APPLICATION HIGHLIGHTS
- P3 Health Partners, LLC is considering opening a 36,000 square foot facility in Las Vegas, NV.
- The company's Las Vegas facility would serve as a headquarters for its national Management Services Organization (MSO).
- The company's founders held the first professional risk contract in Nevada, in 1999, and employed and managed a network of 1,400 multi-specialty clinicians throughout the Las Vegas Valley.

PROFILE
The P3 Health Partners, LLC team originally founded HealthCare Partners of Nevada. Over the past eighteen years the team has worked with payers and health systems across the country and built medical groups and IPAs for the sole purpose of improving clinical outcomes and patient and provider experience, while substantially reducing the cost of healthcare for all. This reduction in cost, aligned with improved documentation of disease by clinicians, allows for a robust business model. After selling HealthCare Partners of Nevada in 2012, the team is now looking to return to Las Vegas for the expansion of a new venture, P3 Health Partners, LLC. The company’s objective is to lead the value-based transformation of American medicine by establishing strategic partnerships that focus on enhanced health outcomes, more productive and responsive systems, lower overall costs, better patient experiences, and greater professional satisfaction for caregivers. Source: P3 Health Partners

SIGNIFICANCE OF ABATEMENTS IN THE COMPANY’S DECISION TO RELOCATE/EXPAND
A company review of operating costs shows Las Vegas has the right combination of workforce availability and development space. The economic development incentives offered by the State of Nevada have been an integral factor in the company's decision to locate its operation in southern Nevada. P3 Health Partners, LLC examined multiple locations throughout the western states and ultimately, after much due diligence and economic feasibility analysis, Nevada was chosen for its overall incentive package and pro business climate. Source: P3 Health Partners

SIGNIFICANCE OF ABATEMENTS IN

<table>
<thead>
<tr>
<th>Statutory</th>
<th>Application Sufficient</th>
<th>% Over / Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Creation</td>
<td>25</td>
<td>160</td>
</tr>
<tr>
<td>Average Wage</td>
<td>$21.95</td>
<td>$36.94</td>
</tr>
<tr>
<td>Equipment Capex (SU &amp; MBT)</td>
<td>$1,158</td>
<td>$921,149</td>
</tr>
<tr>
<td>Equipment Capex (PP)</td>
<td>$1,158</td>
<td>$921,149</td>
</tr>
</tbody>
</table>

INCENTIVES

<table>
<thead>
<tr>
<th>Requested Terms</th>
<th>Estimated $ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Abmt.</td>
<td>2% for 2 years</td>
</tr>
<tr>
<td>Modified Business Tax Abmt.</td>
<td>50% for 4 years</td>
</tr>
<tr>
<td>Personal Property Tax Abmt.</td>
<td>50% for 10 years</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

JOB CREATION

<table>
<thead>
<tr>
<th>Contracted</th>
<th>24-Month Projection</th>
<th>5-Year Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>160</td>
<td>220</td>
</tr>
</tbody>
</table>

OTHER CAPITAL INVESTMENT

<table>
<thead>
<tr>
<th>Land</th>
<th>Building Purchase</th>
<th>BTS / Building Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)

<table>
<thead>
<tr>
<th>Total Jobs Supported</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>402</td>
<td>0</td>
</tr>
<tr>
<td>Total Payroll Supported</td>
<td>$212,130,234</td>
</tr>
<tr>
<td>Total Output Estimate</td>
<td>$511,259,579</td>
</tr>
</tbody>
</table>

