

## MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2024-12-10-1279
OHCA Review Start Date	January 28, 2025
Anticipated date (unless tolled per regulation) by which OHCA could waive cost and market impact review	<del>March 14, 2025</del> TOLLED
Anticipated date (unless tolled per regulation) by which OHCA could determine cost and market impact review required	<del>March 31, 2025</del> TOLLED

## SUBMITTER

### HEALTH CARE ENTITY CONTACT FOR PUBLIC INQUIRY

Title	CEO
First Name	Von
Last Name	Crockett
Email Address	von.crockett@pmh.com

### GENERAL

Business Name	Alta Newport Hospital, LLC d/b/a Foothill Regional Medical Center
Website	<a href="https://www.foothillregionalmedicalcenter.com">https://www.foothillregionalmedicalcenter.com</a>
Ownership Type	Limited Liability Company
Tax Status	For-profit
Federal Tax ID	30-0804393
Description of Submitting Organization	<p>The organization ("Alta") is a General Acute Care Hospital which is authorized to provide the following services: acute ICU, telemetry, and medical/surgical level of care. Other services include physical therapy; social services; occupational therapy; radiology services which include mobile Magnetic Resonance Imaging (MRI) – nuclear medicine, CT, X-ray and ultrasound; respiratory care services; and basic emergency medical services. Alta has a Distinct Part Skilled Nursing Facility unit (SNF) that provides pediatric subacute care. Alta is a community hospital serving Tustin and surrounding Orange County communities. Alta serves a diverse community with a multilingual staff and an emphasis on quality, compassionate, and accessible medical care.</p> <p>It is owned by Prospect Intermediate Holdings, LLC, a Delaware limited liability company ("PIH"), which is wholly-owned by PHP Holdings, LLC d/b/a Prospect Health System, a Delaware limited liability company ("PHPH"). Its prior year revenues are as follows:</p> <p>The following revenues include capitation revenue from affiliated Prospect Health System entities that is eliminated upon consolidation:</p>

	<ul style="list-style-type: none"> <li>o FY 2021 revenue: \$169,145,451</li> <li>o FY 2022 revenue: \$183,783,197</li> <li>o FY 2023 revenue: \$205,954,254</li> </ul> <p>The following revenues exclude such capitation revenue and just include Alta's operational revenue :</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> FY 2021 revenue: \$78,452,273</li> <li><input type="checkbox"/> FY 2022 revenue: \$88,321,378</li> <li><input type="checkbox"/> FY 2023 revenue: \$97,329,321</li> </ul>
Health Care Provider	Yes
For Providers: Desc. of Capacity or Patients served in California	<p>(A) Hospital</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Provider type: General Acute Care Hospital (ICU, telemetry, medical surgery)</li> <li><input type="checkbox"/> Facilities owned or operated: Foothill Regional Medical Center</li> <li><input type="checkbox"/> Service lines overview: basic emergency medical; physical therapy; speech pathology; occupational therapy; respiratory care services; social services; radiology services which include x-ray, CT scan, nuclear medicine, mobile unit – MRI – outpatient services.</li> <li><input type="checkbox"/> Services – Emergency Department: Alta's goal is to treat patients in its paramedic-received emergency department, which is open 24/7. The department was recently renovated and equipped with new technology to ensure high patient satisfaction.</li> <li><input type="checkbox"/> Services – Weight-loss Surgery Program: Alta's nationally recognized weight-loss surgery program offers solutions for those struggling with obesity with both gastric bypass and sleeve options, as well as revision procedures. Alta's program offers before- and after-care to help support long-term weight-loss success. Alta acquired da Vinci technology to offer robotic bariatric procedures to eligible patients.</li> <li><input type="checkbox"/> Services – Robotics Technology: Robotic surgery systems allow surgeons to perform precise, controlled movements through a small incision. Alta offers Mako Smart-Robotics for hip and knee replacement surgery, and the da Vinci surgical platform for a variety of surgeries and procedures, including general, colorectal and bariatric surgeries.</li> <li><input type="checkbox"/> Number of staff: 294</li> <li><input type="checkbox"/> Capacity/licensed beds: 135</li> </ul> <p>(B) Distinct Part SNF Unit</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Provider type: Distinct Part Skilled Nursing Facility</li> <li><input type="checkbox"/> Facilities owned or operated: Foothill Regional Medical Center</li> <li><input type="checkbox"/> Service line overview: Pediatric Subacute Care.</li> <li><input type="checkbox"/> Services – Alta's pediatric unit is one of only 10 subacute units in California and the only one in Orange County to receive five stars from Nursing Home Compare.</li> </ul>

	<p>The unit has been taking care of medically fragile children for more than 18 years.</p> <p><input type="checkbox"/> Number of staff: 65</p> <p><input type="checkbox"/> Capacity/Licensed beds: 42</p>
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## LOCATIONS

Counties	Orange
California licenses and numbers	<p>o Hospital Licenses:</p> <p><input type="checkbox"/> CLIA Certificate of Accreditation No. 05D0935646;</p> <p><input type="checkbox"/> Clinical and Public Health Laboratory License No. CDF-00011417;</p> <p><input type="checkbox"/> DEA Controlled Substance Registration No. FN4981393;</p> <p><input type="checkbox"/> General Acute Care Hospital License, including Skilled Nursing and Special Permit: Basic Emergency Medical Service No. 060000178;</p> <p><input type="checkbox"/> Hospital Pharmacy License No. HSP58824;</p> <p><input type="checkbox"/> Sterile Compounding Pharmacy License No. LSC101801.</p> <p>o Hospital Enrollments and Identifiers:</p> <p><input type="checkbox"/> Medi-Cal (California Medicaid) Enrollment No. No. 55-5730 (Skilled Nursing Facility – Distinct Part);</p> <p><input type="checkbox"/> Medi-Cal (California Medicaid) Enrollment No. HSCX11672 (Hospital)</p> <p><input type="checkbox"/> Medicare Enrollment No. 05-0780 (Hospital);</p> <p><input type="checkbox"/> Medicare Enrollment No. 55-5730 (SNF);</p> <p><input type="checkbox"/> National Provider Identifier No. 1043632938 (General Acute Care Hospital)</p> <p><input type="checkbox"/> National Provider Identifier No. 1689096406 (SNF)</p> <p>o Ancillary Licenses:</p> <p><input type="checkbox"/> Air Pressure Tank Permit No. A007419-97;</p> <p><input type="checkbox"/> American College of Radiology (ACR) Computed Tomography (CT) Accreditation No. 23370-02 and No. 53370-02;</p> <p><input type="checkbox"/> Business Tax Certificate (City of Tustin) No. 102583958;</p> <p><input type="checkbox"/> Computed Topography Accreditation for the unit General Electric Co. Lightspeed VCT 64 SL 2016;</p> <p><input type="checkbox"/> Emergency Diesel Fuel Generator Permit No. G32154;</p> <p><input type="checkbox"/> FCC Industrial / Business Pool, Conventional License No. WQNQ352 and No. FRN0020612073;</p> <p><input type="checkbox"/> Fictitious Business Name Statement (Orange County) No. 20226649979;</p> <p><input type="checkbox"/> Fictitious Business Name Statement (Orange County Clerk-Recorder) 20226635373;</p> <p><input type="checkbox"/> Licensed Health Care Kitchen (OC Health Care Agency - Public Health Services, Environmental Health</p>

