined with our clinical knowledge base and risk management infrastructure, has positioned us to benefit from the ongoing shift to value-based payment models. Our integrated model spans the entire inpatient and outpatient care continuum, which is essential for the delivery of quality, cost-efficient care."

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

ApolloMed is a leading physician-centric, technology-powered, risk-bearing healthcare management company. Leveraging its proprietary population health management and healthcare delivery platform, ApolloMed operates an integrated, value-based healthcare model, which aims to empower the providers in its network to deliver the highest quality of care to its patients in a cost-effective manner.

Headquartered in Alhambra, California, ApolloMed's subsidiaries include management services organizations ("MSOs"), affiliated independent practice associations ("IPAs") and a Next Generation ACO. Network Medical Management, Inc. and Apollo Medical Management, Inc. are the administrative and managerial services companies for the affiliated physician owned professional corporations that contract with independent physicians to deliver medical services in-office and virtually under the Allied Pacific of California IPA, Alpha Care Medical Group, Inc. and Accountable Health Care IPA brands. These affiliates are supported by ApolloMed Hospitalists, a Medical Corporation. Our Next Generation ACO operates under the APA ACO, Inc. brand and participates in the Centers for Medicare & Medicaid Services program that allows provider groups to assume higher levels of financial risk and potentially achieve a higher reward from participation in the program's attribution-based risk sharing model. For more information, please visit [www.apollomed.net](http://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, strategic growth plans, and merger integration efforts, including APA ACO's continued participation in the AIPBP track and as a Next Generation ACO. 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, 2019, filed with the SEC and any subsequent quarterly reports on Form 10-Q.*


### **FOR MORE INFORMATION, PLEASE CONTACT:**

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