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

<table>
<thead>
<tr>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Taxes</td>
<td>$378,372</td>
<td>$5,978,938</td>
</tr>
<tr>
<td>Property</td>
<td>$0</td>
<td>$3,860,688</td>
</tr>
<tr>
<td>Sales</td>
<td>$0</td>
<td>$258,921</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$87,386</td>
</tr>
<tr>
<td>State Taxes</td>
<td>$20,695</td>
<td>$348,131</td>
</tr>
<tr>
<td>Property</td>
<td>$18,423</td>
<td>$3,151,207</td>
</tr>
<tr>
<td>Sales</td>
<td>$1,670,906</td>
<td>$833,523</td>
</tr>
<tr>
<td>Modified Business</td>
<td>$0</td>
<td>$87,386</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$87,386</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,088,396</td>
<td>$12,682,794</td>
</tr>
</tbody>
</table>

EMPLOYEE BENEFITS
- Percentage of health insurance covered by company: 100%.
- Health care package cost per employee - $6,034 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Merit Increases, COLA Adjustments, Retirement Plan / Profit Sharing / 401(k), Bonus.

NOTES
- Percentage of revenue generated by the new jobs contained in this application from outside Nevada: 85%.
- The company is also considering Henderson, NV and Arizona as potential locations.
October 19, 2017

Mr. Steve Hill  
Nevada Governor’s Office of Economic Development  
555 E. Washington Avenue, Suite 5400  
Las Vegas, Nevada 89101

Dear Mr. Hill:

P3 Health is applying to the State of Nevada for tax abatement incentives to include the Sales and Use Tax Abatement, Modified Business Tax Abatement, and Personal Property Tax Abatement. We request that P3 Health be placed on the agenda for the November 2017 GOED Board meeting.

P3 Health will hire 160 new employees in the first 24 months of operations, making an average hourly wage of $36.94. The company will make a capital investment of $921,149 dollars in equipment.

The Las Vegas Global Economic Alliance has reviewed P3 Health’s application and found it to be in compliance to receive incentive abatements. P3 Health has the full support and endorsement of the Las Vegas Global Economic Alliance.

Sincerely,

Michael Walsh  
VP Economic Development  
Las Vegas Global Economic Alliance
Dear Mr. Hill,

By way of this letter and the attached application, P3 Health Partners is requesting tax incentives to assist with our planned operation in the state of Nevada. Recent strategic planning has the company focused on creating a presence in Nevada. A big part of this consideration is the economic incentives offered by the state. A review of our operating costs has shown that Las Vegas is has the right combination of work force availability and development space. We anticipate hiring 160 full-time employees at an average wage of $36.94 in the next 24 months.

Over the past 18 years our team has worked with payers and health systems across the country, from our home base in Nevada (as HealthCare Partners of Nevada). We have built medical groups and IPA’s for the sole purpose of improving clinical outcomes, patient and provider experience, while substantially reducing the cost of healthcare for all. This reduction in cost aligned with improved documentation of disease by clinicians allows for a robust business model. Our founders held the first professional risk contract in Nevada, in 1999, and employed and managed a network of 1,400 multi-specialty clinicians throughout the Vegas valley. After selling HealthCare Partners of Nevada in 2012, we are now looking to return to Las Vegas for the expansion of our new venture, P3 Health Partners.

The economic development incentives offered by the State of Nevada have been an integral factor in our decision making process to locate our operation here in the state. P3 Health Partners was examining multiple locations throughout the western states and ultimately, after much due diligence and economic feasibility analysis, Nevada was chosen for its overall incentive package and pro business climate. We are considering opening a 36,000 sq. ft. facility within the next few months to establish a headquarters for national MSO services.

Our experience with representatives from the Las Vegas Global Economic Alliance has been positive and we look forward to your approval of our application to assist us with our efforts to expand in your state. If you have any questions, please feel free to call me.

Thank you for your time and consideration.

Sincerely,

Sherif Abdou, MD
Chief Executive Officer
P3 Health Partners
Mr. Steve D. Hill  
Executive Director  
Nevada Governor’s Office of Economic Development  
808 W. Nye Lane  
Carson City, NV 89703  

RE: REQUEST FOR CONFIDENTIALITY OF RECORDS AND DOCUMENTS  

Dear Director Hill:  

On October 2nd, 2017, P3 Health Partners submitted an application to you as the Executive Director of the State of Nevada Governor's Office of Economic Development ("GOED") requesting approval of economic incentives for their new operation in Nevada. The purpose of this letter is to request confidentiality pursuant to Section 4 of Assembly Bill No. 17 (2015 Regular Session) as codified in NRS 231.069.  