	Division) No. PR0002449; <input type="checkbox"/> Medical Waste Acute Care Facility (OC Health Care Agency – Public Health Services Environmental Health Division) No. PR0096003 and No. PR0095981; <input type="checkbox"/> Public Health Permit No. AR14101580; <input type="checkbox"/> Radiation Machine Registration No. FAC00074983; <input type="checkbox"/> Underground Storage Tank Permit (OC Health Care Agency – Public Health Services Environmental Health Division), Contractor License Number: 588098; CERS ID: 10514119. <input type="checkbox"/> Accreditations from the Joint Commission <input type="checkbox"/> Joint Commission, Certificate of Distinction as a Post-Acute Care Accreditation No. 613337 <input type="checkbox"/> Joint Commission, Hospital Accreditation No. 613337; <input type="checkbox"/> Joint Commission, Laboratory Accreditation No. 613337; <input type="checkbox"/> Joint Commission, Nursing Care Center Accreditation No. 613337
Other States Served	None
Primary Languages used when providing services	English; Spanish; Vietnamese
Other language if not listed above	See attached.

### MATERIAL CHANGE

#### ADDITIONAL ENTITIES

Business Name	Description of the Organization	Ownership Type	Additional MCN Submission
PHP Holdings, LLC d/b/a Prospect Health System	PHP Holdings, LLC d/b/a Prospect Health System ("PHPH") is the holding company for a portion of the Prospect family of companies. PHPH is 51% owned by Prospect Medical Holdings, Inc. and 49% owned by MPT Picasso Investor TRS, LLC. <ul style="list-style-type: none"> <li>FY 2021 revenue: PHPH's only revenue in 2021 was equal to that of its sole subsidiary at the time, Prospect Health Plan, Inc. (\$291,051,000)</li> <li>FY 2022 revenue: \$770,307,000 (consolidated)</li> <li>FY 2023 revenue: \$890,824,000 (consolidated)</li> </ul>	Limited Liability Company	No

PHS Holdings, LLC	Through its subsidiary, Prospect Health Services RI, Inc. ("PHSRI"), PHS Holdings, LLC ("PHS") contracts with Rhode Island health plans to provide value based care services to Health Plan members. PHS is not a payer, provider or fully integrated delivery system under 22 Cal. Code Regs. § 97435. Given its function as a holding company with no bona fide operations, see revenue of PHSRI for relevant revenue details associated with PHS.	Limited Liability Company	No
Prospect Intermediate Holdings, LLC	Prospect Intermediate Holdings, LLC ("PIH") is an intermediate holding company. PIH is not a payer, provider or fully integrated delivery system under 22 Cal. Code Regs. § 97435. See PHP Holdings, LLC ("PHPH") revenue. Revenue is reported on a consolidated basis at PHPH level.	Limited Liability Company	No
Prospect Health Plan, Inc.	Prospect Health Plan, Inc. ("PHP") holds a restricted Knox-Keene health care service plan license issued by the California Department of Managed Health Care (the "DMHC"). As a restricted licensee, PHP contracts with fully licensed health care service plans on a plan-to-plan basis to assume professional and institutional risk for a little over 100,000 enrollees of such fully licensed plans, consisting of managed Medi-Cal enrollees in Los Angeles and Orange Counties, Medicare Advantage enrollees in Los Angeles, Orange, Riverside, San Bernardino, and San Diego Counties, and Commercial enrollees in Los Angeles and Orange Counties. PHP is submitting a Notice of Material Modification to the DMHC, and seeking approval of the transaction, pursuant to California Health & Safety Code Section 1399.65. In connection with the analysis under Section 1399.65, the DMHC assesses, among other factors, the impact of the proposed transaction on health care costs, market consolidation, and systemwide stability, and PHP will	Corporation	No

	<p>expressly address the same in its submission to the DMHC. Accordingly, PHP is not submitting a filing to OHCA, pursuant to California Health &amp; Safety Code Section 127507(d)(1). The submitter notes that if PHP were submitting a filing to OHCA, that it would be substantially identical to the present submission, as this relates to a single integrated transaction.</p> <ul style="list-style-type: none"> <li>• FY 2021 revenue: \$291,051,000</li> <li>• FY 2022 revenue: \$327,363,000</li> <li>• FY 2023 revenue: \$406,057,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population they serve. The Health Plans provide the letter templates. For interpretation services, PHP uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.</p>		
Prospect Provider Group RI, LLC d/b/a CharterCARE Provider Group RI	<p>Prospect Provider Group RI, LLC d/b/a CharterCARE Provider Group RI ("PPG RI") is an independent physician association wholly-owned by Prospect Provider Groups LLC ("PPG"). PPG RI operates in Rhode Island's Providence County, and does not operate in California. PPG's gross annual revenue for each of the past 3 fiscal years is set forth below.</p> <ul style="list-style-type: none"> <li>• FY 2021 revenue: \$9,663,319</li> <li>• FY 2022 revenue: \$16,414,903</li> <li>• FY 2023 revenue: \$19,302,198</li> </ul>	Limited Liability Company	No
Prospect Medical Systems, LLC	<p>Prospect Medical Systems, LLC ("PMS") is a management company which has entered into agreements to provide management services for Prospect's affiliated physician organizations and other 3rd party clients. PMS operates in Orange County. PMS's gross annual revenue for each of the past 3 fiscal years is</p>	Limited Liability Company	No

	set forth below. <ul style="list-style-type: none"> <li>FY 2021 revenue: \$81,492,729</li> <li>FY 2022 revenue: \$97,889,631</li> <li>FY 2023 revenue: \$106,689,903</li> </ul>		
Prospect Provider Group Texas, Inc.	Prospect Provider Group Texas, Inc. ("PPG TX") is an independent physician association PPG TX operates in Texas' Bexar County, and does not operate in California. PPG TX's gross annual revenue for each of the past 3 fiscal years is set forth below. <ul style="list-style-type: none"> <li>FY 2021 revenue: \$6,510,795</li> <li>FY 2022 revenue: \$2,114,664</li> <li>FY 2023 revenue: \$2,463,395</li> </ul>	Other	No
Prospect Health Services Texas, Inc.	Prospect Health Services Texas, Inc. ("PHS TX") is an entity which contracts with Texas health plans. PHS TX operates in Texas' Bexar County and does not operate in California. PHS TX is not a payer, provider or a fully integrated delivery system under 22 Cal. Code Regs. § 97435. PHS TX's gross annual revenue for each of the past 3 fiscal years is set forth below. <ul style="list-style-type: none"> <li>FY 2021 revenue: \$8,477,734</li> <li>FY 2022 revenue: \$6,531,071</li> <li>FY 2023 revenue: \$4,592,637</li> </ul>	Other	No
Prospect Medical Group AZ, LLC	Prospect Medical Group AZ, LLC ("PMG AZ") is an entity which contracts with Arizona health plans. PMG AZ arranges care for members in Maricopa, Arizona. PMG AZ is not a payer, provider or a fully integrated delivery system under 22 Cal. Code Regs. § 97435. PMG AZ's gross annual revenue for each of the past 3 fiscal years is set forth below. <ul style="list-style-type: none"> <li>FY 2021 revenue: \$0</li> <li>FY 2022 revenue: \$194,476</li> <li>FY 2023 revenue: \$840,103</li> </ul>	Limited Liability Company	No
RightRx	RightRX is a mail order specialty pharmacy. RightRx is not a payer, provider or a fully integrated delivery system under 22 Cal. Code Regs. § 97435. RightRx's gross annual revenue for each of the past 3 fiscal years is set forth below. <ul style="list-style-type: none"> <li>FY 2021 revenue: \$0</li> </ul>	Corporation	No