Please be advised P3 Health Partners specifically deems the following information proprietary and confidential:  

1) The detailed schedule of Employment List  
2) The detailed schedule of Capital Equipment List  

Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me.  

Very truly yours,  

Sherif Abdou, MD  
Chief Executive Officer
REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to NRS 231.069, and upon the request of applicant P3 Health Partners the Executive Director of the Office has determined the:

(i) The detailed schedule of Capital Equipment List, 5(A)
(ii) The detailed schedule of Employment List, 5(B)

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.

___

Steven D. Hill
Executive Director

11/07/2017
Date
Section 1 - Type of Incentives

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement
- Sales & Use Tax Deferral
- Modified Business Tax Abatement
- Recycling Real Property Tax Abatement
- Personal Property Tax Abatement
- Other:

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada)

P3 Health Group Holdings, LLC

CORPORATE ADDRESS

6700 Via Austi Parkway Suite B

CITY / TOWN

Las Vegas

STATE / PROVINCE

Nevada

ZIP

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?

- Yes
- No

Section 3 - Program Requirements

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of $1,000,000 in eligible equipment in urban areas or $250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.

- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.

- In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. In rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).

Section 4 - Nevada Facility

Type of Facility:

- Headquarters
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other:

PROPOSED / ACTUAL NEVADA FACILITY ADDRESS

5170 Baldura Avenue

CITY / TOWN

Las Vegas

COUNTY

Clark County

ZIP

89118

WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?

Henderson, NV and Arizona
Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)

Check the applicable box when form has been completed.
- 5 (A)  ☑ Equipment List
- 5 (B)  ☑ Employment Schedule
- 5 (C)  ☑ Evaluation of Health Plan

Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up - Plans Over the Next 10 Years</th>
<th>Expansions - Plans Over the Next 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>If No, skip to Part 2. If Yes, continue below:</td>
<td>If No, skip to Part 2. If Yes, continue below:</td>
</tr>
<tr>
<td>What year(s)?</td>
<td>What year(s)? 2015 - 2017</td>
</tr>
<tr>
<td>How much space (sq. ft)?</td>
<td>How much space (sq. ft)? 3,980</td>
</tr>
<tr>
<td>Annual lease cost of space:</td>
<td>Annual lease cost at current space: $135,600.00</td>
</tr>
<tr>
<td>Do you plan on making building tenant improvements?</td>
<td>Due to expansion, will you lease additional space? Yes</td>
</tr>
<tr>
<td>If No, skip to Part 2. If Yes *, continue below:</td>
<td>Expanding at the current facility or a new facility? New</td>
</tr>
<tr>
<td>When to make improvements (month, year)?</td>
<td>What year(s)? 2018</td>
</tr>
<tr>
<td></td>
<td>How much expanded space (sq. ft)? 36,000</td>
</tr>
<tr>
<td></td>
<td>Annual lease cost of expanded space: $480,000.00</td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
<td>If No, skip to Part 3. If Yes, continue below:</td>
</tr>
<tr>
<td>Purchase date, if buying (month, year):</td>
<td>Current assessed value of real property?</td>
</tr>
<tr>
<td>How much space (sq. ft)?</td>
<td>Due to expansion, will you be making building improvements?</td>
</tr>
<tr>
<td>Do you plan on making building improvements?</td>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
<td>When to make improvements (month, year)?</td>
</tr>
<tr>
<td></td>
<td>Estimated completion date, if building (month, year):</td>
</tr>
<tr>
<td></td>
<td>How much space (sq. ft)?</td>
</tr>
</tbody>
</table>

Expansions - Plans Over the Next 10 Years

| Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? | |
| If Yes *, continue below: | |
| When to break ground, if building (month, year)? | |
| Estimated completion date, if building (month, year): | |
| How much space (sq. ft)? | |

* Please complete Section 7 - Capital Investment for New Operations / Startup.