	<ul style="list-style-type: none"> <li>FY 2022 revenue: \$0</li> <li>FY 2023 revenue: \$2,269,191</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the company uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.</p>		
Prospect Physician Holdings, Inc.	Prospect Physician Holdings, Inc. ("PPH") is a holding company for Prospect's affiliated physician organizations in California. PPH is not a payer, provider or a fully integrated delivery system under 22 Cal. Code Regs. § 97435. PPH had \$0 gross revenue in fiscal years 2021-2023. Revenue is reported on a consolidated basis at PHP Holdings, LLC level.	Corporation	No
Prospect Intermediate Physician Holdings, Inc.	Prospect Intermediate Physician Holdings, Inc. ("PIPH") is an intermediate holding company for Prospect's affiliated physician organizations in California. PIPH is not a payer, provider or a fully integrated delivery system under 22 Cal. Code Regs. § 97435. PIPH had \$0 gross revenue in fiscal years 2021-2023. Revenue is reported on a consolidated basis at PHP Holdings, LLC level.	Corporation	No
Gateway Medicor-Rancho Cucamonga, Inc.	<p>Gateway Medicor-Rancho Cucamonga, Inc. ("GMRC") is a primary care physician practice with one physician ("Dr. Shiu"). GMRC operates in the Inland Empire, specifically in San Bernardino and in the surrounding communities in Riverside County. GMRC had \$0 gross revenue in fiscal years 2021-2023. GMRC commenced operations in January 2024.</p> <p>GMRC is 51% owned by Prospect</p>	Corporation	No



	<p>Intermediate Physician Holdings, Inc. and 49% owned by Medicor Medical Group, Inc. (Dr. Shiu's professional medical corporation).</p> <p>The following primary languages are spoken at the practice: English, Chinese, and Spanish. Threshold languages are not applicable as the practice does not serve Medi-Cal members.</p>		
New Genesis Medical Associates, Inc.	<p>New Genesis Medical Associates, Inc. dba RcP ("NGMA") operates a residential care program and is the parent company of a medical clinic offering primary care services, operating at three locations in Anaheim, Orange County, California. NGMA has rendered healthcare services at patients' residences in Orange County and Los Angeles County through its Residential Care Program. NGMA's gross annual revenue for each of the past 3 fiscal years is set forth below.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$1,081,482</li> <li>FY 2022 revenue: \$230,018</li> <li>FY 2023 revenue: \$1,819,994</li> </ul> <p>The following languages are spoken: English, Spanish, and Vietnamese. In addition, all written materials follow NMGA's contracted payors threshold languages, which vary depending on the applicable population. Health Plans provide letter templates. For interpretation services, the company uses Language Line Services, Inc.</p>	Corporation	No
Primary and Multi-Specialty Clinics of Anaheim, Inc.	<p>Primary and Multi-Specialty Clinics of Anaheim, Inc. d/b/a Gateway Medical Center and d/b/a Gateway Medical Center Anaheim Hills ("PMCA") is a medical clinic, providing primary care services at three locations in Anaheim. PMCA's gross annual revenue for each of the past 3 fiscal years is set forth below.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$10,350,936</li> </ul>	Corporation	No

	<ul style="list-style-type: none"> <li>FY 2022 revenue: \$9,829,986</li> <li>FY 2023 revenue: \$7,292,359</li> </ul> <p>The following languages are spoken at the practice: English, Spanish and Vietnamese. In addition, all written materials follow PMCA's contracted payors threshold languages, which vary depending on the applicable population. Health Plans provide letter templates. For interpretation services, the practice uses Language Line Services, Inc. and other face-to-face interpreter services that cover a wide range of languages.</p>		
Prospect Medical Group, Inc.	<p>Prospect Medical Group, Inc. ("PMG") operates a network of affiliate providers across California. PMG has combined network of 12,600 providers across 9 IPAs, including PMG. For over 30 years, PMG has arranged quality, award-winning, accessible care for its members by working closely with independent physicians to deliver coordinated, personalized care. To that end, PMG contracts directly with high-performing, quality physicians, medical groups, urgent care centers, medical labs, radiology centers and hospitals to ensure all members assigned to it receive quality, high value care - where and when they need it. Most PMG doctors take all types of insurance: Medicare FFS, Medicare Advantage, Medicaid/Medi-Cal, Commercial and Health Insurance Exchange health insurance plans.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$224,783,000</li> <li>FY 2022 revenue: \$271,615,000</li> <li>FY 2023 revenue: \$322,709,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans</p>	Corporation	Yes

	threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, PMG uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.		
Prospect Health Source Medical Group, Inc.	<p>Prospect Health Source Medical Group, Inc. ("PHSMG") is an independent physician association and is wholly owned by PMG.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$10,524,000</li> <li>FY 2022 revenue: \$11,715,000</li> <li>FY 2023 revenue: \$12,862,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the entity uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.</p>	Corporation	Yes
Genesis HealthCare of Southern California, Inc.	<p>Genesis HealthCare of Southern California, Inc., A Medical Group d/b/a Daehan Prospect Medical Group, Inc. and d/b/a Prospect Genesis Healthcare ("GHSCI") is an independent physician association.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$14,911,000</li> <li>FY 2022 revenue: \$17,534,000</li> <li>FY 2023 revenue: \$18,964,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the entity uses Language Line Services, Inc. and other face to face</p>	Corporation	Yes

	interpreter services which cover a wide range of languages.		
Nuestra Familia Medical Group, Inc.	<p>Nuestra Familia Medical Group, Inc. ("Nuestra") is an independent physician association.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$4,970,000</li> <li>FY 2022 revenue: \$5,461,000</li> <li>FY 2023 revenue: \$5,943,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the entity uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.</p>	Corporation	Yes
Starcare Medical Group, Inc.	<p>Starcare Medical Group, Inc. d/b/a Prospect Gateway Medical Group ("Starcare") is an independent physician association.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$15,279,000</li> <li>FY 2022 revenue: \$18,053,000</li> <li>FY 2023 revenue: \$18,663,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the entity uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.</p>	Corporation	Yes
Prospect Professional Care Medical Group, Inc.	<p>Prospect Professional Care Medical Group, Inc. d/b/a Prospect Medical LA ("PPCMGI") is an independent physician association.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$29,673,000</li> <li>FY 2022 revenue: \$34,958,000</li> <li>FY 2023 revenue: \$45,073,000</li> </ul>	Corporation	Yes

	<p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the entity uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.</p>		
Prospect NWOC Medical Group, Inc.	<p>Prospect NWOC Medical Group, Inc. ("NWOC") is an independent physician association.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$6,957,000</li> <li>FY 2022 revenue: \$8,230,000</li> <li>FY 2023 revenue: \$9,000,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the entity uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.</p>	Corporation	Yes
Upland Medical Group, A Professional Medical Corporation	<p>Upland Medical Group, A Professional Medical Corporation ("UMG") is an independent physician association.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$19,338,000</li> <li>FY 2022 revenue: \$22,558,000</li> <li>FY 2023 revenue: \$26,687,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the entity uses Language Line</p>	Corporation	Yes

	Services, Inc. and other face to face interpreter services which cover a wide range of languages.		
Pomona Valley Medical Group, Inc.	<p>Pomona Valley Medical Group, Inc. ("PVMG") is an independent physician association.</p> <ul style="list-style-type: none"> <li>• FY 2021 revenue: \$99,040,000</li> <li>• FY 2022 revenue: \$100,550,000</li> <li>• FY 2023 revenue: \$104,140,000</li> </ul> <p>Primary languages include English, Spanish, Chinese and Vietnamese. In addition, Prospect written materials follow its contracted Health Plans threshold languages which vary depending on the population it serves. The Health Plans provide the letter templates. For interpretation services, the entity uses Language Line Services, Inc. and other face to face interpreter services which cover a wide range of languages.</p>	Corporation	Yes
Astrana Health, Inc.	<p>Astrana Health, Inc. ("Astrana") serves as the holding company for the Astrana Health group of companies. It does not engage in any direct health care services or care coordination services.</p> <ul style="list-style-type: none"> <li>• FY 2021 revenue: \$773,915,000</li> <li>• FY 2022 revenue: \$1,144,163,000</li> <li>• FY 2023 revenue: \$1,386,661,000</li> </ul>	Corporation	No
Astrana Health Management, Inc.	<p>Astrana Health Management, Inc. is a management services organization providing management services to physician practices and IPAs throughout southern California.</p> <ul style="list-style-type: none"> <li>• FY 2021 revenue: \$106,767,157</li> <li>• FY 2022 revenue: \$117,172,584</li> <li>• FY 2023 revenue: \$130,994,364</li> </ul>	Corporation	No

Metropolitan IPA	<p>Metropolitan IPA is a risk bearing organization and an IPA consisting of a multi-specialty group of providers, including and serving approximately 230,000 members in Los Angeles County, including approximately 210,000 Medicaid beneficiaries. Metropolitan IPA contracts with over 800 physicians and other health care providers providing quality and cost-effective health care services for contracted health care service plans' enrollees.</p> <p>Metropolitan IPA has or can provide services using English and 18 Department of Health Care Services threshold languages, including Arabic, Armenian, Cambodian, Chinese (Mandarin &amp; Cantonese), Farsi, Hindi, Hmong, Japanese, Korean, Laotian, Mien, Punjabi, Russian, Spanish, Tagalog, Thai, Ukrainian, and Vietnamese.</p> <ul style="list-style-type: none"> <li>• Revenue for the past 3 fiscal years: <ul style="list-style-type: none"> <li>o No financial activity from 2021-2023</li> <li>o Approximately \$181,000,000 in revenue from February 2024 through September 2024</li> </ul> </li> </ul>	Corporation	Yes
AMG, a Professional Medical Corporation	<p>AMG, a Professional Medical Corporation ("AMG"). AMG is an independent physician association and a California physician practice consisting of 10 physicians with operations in Los Angeles County and Riverside County.</p> <ul style="list-style-type: none"> <li>• Primary and threshold languages, as determined by the Department of Health Care Services, used: AMG has or can provide services using English and 18 Department of Health Care Services threshold languages, including Arabic, Armenian, Cambodian, Chinese (Mandarin &amp; Cantonese), Farsi, Hindi, Hmong, Japanese, Korean, Laotian, Mien, Punjabi, Russian, Spanish, Tagalog, Thai, Ukrainian, and</li> </ul>	Corporation	No



	<p>Vietnamese.</p> <ul style="list-style-type: none"> <li>Revenue for the past 3 fiscal years: FY 2021 revenue: \$6,431,640 FY 2022 revenue: \$7,838,885 FY 2023 revenue: \$14,068,674</li> </ul>		
Astrana Care Hospital, LLC	Astrana Care Hospital, LLC is a holding company formed in 2024 with no current operations or facilities owned, so it does not have any revenue to report or financial activity for the current or any prior fiscal years. It will serve as the owner of Alta Newport Hospital, LLC d/b/a Foothill Regional Medical Center.	Limited Liability Company	No
AstranaCare Partners of Arizona, LLC	AstranaCare Partners of Arizona, LLC is a an IPA that provides health care services in Arizona. It does not have any operations in California. There was no financial activity for fiscal years 2021-2023.	Limited Liability Company	No
ApolloCare Partners of Texas PLLC	ApolloCare Partners of Texas PLLC is an IPA that provides health care services in Texas. It does not have any operations in California, and had no financial activity prior to 2023. In 2023, its revenue was \$136,083.	Limited Liability Company	No

## CRITERIA

A health care entity with annual revenue, as defined in <a href="#">section 97435(d)</a> , of at least \$25 million or that owns or controls California assets of at least \$25 million, or;	Yes
A health care entity with annual revenue, as defined in <a href="#">section 97435(d)</a> , of at least \$10 million or that owns or controls California assets of at least \$10 million and is a party to a transaction with any health care entity satisfying subsection (b)(1), or	Yes
A health care entity located in a designated primary care health professional shortage area in California, as defined in Part 5 of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations (commencing with section 5.1), available at <a href="https://data.hrsa.gov">data.hrsa.gov</a> . To determine if you are located in a primary health care professional shortage area, please visit <a href="#">here</a>	No

## CIRCUMSTANCES FOR FILING

The proposed fair market value of the transaction is \$25 million or more and the transaction concerns the provision of health care services.	Yes
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The transaction is more likely than not to increase annual California-derived revenue of any health care entity that is a party to the transaction by either \$10 million or more or 20% or more of annual California-derived revenue at normal or stabilized levels of utilization or operation.	Yes
The transaction involves the sale, transfer, lease, exchange, option, encumbrance, or other disposition of 25% or more of the total California assets of the submitter(s).	Yes
<p>The transaction involves a transfer or change in control, responsibility or governance of the Submitter. A transaction will directly or indirectly transfer control, responsibility, or governance in whole or in part of a material amount of the assets or operations of a health care entity to one or more entities if:</p> <p>(1) The transaction would result in the transfer of 25% or more of the voting power of the members of the governing body of a health care entity, such as by adding one or more members, substituting one or more members, or through any other type of arrangement, written or oral; or</p> <p>(2) The transaction would vest voting rights significant enough to constitute a change in control such as supermajority rights, veto rights, and similar provisions even if ownership shares or representation on a governing body are less than 25%;</p>	Yes

## TRANSACTION DETAILS

Anticipated Date of Transaction Closure	3/31/2024
Description of the Transaction	Please see attached.
Submitted to US Department of Justice or Federal Trade Commission?	Yes
Date of Submission	11/15/2024
Description of Submissions	The parties filed notices of the transaction with the Federal Trade Commission and U.S. Department of Justice, Antitrust Division, pursuant to 16 C.F.R. Part 803 (the "HSR Filing") on November 15, 2024. Astrana pulled its HSR filing on December 13, 2024 and will refile it no later than December 17, 2024.
Subject to court proceeding	No
Description of current services provided and expected post-transaction impacts on health care services	<p>Please see current services description presented in "3 Submitter Business Information" section.</p> <p>Regarding community needs assessments, a community needs assessment was completed for Alta in 2022 by Zephyr Healthcare Advisors for Internal Medicine Nurse Practitioners within the geographic service area served by Alta, which determined a community need.</p> <p>Prospect affiliates participate in Prospect Cares</p>