* Please complete Section 7 - Capital Investment for Expansions below.

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):
Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much capital investment is planned? (Breakout below):</td>
<td>How much capital investment is planned? (Breakout below):</td>
</tr>
<tr>
<td>Building Purchase (if buying): $0</td>
<td>Building Purchase (if buying): $0</td>
</tr>
<tr>
<td>Building Costs (if building / making improvements): $0</td>
<td>Building Costs (if building / making improvements): $0</td>
</tr>
<tr>
<td>Land: $0</td>
<td>Land: $0</td>
</tr>
<tr>
<td>Equipment Cost: $0</td>
<td>Equipment Cost: $0</td>
</tr>
<tr>
<td><strong>Total:</strong> $0</td>
<td><strong>Total:</strong> $0</td>
</tr>
</tbody>
</table>

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?:</td>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: 160</td>
</tr>
<tr>
<td>Average hourly wage of these new employees:</td>
<td>Average hourly wage of these new employees: $36.94</td>
</tr>
<tr>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: 160</td>
<td>How many FTE employees prior to expansion?: 21</td>
</tr>
<tr>
<td>Average hourly wage of these existing employees: $114.00</td>
<td>Total number of employees after expansion: 181</td>
</tr>
</tbody>
</table>

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):
- [ ] Overtime
- [ ] Merit increases
- [ ] Tuition assistance
- [ ] Bonus
- [ ] PTO / Sick / Vacation
- [ ] COLA adjustments
- [ ] Retirement Plan / Profit Sharing / 401(k)
- [ ] Other: __________________________

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

Section 9 - Employee Health Insurance Benefit Program

Is health insurance for employees and an option for dependents offered?:  [ ] Yes (copy of benefit plan must be attached)  [ ] No

Package includes (check all that apply):
- [ ] Medical
- [ ] Vision
- [ ] Dental
- [ ] Other: __________________________

Qualified after (check one):
- [ ] Upon employment
- [ ] Three months after hire date
- [ ] Six months after hire date
- [ ] Other: __________________________

<table>
<thead>
<tr>
<th>Health Insurance Costs:</th>
<th>Percentage of health insurance coverage by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of health insurance for company (annual amount per employee): $6,033.60</td>
<td>Company: 100%</td>
</tr>
<tr>
<td>Health Plan annual out-of-pocket maximum (individual): $6,250.00</td>
<td>Employee: 0%</td>
</tr>
</tbody>
</table>

[Signature page follows]
I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and/or the company’s legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Signature

Date

Name of person authorized for signature

Title
Section 1 - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

<table>
<thead>
<tr>
<th>Availability of qualified workforce: 5</th>
<th>Transportation infrastructure: 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor costs: 4</td>
<td>Transportation costs: 3</td>
</tr>
<tr>
<td>Real estate availability: 3</td>
<td>State and local tax structure: 4</td>
</tr>
<tr>
<td>Real estate costs: 4</td>
<td>State and local incentives: 4</td>
</tr>
<tr>
<td>Utility infrastructure: 3</td>
<td>Business permitting &amp; regulatory structure: 4</td>
</tr>
<tr>
<td>Utility costs: 3</td>
<td>Access to higher education resources: 5</td>
</tr>
</tbody>
</table>

OTHER FACTORS & RATINGS:
Equipment Schedule, Detailed

The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of P3 Health Partners, and is not a public record.
Employment Schedule, Detailed

The Office has determined the detailed employment schedule as described in this application constitutes confidential proprietary information of P3 Health Partners, and is not a public record.
5(C) Evaluation of Health Plans Offered by Companies

Company Name: P3 Health Partners  
County: Clark

Total Number of Full-Time Employees: 21

Average Hourly Wage per Employee: $114.00  
Average Annual Wage per Employee (implied): $237,120.00

Annual Cost of Health Insurance per Employee: $6,033.60  
Percentage of Cost Covered by:  
- Company: 100%  
- Employee: 0%

Health Plan Annual Out-of-Pocket Maximum: $6,250

**Generalized Criteria for Essential Health Benefits (EHB)**  
(Adhering to requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022)

| Covered employee's premium not to exceed 9.5% of annual wage | 0.0% | MMQ |
| Annual Out-of-Pocket Maximum not to exceed $6,600 (2015) | $6,250 | MMQ |

Minimum essential health benefits covered (Company offers PPO):

- (A) Ambulatory patient services: ✅
- (B) Emergency services: ✅
- (C) Hospitalization: ✅
- (D) Maternity and newborn care: ✅
- (E) Mental health/substance use disorder/behavioral health treatment: ✅
- (F) Prescription drugs: ✅
- (G) Rehabilitative and habilitative services and devices: ✅
- (H) Laboratory services: ✅
- (I) Preventive and wellness services and chronic disease management: ✅
- (J) Pediatric services, including oral and vision care: ✅

No Annual Limits on Essential Health Benefits: ✅

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached sufficient plan information for GOED to independently confirm the same.

**Signature**

**Date** 10/2/17
NEVADA STATE BUSINESS LICENSE

P3 HEALTH GROUP LLC
Nevada Business Identification # NV20151265187

Expiration Date: April 30, 2018

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on April 28, 2017

Barbara K. Cegavske
Secretary of State

You may verify this license at www.nvsos.gov under the Nevada Business Search.

License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which by law cannot be waived.
CLARK COUNTY BUSINESS LICENSE

LICENSE NUMBER: 2002261-054-121
LICENSE PERIOD: 04/01/2017 - 03/31/2018

POST IN A CONSPICUOUS PLACE AT THE BUSINESS LOCATION

ISSUED TO:
P3 Health Group, LLC
6700 Via Austi Pkwy B
Las Vegas, NV 89119

BUSINESS LOCATION ADDRESS:
6700 Via Austi Pkwy B
Las Vegas, NV 89119

TYPE OF LICENSE: Professional, Scientific, and Technical Services - Group 3
LAND USE: M-1

All signage must conform to standards set forth in Clark County Codes 30.72 and 30.48. Business owners are responsible to keep business property free of trash and graffiti, conform to all zoning codes requirements and, if applicable, all conditions set forth in a Notice of Final Action issued by Comprehensive Planning.

Current Planning Comments:
M-1 zone. Approved for healthcare consulting within existing approved office space.

DISCLAIMER
ISSUANCE OF A BUSINESS LICENSE IS NOT AN ENDORSEMENT OF THE BUSINESS PRACTICE OF THE LICENSEE.
PLEASE SEE REVERSE SIDE FOR ADDITIONAL INFORMATION

Jacqueline R. Holloway
DIRECTOR OF BUSINESS LICENSE

DEPARTMENT OF BUSINESS LICENSE
500 S GRAND CENTRAL PARKWAY
BOX 551810
LAS VEGAS NV 89155-1810
PHONE: (702) 455-4252
P3 Health Partners: History and Vision for Growth
P3’s Organization

We Are

People, with Passion and Purpose

Because we are certain that what we do directly and visibly helps patients and providers, we act with passion.