	<p>Resource, which is administered by an internal advisory board comprised of leaders from Prospect Medical Systems, LLC, which is committed to enhancing the well-being of the communities served by Prospect providing essential support, healthcare education, and resources. Through collaborative efforts and community-focused initiatives, Prospect Cares Resource strives to empower individuals and families to lead healthier, more fulfilling lives while partnering with Prospect leadership and team members to drive the urgency within our healthcare systems to address disparities, improve quality, and achieve equity. Prospect Cares Resource's board meets quarterly to assess progress, ensure alignment with the organization's mission, and adjust strategies as needed to respond to evolving community needs.</p> <p>Please also see attached a further list and description of Alta's community involvement and related activities.</p> <p>Medi-Cal and Medicare patients are currently accepted by Alta.</p> <p>The parties to the proposed transaction do not anticipated any immediate post-transaction changes to the criteria identified above.</p>
<p>Prior mergers or acquisitions that:</p> <p>(A) involved the same or related health care services;</p> <p>(B) involved at least one of the entities, or their parents, subsidiaries, predecessors, or successors, in the proposed transaction; and</p> <p>(C) were closed in the last ten years.</p>	<p>Prospect</p> <p>On August 1, 2020, Prospect Medical Group, Inc. acquired the assets of three independent physician associations: Vantage Medical Group, Inc., Cal Care IPA Inc and Los Angeles Medical Center IPA.</p> <p>Astrana</p> <ol style="list-style-type: none"> <li>On July 31, 2021, Astrana Care Partners Medical Corporation ("ACPMC"), the parent of Metropolitan IPA, acquired 80% of the stock of Access Primary Care Medical Group, a risk bearing organization ("RBO").</li> <li>On August 1, 2021, Astrana Care Laboratories, Inc., a subsidiary of Astrana Health, Inc., acquired 49% of the stock of Sun Clinical Laboratories, a full-service clinical laboratory.</li> <li>On October 31, 2022, ACPMC acquired 100% of the stock of All American Medical Group, an RBO.</li> <li>On January 1, 2023, ACPMC acquired the assets of Garfield Comprehensive Care Medical Corporation, a primary care practice.</li> <li>On January 1, 2023, ACPMC acquired 25%</li> </ol>

	<p>of the stock of James Song, M.D. A Professional Corporation, a primary care practice.</p> <p>6. On February 23, 2023, ACPMC acquired 100% of the stock of 1 World Medicine Urgent Care Corp, which operates an urgent care clinic.</p> <p>7. On February 23, 2023, ACPMC acquired 100% of the stock of AMG, which is a party to the material change transaction described throughout this notice.</p> <p>8. On February 23, 2023, ACPMC acquired 100% of the stock of Eleanor Leung M.D. A Professional Corporation, an OB/GYN practice.</p> <p>9. On March 1, 2023, ACPMC acquired the assets of Chinese Community Health Care Association, an RBO and IPA.</p> <p>10. On May 1, 2023, Astrana Health, Inc. acquired 100% of the stock of For Your Benefit Inc., a restricted Knox-Keene licensee managing care for Medicare Advantage beneficiaries.</p> <p>11. 11. On May 1, 2023, Astrana Health Enablement of Nevada, Inc., f/k/a, ApolloMed Nevada, Inc., a subsidiary of Astrana Health, Inc., acquired the non-clinical assets of Vesna Jamboricic, M.D., a Professional Corporation, a medical group.</p> <p>12. On October 2, 2023, AMG acquired the assets of Paul TC Liu, M.D., Inc., a primary care practice.</p> <p>13. On November 1, 2023, ACPMC acquired the assets of Advantage Health Network, an RBO.</p> <p>14. On November 1, 2023, ACPMC acquired the assets of Ardmore, a primary care practice.</p> <p>15. On November 1, 2024, ApolloMed ASC Inc., a subsidiary of Astrana Health, Inc. acquired 95% of the stock of Advanced Diagnostic Surgical Center, which operates an ambulatory surgical center.</p> <p>16. On January 31, 2024, Metropolitan IPA acquired the assets of Community Family Care Medical Group IPA, Inc., an RBO.</p> <p>17. On October 4, 2024, Astrana Health, Inc. acquired the stock of Collaborative Health Systems, LLC, Golden Triangle Physician Alliance, and Heritage Physician Networks, which provide management services to health care service providers outside of California.</p>
Description of Potential Post Transaction Changes	<p>See attached re (A).</p> <p>The following other health care entities provide health care services comparable to those offered by Alta within 20 miles of Alta, at the corresponding</p>

	<p>distances from Alta specified below:</p> <ul style="list-style-type: none"> <li>• AHMC Anaheim Regional Medical Center – 11 miles;</li> <li>• Anaheim Global Medical Center – 8.8 miles;</li> <li>• Chapman Global Medical Center (ER is closed) – 4.7 miles;</li> <li>• Garden Grove Medical Center – 8.7 miles;</li> <li>• Hoag Memorial Hospital Presbyterian – 11 miles;</li> <li>• Huntington Beach Medical Center – 17 miles;</li> <li>• Kaiser Permanente Orange County–Anaheim Medical Center – 12 miles;</li> <li>• Kaiser Permanente Orange County–Irvine Medical Center – 11 miles;</li> <li>• La Palma Intercommunity Hospital – 19 miles;</li> <li>• MemorialCare Orange Coast Medical Center – 11 miles;</li> <li>• MemorialCare Saddleback Medical Center – 17 miles;</li> <li>• Providence Mission Hospital Mission Viejo – 17 miles;</li> <li>• Orange County Global Medical Center – 2.3 miles;</li> <li>• Providence Saint Joseph Medical Center – 5.8 miles;</li> <li>• Providence St. Jude Medical Center – 17 miles;</li> <li>• South Coast Global Medical Center – 6 miles;</li> <li>• UCI Health – Fountain Valley Hospital – 8.3 miles;</li> <li>• UCI Health – Los Alamitos – 20 miles;</li> <li>• UCI Health – Placentia Linda – 12 miles; and</li> <li>• West Anaheim Medical Center – 16 miles.</li> </ul> <p>The parties anticipate no immediate changes re the criteria in (B), (C) and (D).</p>
Description of the nature, scope, and dates of any pending or planned material changes occurring between the Submitter and any other entity, within the 12 months following the date of the notice	N/A

**Submission date and nature of any applications, forms, notices, or other materials to be submitted regarding the proposed transaction to any other state or federal agency:<sup>1</sup>**