With passion we seek to positively disrupt the business of medicine by overcoming obstacles that prevent transformation.
To transform health care for

Patients, Providers, and Payers

We have a singular purpose, to align and advance, in sync, the interests of Patients, Providers and Payers by applying the knowledge and skills we have gained from experience. Through these strategic partnerships we will achieve the quadruple aim.
To build an organization that is **Patient Centered, Physician Led** and **Population Health Focused**

Through strategic partnerships that embrace transformative change, we strive to make health care better for millions of patients, thousands of physicians and dozens of payers.
The P3 team has a proven track record of managing the health of large patient populations across the continuum-of-care. Our experience enables us to navigate and reconcile the many nuances that relate to simultaneously improving care and decreasing costs across patient populations.
Clinical and Financial Success in Nevada

HEALTHCARE TRANSFORMED

- Held first professional risk contract in Nevada in 1999
- Transformed health care in Las Vegas by paving the way for all major players in the Las Vegas market to start taking risk
- Over that time, Nevada’s state health has improved from #49 to #35 nationally

CLINICAL EXCELLENCE

- Ranked #1 in quality for HEDIS scores across all Humana national markets

OUR APPROACH

To successfully transform from volume to value we take a 5 step approach:

1. Cultural alignment
2. Paradigm shift
3. Incentive alignment
4. Best practice implementation
5. Process improvement
Successfully Bending the Cost Curve

- 13.5% Decrease in PMPM medical cost from 2006 to 2014 ($85 PMPM)
- Decreased medical costs while growing from 7,500 to 55,000 risk lives
- Maintained average medical cost within 1% variance during years of explosive growth
- $532 PMPM average medical cost over a 6 year period
- The national average medical cost increased by 8.1% year-over-year
P3’s Business Model

Build scalable care delivery systems that accept and manage clinical and financial risk for large patient populations.

Medical Group
- Clinical Operations: Owned and IPA
- Clinically Integrated System of Care

MSO
- CM/DM/QM/UM
- Combined Clinician and Executive Leadership Development
- Network Development and Contracting
- Coding and Documentation Education
- Analytics
- Technology

Consulting
- Provider Groups
- Health Plans
- Hospital Systems
The National Health Care Opportunity
The Medicare Advantage Opportunity

- Opportunities are available both to create new managed care entities in some markets, as well as taking over management of entities that are not performing well.

- The overall number of Medicare Beneficiaries is projected to increase by 15% by 2020.

- Whereas, Medicare Advantage Enrollment is projected to almost double by 2025.

* Changes proposed by the incoming administration could significantly increase the projection.

Source: October 13, 2015, Avalere, “Nearly 60 percent of new Medicare Advantage plans are sponsored by healthcare providers”
The Medicare Advantage Opportunity

Share of Medicare Beneficiaries Enrolled in Medicare Private Plans, by State, 2016

National Average, 2016 = 31%

NOTE: Includes MSAs, cost plans and demonstrations. Includes Special Needs Plans as well as other Medicare Advantage plans. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.

SOURCE: Authors’ analysis of CMS State/County Market Penetration Files, 2016.
The Opportunity

• Clinicians are burning out; physician groups are seeking alternatives that promote value over volume

<table>
<thead>
<tr>
<th>Which Physicians Are Most Burned Out?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical Care</td>
</tr>
<tr>
<td>Urology</td>
</tr>
<tr>
<td>Emergency Medicine</td>
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<tr>
<td>Family Medicine</td>
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<tr>
<td>Internal Medicine</td>
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<tr>
<td>Pediatrics</td>
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<tr>
<td>Surgery</td>
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<tr>
<td>Ob/Gyn</td>
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<tr>
<td>Neurology</td>
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<tr>
<td>Radiology</td>
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<tr>
<td>Cardiology</td>
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<tr>
<td>Anesthesiology</td>
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<tr>
<td>Gastroenterology</td>
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<tr>
<td>Rheumatology</td>
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<tr>
<td>Infectious Disease</td>
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<tr>
<td>Nephrology</td>
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<tr>
<td>Orthopedics</td>
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<tr>
<td>Oncology</td>
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<tr>
<td>Pathology</td>
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<tr>
<td>Plastic Surgery</td>
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<tr>
<td>Pulmonary Medicine</td>
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<tr>
<td>Dermatology</td>
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<tr>
<td>Diabetes &amp; Endocrinology</td>
</tr>
<tr>
<td>Ophthalmology</td>
</tr>
<tr>
<td>Psychiatry &amp; Mental Health</td>
</tr>
</tbody>
</table>

• Patients are also searching for better quality and a better care experience

The Clinical Integration Opportunity

- Health plans are looking for partners to manage care more effectively

Two Priorities of Transition to Value Drive Toward Consolidation

**Erosion of FFS Foundation**
- Cuts in provider reimbursement
- Transformational shift of incentive structures
- Reporting, infrastructure burdens

**Push Toward Integration**
- Physician alignment/care coordination
- I.T./operational efficiency

- Hospital systems are seeking physician executives to lead their transformation into health systems
## The Payer Partnership Opportunity

<table>
<thead>
<tr>
<th>Parent Firm</th>
<th>Medicaid MCO States</th>
<th>QHP States</th>
<th>Medicare Advantage States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna</td>
<td>35</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Anthem (Wellpoint, Caremore)</td>
<td>26</td>
<td>18</td>
<td>14</td>
</tr>
<tr>
<td>Blue Shield of CA (Care 1st)</td>
<td>3</td>
<td>2</td>
<td>1</td>
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<tr>
<td>Centene (Health Net)</td>
<td>19</td>
<td>17</td>
<td>15</td>
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<tr>
<td>Cigna</td>
<td>19</td>
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<td>Humana</td>
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<td>Kaiser</td>
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<tr>
<td>Molina</td>
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<td>11</td>
<td>9</td>
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<tr>
<td>UnitedHealth Group</td>
<td>45</td>
<td>22</td>
<td>34</td>
</tr>
</tbody>
</table>
P3 Health Partners

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(702) 910-3950
Sherif Abdou, CEO

Dr. Sherif Abdou, M.D., MMM, FACP, FACPE has focused his career on managing and leading the transformation of the health care delivery system throughout the United States. A highly respected health care professional known for his forward-thinking efforts in business strategy development, patient care and network expansion, Dr. Abdou developed and led HealthCare Partners Nevada (HCPNV), one of the largest health care provider networks in Southern Nevada. Most recently, he served as the Desert Region President for DaVita HealthCare Partners, Inc. (NYSE: DVA), forming in-depth strategies to expand commercial and Medicare patient populations in Arizona, Nevada and New Mexico.

Dr. Abdou offers a wealth of experience related to guiding all aspects of company operations and effectively utilizing data analytics to reduce costs and improve medical outcomes. Regarded as a pioneer in coordinated care, Dr. Abdou has successfully integrated specialty providers into primary care networks while improving physician engagement, creating a winning culture and developing financial models that align incentives with patient-focused objectives.

During his time with HCPNV, Dr. Abdou facilitated significant growth within the Southern Nevada market, expanding from only five clinics to build a vast organization offering 52 medical clinics, more than 1,700 specialists and 310 primary care providers while serving 300,000 patients each year. He guided the organization’s efforts to expand its Medicare Advantage population by nearly 700 percent from 2006 to 2014, growing from 7,000 patients to almost 55,000. He also led the company’s strategic acquisitions of many large and small practices while improving quality metrics and earning a four-star rating from the Centers for Medicare & Medicaid Services.

Dr. Abdou founded Summit Medical Group, where he developed an innovative, coordinated approach to health care in Southern Nevada. He successfully guided the company through an acquisition to become Pinnacle Health System, which later became HCPNV. In addition, Dr. Abdou served as the President of Physician IPA, developing the most successful independent physician association in Nevada. Dr. Abdou also formed Inpatient Physicians Network, the first organized hospitalist company in the state of Nevada, and secured the nation’s first population health capitated contract for hospitals. In addition, he served as the President of PS, which became the nation’s second-largest third-party administrator under his leadership.