- Change of Ownership application with respect to Alta’s Hospital and Skilled Nursing Services with the California Department of Public Health. [To be filed 10 days before the Closing.]
- Applications with respect to Alta’s Hospital Pharmacy License and Sterile Compounding Pharmacy License with the California Board of Pharmacy. [To be filed before the Closing.]
- Application with respect to RightRx’s Community/Retail Pharmacy License with the California Board of Pharmacy. [To be filed before the Closing.]
- Notice of material modification with respect to PHP’s Restricted Knox-Keene License with the California Department of Managed Healthcare (“DMHC”). [To be filed before the Closing.]
- Notices of change of ownership and addresses are to be submitted to DHMC upon closing with respect to change of ownership of Prospect Medical Group, Inc. and its subsidiaries registered with DHMC. [To be filed not later than 7 days after the Closing.]
- Request Form for Valid Permit to Operate is to be submitted to the California Department of Industrial Relations – Division of Occupational Safety & Health with respect to Foothill Regional Medical Center’s permit to operate an air pressure tank. [To be filed after the Closing.]
- FCC 603 Form (Application for Assignments of Authorization or Transfers of Control) with respect to Alta to be filed with the Federal Communications Commission [before the Closing]. In addition, notice of consummation of the Proposed Transaction will be provided to the FCC [within 180 days of FCC approval of the transfer of the industrial license.]
- Applications for cancellation of the Fictitious Name Permits listed on Section 5.8 of these Disclosure Schedules upon any change to the associated licensed physician shareholders with the Medical Board of California, and new applications for Fictitious Name Permits with respect to the changed licensed physician shareholders. [To be filed following changes in the licensed physician shareholder associated with each Fictitious Name Permits.]
- Application with respect to Right RX’s Seller’s Permit with the California Department of Tax and Fee Administration. [To be filed before the commencement of operations under new ownership.]
- Material Modification request with respect to PHSRI’s Medicaid Accountable Entity Certification with the Rhode Island Executive Office of Health and Human Services. [To be filed within 45 days before the Closing.]
- Application with respect to RightRx’s Non-Resident Pharmacy License with the State of Rhode Island Board of Pharmacy, and notice of change of ownership submitted to the State of Rhode Island Department of Health. [Application to be filed 30 days before the Closing, and notice of change of ownership to be submitted at least 14 days before the Closing.]
- Notice of transaction to be submitted to the Drug Enforcement Agency, applications with respect to the Controlled Substance Registrations with the Drug Enforcement Agency Division Office and new registrations to follow after issuance of licenses by the California Board of Pharmacy, and Drug Enforcement Agency Power of Attorney for use of current Drug Enforcement Agency registrations for the Controlled Substance Registrations held by Foothill Regional Medical Center and RightRX. [Notice of transaction to be submitted at least 14 days before the Closing, applications to be submitted with

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<sup>1</sup> As of the date of this attachment, the anticipated closing date is expected to occur on or about March 31, 2025 (“Closing”).

filing date to be determined, and power of attorney to be entered into after applications have been submitted.]

- Application with respect to Right RX's Independent (Closed Door, Mail Order) Pharmacy License with the Arizona Board of Pharmacy, and a new Arizona Board of Pharmacy form of management services agreement. [Application to be filed 14 days before the Closing, and management services agreement to be entered into while the new application is being processed.]
- Notice of significant change with respect to PHSRI's participation in the Medicare Shared Savings Program with the Centers for Medicare and Medicaid Services pursuant to 42 C.F.R. § 425.214. [To be filed within 30 days after the Closing.]
- [To be filed upon Closing.] Medicare 855B (Clinics/Group Practices and Other Suppliers Enrollment Application) applications, with respect to the Medicare enrollments for the entities listed below, with the Centers for Medicare and Medicaid Services:
  - PMCA
  - GMRC
  - NGMA
  - HealthAdvisors, LLC (relating to 10% ownership interest in a Rhode Island primary care practice not doing any business in California)
  - RightRx
- [Forms to be filed within 30 days after the Closing]: (i) Lab 193, Notice of Laboratory Information, (ii) Lab 183, Director Attestation, and (iii) CMS-116 with the California Department of Public Health, Division of Laboratory Science Laboratory Field Services with respect to the following:
  - Clinical and Public Health Laboratory License issued to Alta
  - Clinical and Public Health Laboratory License, issued to PMCA
  - Clinical and Public Health Laboratory License, issued to Primary & Multi-Specialty Clinics of Anaheim Inc. dba Gateway Medical Center - Anaheim Hills
  - Clinical and Public Health Laboratory License, issued to Primary and Multi-Specialty Clinics of Anaheim, Inc. - d/b/a Gateway Medical Center - Santa Ana
  - Clinical and Public Health Laboratory License, issued to GMRC
- [To be filed within 30 days after the Closing.] CMS-116 Change of Information forms with the Department of Health and Human Services, and the California Department of Public Health, Division of Laboratory Science Laboratory Field Services, with respect to the following:
  - CLIA Certificate of Accreditation issued to Alta
  - CLIA Certificate of Waiver issued to PMCA
  - CLIA Certificate of Waiver issued to Primary and Multi-Specialty Clinics of Anaheim, Inc. d/b/a Gateway Regional Medical Center – Canyon Hills, and
  - CLIA Waiver issued to HealthAdvisors, LLC
  - CLIA Certificate of Waiver issued to GMRC
- [To be filed within 35 days after the Closing]. Medi-Cal Enrollment applications with the California Department of Public Health, with respect to the following entities:
  - Alta



- NGMA, with application to be submitted through the PAVE Provider Portal. Additional Successor Liability with Joint and Several Liability Agreement forms with the California Department of Health Care Services Provider Enrollment Department. [To be filed within 5 days after the Closing.]
- PMCA, with application to be submitted through the PAVE Provider Portal. Additional Successor Liability with Joint and Several Liability Agreement forms to be submitted to the DHCS Provider Enrollment Department. [To be filed within 5 days after the Closing.]
- RightRX, with application to be submitted through the PAVE Provider Portal. Additional Successor Liability with Joint and Several Liability Agreement forms to be submitted to the DHCS Provider Enrollment Department. [To be filed within 5 days after the Closing.]
- Financial Responsibility Agreement or Attestation Package for the California Hospital Quality Assurance Fee Program with respect to Alta with the California Department of Health Care Services. [To be filed within 30 calendar days after the date of the letter granting Medi-Cal Certification.]
- Notice of Change of Control filing for PMS's Texas Third Party Administrator License with the Texas Department of Insurance. [To be filed within 30 days after the Closing.]
- Application of updates to material changes to PMS's Utilization Review Agent License application with the Texas Department of Insurance. [To be filed within 30 days after the Closing.]
- Form CMS-855A (Institutional Provider Enrollment Application) or PECOS to report changes in Alta's Hospital and SNF enrollments with the Centers for Medicare and Medicaid Services. [To be filed within 30 days after the Closing.]
- Provider Change of Information Form with respect to HealthAdvisors, LLC's Rhode Island Medicaid Enrollment with the Rhode Island Medicaid Provider Enrollment Department. [To be filed within 35 days after the Closing.]
- Pending further confirmation – Certificate of Need and Change in Effective Control applications with the Rhode Island Department of Health with respect to PHSRI. [To be filed by January 10, 2025]

Prospect Medical Holdings, Inc., a Delaware corporation (“PMH”), is the holding company for Prospect’s administrative services companies and is wholly owned by Ivy Intermediate Holding Inc. Under the proposed transaction’s definitive purchase agreement, PMH serves as the seller representative to perform certain obligations of the seller parties, but is not otherwise a party to the proposed transaction, nor is it making any representations or indemnifying parties thereunder. PMH operates in Los Angeles County at the following address: 3824 Hughes Ave, Culver City, CA 90232. PMH and its owners are not payers, providers or fully integrated delivery systems under 22 Cal. Code Regs. § 97435. PMH’s annual revenue for each of the past 3 fiscal years is set forth below:

- FY 2021 revenue: \$1,310,838,000
- FY 2022 revenue: \$1,544,921,000
- FY 2023 revenue: \$1,804,157,000

The submitter follows its contracted Health Plans threshold languages which vary depending on the population it serves. For interpretation services, Prospect entities use Language Line Services, Inc. and other face to face interpreter services as necessary which cover a wide range of languages.

## **Description of Transaction**

### **(A) The goals of the transaction:**

The transactions (collectively, the “Proposed Transaction”) contemplated pursuant to that certain Asset and Equity Purchase Agreement (the “Agreement”), dated November 8, 2024, by and among PHP Holdings, LLC (“PHPH”), PHS Holdings, LLC (“PHS”), Prospect Intermediate Holdings, LLC (“PIH”), and certain affiliates thereof (collectively, the “Sellers”), on the one hand, and Astrana Health, Inc. (“Astrana”) and certain affiliates thereof (collectively with Astrana, “Buyer”).

The Proposed Transaction is expected to expand Astrana’s provider network and enhance its ability to offer increased access, quality, and value for its members. Prospect's established presence in key markets also opens new opportunities for Astrana, particularly in geographically adjacent Orange County, California, where Astrana currently has limited operations.

The Proposed Transaction presents an opportunity for Prospect to partner with Astrana to build a larger, stronger, and more coordinated care delivery network. Moreover, Astrana plans to make significant investments in Prospect which Prospect expects will benefit its patient communities by increasing healthcare access, quality, value, and efficiency.

### **(B) A summary of terms of the transaction:**

The Agreement provides that upon consummation of the transaction (i) Alta, Prospect Health Plan, Inc. (“PHP”), and Prospect Health Services RI, Inc. (“PHSRI”), will become wholly owned subsidiaries of Astrana Care Hospital, LLC, Astrana Health Management, Inc., and ApolloCare Partners of Texas PLLC, respectively. Therefore, effective as of the closing of the Proposed Transaction, Alta will undergo a change of control when it becomes a direct, wholly-owned subsidiary of Astrana Care Hospital, LLC .

The Proposed Transaction contemplates the sale of equity interests and assets associated with or utilized in the operation of the Sellers’ “Prospect Health System” healthcare business. The foregoing summary of the terms of the Agreement is qualified in its entirety by the terms and conditions of the Agreement. Many components of the Agreement, including the transactions relating to the acquisition of PHSRI and the assets in Arizona, Texas and Rhode Island, are described in further detail in this Notice for purposes of providing context and clarity but do not directly impact Alta.

At the closing of the Proposed Transaction: (i) PIH will assign to Astrana Care Hospital, LLC 100% of the equity interests of Alta (the “Alta Assignment”); (ii) PHS will assign to ApolloCare Partners of Texas PLLC 100% of the equity interests of PHSRI (the “PHSRI Assignment”); (iii) PHPH will assign to Astrana Health Management, Inc. 100% of the equity interests of PHP (the “Prospect Health Plan Assignment”); and (iv) the Prospect Asset Sellers (as defined in the Purchase Agreement, which includes Prospect Medical Group, Inc. (“PMG”) and its subsidiaries, New Genesis Medical Associates, Inc. (“NGMA”) and Primary and Multi-Specialty Clinics of Anaheim, Inc. d/b/a Gateway Medical Center and d/b/a Gateway Medical Center Anaheim Hills (“PMCA”), will sell substantially all of their respective assets to Buyer (the “Purchased Assets”). Included in the Purchased Assets are leases for the facilities, equipment and computer hardware, usable inventory and supplies, patient, medical, personnel, business, and other records (subject to exclusions and retentions pursuant to law), licenses, permits, and contracts (such as management services agreements, and agreements with third-party payors and providers).

Subject to shareholder approval and pursuant to the terms of the Agreement, during the period between signing and closing of the Proposed Transaction, PIPH will assign to AMG all of its equity interest in Gateway Medicor-Rancho Cucamonga, Inc. (“GMRC”), which as of the date hereof represents 51% of the equity interests in GMRC (the “JV Assignment”).

Immediately following the closing of the Proposed Transaction, it is expected that Astrana will have full ownership either directly or indirectly of Alta, PHSRI, and PHP, and the Purchased Assets.

The consideration for the Proposed Transaction is set forth in the Agreement. Astrana will fund the acquisition with cash and, although not a condition to close, Astrana is expected to secure and use proceeds from a senior secured bridge loan to fund a portion of the acquisition. Funding is described in further detail in the following press release: <https://ir.astranahealth.com/news-events/press-releases/detail/249/astrana-health-announces-definitive-agreement-to-acquire-certain-businesses-and-assets-of-prospect-health-system>.

**(C) A statement of why the transaction is desirable:**

In addition to the goals and expected benefits stated above, Astrana plans to make significant investments in Prospect and its infrastructure in order to further enhance access, equity, and quality of care for patients in local communities. Given both organizations' commitment to value-based and personalized care, this investment aims to reduce healthcare costs and enhance the ability to offer increased access, quality, efficiency and value for members. Given the synergies between Astrana's and Prospect's businesses, the transaction is expected to result in greater efficiencies and economies of scale, which will allow higher quality care at a lower price for California residents.

Furthermore, consummation of the transaction is likely to promote greater stability across the Prospect assets/businesses being transacted. As OHCA may know, Prospect's East Coast hospital operations have struggled in recent years, as detailed in numerous publicly available articles and stories. Astrana has a strong balance sheet and track record of success, and Astrana's stewardship of the California assets should help avoid any adverse impact that could potentially arise from Prospect's ownership of its East Coast hospital business. The sooner the transaction closes, the greater the potential benefits and risk avoidance.

**(D) General public impact or benefits of the transaction, including quality and equity measures and impacts**

See responses above and below.

**(E) Narrative description of the expected competitive impacts of the transaction**

Pursuant to an Asset and Equity Purchase Agreement executed on November 8, 2024, Astrana Health Inc. intends to acquire the "Prospect Health System" business of Prospect Medical Holdings, Inc.

The acquisition includes certain entities and assets currently operating under the Prospect Health System umbrella, including its California licensed restricted health care service plan (PHP), medical groups in California, Texas, Arizona and Rhode Island (Prospect Medical Groups), management service organization (Prospect Medical Systems, LLC), independent physician associations, pharmacy (RightRx), and Alta, a fully accredited acute care hospital with 177 licensed beds.

To better illustrate the point of minimal overlap, consider the scope of operations of PHP and Astrana's two restricted health care service plan subsidiaries, For Your Benefit, Inc. ("FYB") and Community Family Care Health plan, Inc. ("CFC").

FYB's only line of business is Medicare Advantage. Within PHP's Medicare Advantage service area of Los Angeles, Orange, Riverside, San Bernardino, and San Diego Counties, both PHP's and FYB's enrollment is incredibly limited, even if considered on an aggregate basis (though it should be noted that PHP and FYB will operate as separate legal entities and businesses following the closing of the Proposed Transaction). The following table, which is based on the most recently available DMHC and CMS data, sets forth the aggregate Medicare Advantage enrollment of PHP and FYB compared to total Medicare Advantage enrollment and eligibility in PHP's service area.