Prior to leading these prominent medical organizations, Dr. Abdou worked as a hospitalist and primary care physician for Desert Springs Hospital Medical Center in Las Vegas. He also served as a clinical research fellow at the University of Southern California.

He earned his Doctor of Medicine degree from Mansoura University School of Medicine, later completing an internship at the institution. He also completed an internship in internal medicine and a hospital residency at University Medical Center in Las Vegas. Dr. Abdou was certified by the American Board of Internal Medicine in 1995 and completed his master’s degree in medical management from the University of Southern California in 2003. He is a member of Cigna’s Accountable Care Organization National Council and the Nevada Association of Managed Care Physicians. He is a fellow of the American College of Physicians and the American College of Physician Executives.
Dr. Amir Bacchus, M.D., MBA offers a wide range of knowledge and experience as a physician leader, most recently serving as the Desert Region Chief Medical Officer for DaVita HealthCare Partners, Inc. (NYSE:DVA). With 18 years of experience related to operating, managing and guiding physician groups, Dr. Bacchus has the ability to engage providers to succeed in an ever changing health care landscape. Much of his career has focused on health care delivery and working with managed care organizations to promote improved quality, access and cost of care. He possesses a comprehensive knowledge of utilization, quality and performance metrics. Dr. Bacchus also specializes in risk contracting, working to educate and lead providers from fee-for-service models to managing a risk portfolio of patients.

Throughout his career, Dr. Bacchus has utilized his unwavering passion for medicine to create company cultures that prioritize quality, utilization and customer satisfaction through clinical engagement and proper incentives. As the Chief Medical Officer and Co-Founder of HealthCare Partners Nevada (HCPNV), Dr. Bacchus oversaw all aspects of care for the organization's medical group, IPA network and support staff. His responsibilities included leading, mentoring and educating all providers on the organization's innovative Total Care Model, a coordinated, value-based approach to medicine. He guided the company's clinical leaders and medical directors to support HCPNV's patient-focused mission, in addition to developing best practices for all HealthCare Partners markets.

Dr. Bacchus was also the Co-Founder and Chief Medical Officer of Pinnacle Health System, building a medical group, in addition to the national hospitalist group Inpatient Physicians Network and the independent physician association Physician IPA, to become the sole delivery system for PacificCare/Secure Horizons and other health plans. The organization also provided national hospitalist group services in Nevada, Arizona, Colorado and California. His responsibilities included managing the clinical and operations departments while working directly with health plans. Pinnacle Health System eventually became HCPNV through an acquisition.

In addition to his work with Pinnacle and HCPNV, Dr. Bacchus formerly served as the Chief Executive Officer and Managing Partner of Diagnostic Center of Medicine in Las Vegas. During his time with the organization, he led a practice with 27 primary care physicians at five offices throughout the greater Las Vegas area. Prior to taking on a leadership role with Diagnostic Center of Medicine, he worked as an internist for the company, providing primary care and inpatient/outpatient management with a significant intensive-care-unit workload.

Dr. Bacchus previously served as the Chairman of Spring Valley Hospital Medical Center’s Department of Medicine in Las Vegas, and he is a member of the University of Nevada, Las Vegas School of Medicine Community Advisory Board. He is certified by the American Board of Internal Medicine and is a member of the American Medical Association, Clark County Medical Society, the American College of Physicians and the Society of Hospital Medicine. He also founded the Nevada Regional Chapter of the Society of Hospital Medicine.

Dr. Bacchus received his Doctor of Medicine degree from Wayne State University School of Medicine. He completed his residency at St. John Hospital and Medical Center in Detroit, where he was named Resident of the Year for both 1993-94 and 1995-96. Dr. Bacchus has also been recognized by Las Vegas Life Magazine as One of the Best Doctors in Las Vegas. In 2003, he received a Master of Business Administration from the University of Nevada, Las Vegas.