Combined MA Enrollment in LA, OC, Riverside, SB, and SD Counties	As % of MA Enrollment	As % of MA Eligibility
43,635	2.1%	1.3%

CFC's only line of business is Medi-Cal. Within PHP's Medi-Cal service area of Los Angeles and Orange, Counties, both PHP's and CFC's enrollment is quite limited, even if considered on an aggregate basis (though it should be noted that PHP and CFC will operate as separate legal entities and businesses following the closing of the Proposed Transaction). The following table, which is based on the most recently available DMHC and CMS data, sets forth the aggregate managed Medi-Cal enrollment of PHP and CFC compared to total Medi-Cal enrollment and eligibility in PHP's service area. In considering the below table, it is important to keep in mind that the substantial majority of PHP's Medi-Cal enrollment is limited to Orange County, while the substantial majority of CFC's Medi-Cal enrollment is limited to Los Angeles County.

Combined Medi-Cal Enrollment in in LA and OC Counties	As % of Managed Medi-Cal Enrollment	As % of Medi-Cal Eligibility
246,054	5.1%	1.7%

Astrana plans to make significant investments in Prospect Health System and its infrastructure in order to further enhance access and quality of care for patients in local communities. The partnership between Astrana and Prospect will help ensure that healthcare remains local and personalized for patients across California, Texas, Arizona and Rhode Island. Additional details regarding Astrana's planned acquisition of Prospect can be found on the Company's Investor Relations [website](https://ir.astranahealth.com/), which is available at <https://ir.astranahealth.com/>.

**(F) Description of any actions or activities to mitigate any potential adverse impacts of the transaction on the public:**

The parties do not anticipate any potential adverse impacts of the transaction on the public. As noted above, the parties anticipate that the transaction will be beneficial to the public by (i) facilitating the enhancement of coordinated care delivery networks and population health management initiatives, (ii) creating economies of scale to improve efficiencies that should serve to improve quality and equity while reducing costs to consumers, and (iii) bolstering the stability of Prospect's California business, which serves over 500,000 enrollees in the state.

# ACCOMPLISHMENTS, SURVEYS AND OTHER ACTIVITIES 2023 - 2024

## ALTA HOSPITALS (Foothill Regional Medical Center)

### CORPORATE SPONSORSHIPS/COMMUNITY INVOLVEMENT

- Partnership Tustin Public School Systems
  - Foothill participates and sponsors Tustin Schools annual “Dino Dash” run for education held to enrich education.
- Partnership with Tustin Police Department & Police Foundation
  - The Tustin Police Department delivers toys/toiletries to the hospital’s Pediatric residence during Christmas.
  - The hospital supports the Tustin Police Foundation which is a non-profit created to enhance public safety and law enforcement in the Tustin community.
- American Red Cross
  - Foothill organizes an annual “Blood Drive” with the American Red Cross to address blood shortages throughout the County held annually in July.
- Annual “Flu Drive” promoting flu vaccination.
- Partner with Nursing, Pharmacy, and Medical Technical Schools providing intern and externships in the areas of RNs, LVNs, CNAs, RTs, Pharmacists and Pharmacy Technician, Radiology Technologists and Physical Therapy.
- College Advisory Board Members
  - ✓ Glenda Luce, CNO – Saddleback College & Santa Ana College
  - ✓ Joe Sonntag, Dir of Radiology – Saddleback College
- Latino communities, a “Dia de Los Muertos” To celebrate and support the traditions of the Latino communities, a “Dia de Los Muertos” Foothill Regional Medical Center hosts a booth with our sister hospital LA Community Hospital where the event has more than 20 business partners and attended by more than 600 members of the community. Foothill was awarded “best themed” booth in 2022.
- Community Health Fair
  - In partnership with Healthcare Pharmacy, the hospital & pharmacy hosted a community health fair for Tustin residence educating them on the healthcare services offered at the hospital.
- Santa Ana Senior Center Support
  - Foothill hosts an annual booth at the local Senior Center educating residents about the hospital’s ER & service lines offered at the hospital.
- City of Tustin Veterans Day Support
  - Foothill Regional Medical Center sponsors a booth supporting the community Veterans Day event which is held in the town square.
- Local Fire Station Partnership
  - The hospital maintains close relationships with all the local firehouses. The ER Medical Director & RN Director make rounds visiting firehouses; delivering lunch in appreciation for their partnership.
- Orange County
  - FRMC Plant Operations Team is part of the Emergency Preparedness Task Force for the County



- American Society of Healthcare Engineering
  - FRMC Engineering Team participates in the American Society for Healthcare Engineering. This Chapter focuses on educational meeting topics of value to the healthcare engineering field on best practices and challenges in code interpretation and compliance.
- Congressional Healthcare Advisory Board
  - Araceli Lonegan, CEO, is part of the Congressional Healthcare Advisory Board to provide healthcare industry advice in support of the national incentives.
- Orange County Business Journal Award
  - Araceli Lonergan, CEO was nominated as one of the County's "Women in Business Award" - 2023

## ADVOCACY EFFORTS FOR THE UNDERPRIVILEGED

- OC Rescue Mission
  - Foothill Regional Medical Center supports the Orange County Rescue Mission who offer a life-transformation program that provides on-campus housing, basic needs and comprehensive services for individuals and families experiencing homelessness. During the holidays, the hospital brings Santa who passes out toys for kids & toiletries for families living at the Mission.
- Angel Tree Project
  - The hospital hosts the Pediatric Angel Tree during the holidays which supports the hospital's pediatric patient needs.
- Homeless Clothing Drive
  - Clothing drive is held to collect and provide clothes and personal hygiene items to hospital's homeless patient population.
- Healthcare Disparity Committee CMS
  - Committee oversees actions to access the patient's health-related social needs and provides information about community resources and support services for the homeless upon discharge.

## OUTSTANDING PATIENT CARE AS RECOGNIZED BY HEALTHGRADES & OTHER AGENCIES

- FRMC maintained 5-Star Quality Rating by the Centers for Medicare & Medicaid Services (CMS) for our Pediatric Subacute unit.
- Healthgrades Five-Star Recipient for Hip Fracture Treatment 7 years in a row 2019, thru 2025
- The Joint Replacement Excellence Award and Names Top 10% in Nation 2025
- Five Star recipient for total knee replacement 2025
- Healthgrades for two years in a row 2024 & 2025 Five-Star Recipient for Gastrointestinal (Gall Bladder Removal Surgery)
- Healthgrades two years in a row 2024 & 2025 Five-Star Recipient for Critical Care (Treatment of Sepsis)
- Recipient of the Healthgrades Patient Safety Excellence Award™ - 2023 – 2024
- 2024 Bariatric Center of Excellence: American Society for Metabolic and Bariatric Surgery (ASMBS) American College of Surgeons (ACS)
- Silver Designation, CDPH HAI Antimicrobial Stewardship Program (ASP) Honor Roll – May 2022- 2025.
- FRMC implemented the DAISY Award. This award recognizes nurses who consistently demonstrated "excellence" attributes while performing their duties.

- FRMC Achieved recognition as one of the top hospitals within Orange County in regards Hospitals Emergency Preparedness.
- Successful State Board of Pharmacy Inspection– March 2023.
- Successful Lab State Inspection – August 2024
- Foothill has received the Silver Designation by CDPH HAI Antimicrobial Stewardship Program (ASP) Honor Roll from May 2022-May 2025.