

## MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2024-11-04-1241
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	Mitchell
Last Name	Lew
Email Address	Mitchell.lew@pmh.com

### GENERAL

Business Name	Prospect Health Plan, Inc.
Website	<a href="https://www.prospectmedical.com/">https://www.prospectmedical.com/</a>
Ownership Type	Corporation
Tax Status	For-profit
Federal Tax ID	46-3096217
Description of Submitting Organization	<p>Prospect Health Plan, Inc. ("PHP") is a Delaware corporation that holds a restricted Knox-Keene health care service plan license issued by the California Department of Managed Health Care (the "DMHC"). PHP is wholly owned by PHP Holdings, LLC, a Delaware limited liability company. As a restricted Knox-Keene 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 &amp; Safety Code Section 1399.65.</p> <ul style="list-style-type: none"> <li>FY 2021 revenue: \$291,051,000</li> </ul>

	<ul style="list-style-type: none"> <li>FY 2022 revenue: \$327,363,000</li> <li>FY 2023 revenue: \$406,057,000</li> </ul>
Health Care Provider	No
For Payers: Enrollees per zip code	<ul style="list-style-type: none"> <li>Total enrollees served in California as of 9/30/2024: 102,468.</li> <li>Enrollees in Los Angeles County as of 9/30/2024: 12,032</li> <li>Enrollees in Orange County as of 9/30/2024: 73,369</li> <li>Enrollees in San Diego County as of 9/30/2024: 7,526</li> <li>Enrollees in the Inland Empire as of 9/30/2024, which includes both Riverside and San Bernardino counties: 9,541.</li> </ul> <p>See attached in Section 11 for further enrollment data.</p>

## LOCATIONS

Counties	Los Angeles; Orange; Riverside; San Bernardino; San Diego
California licenses and numbers	DMHC File No. 933-0500
Other States Served	None
Other state(s) licenses and numbers	N/A
Primary Languages used when providing services	English; Chinese; 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
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### 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> .	No

To determine if you are located in a primary health care professional shortage area, please visit <a href="#">here</a>	
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## 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
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	3/31/2025
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 resubmitted its HSR filing on December 17, 2024 and the new waiting period expired on January 16th. The transaction is no longer subject to any suspensory conditions under the HSR Act.

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 and attachments presented in "3 &amp; 4 Submitter Business Information" sections.</p> <p>Prospect affiliates participate in Prospect Cares 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>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: (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> </ol>

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4. On January 1, 2023, ACPMC acquired the assets of Garfield Comprehensive Care Medical Corporation, a primary care practice.
  5. On January 1, 2023, ACPMC acquired 25% of the stock of James Song, M.D. A Professional Corporation, a primary care practice.
  6. On February 23, 2023, ACPMC acquired 100% of the stock of 1 World Medicine Urgent Care Corp, which operates an urgent care clinic.
  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.
  8. On February 23, 2023, ACPMC acquired 100% of the stock of Eleanor Leung M.D. A Professional Corporation, an OB/GYN practice.
  9. On March 1, 2023, ACPMC acquired the assets of Chinese Community Health Care Association, an RBO and IPA.
  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.
  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 Jamborcic, M.D., a Professional Corporation, a medical group.
  12. On October 2, 2023, AMG acquired the assets of Paul TC Liu, M.D., Inc., a primary care practice.
  13. On November 1, 2023, ACPMC acquired the assets of Advantage Health Network, an RBO.
  14. On November 1, 2023, ACPMC acquired the assets of Ardmore, a primary care practice.
  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.
  16. On January 31, 2024, Metropolitan IPA acquired the assets of Community Family Care Medical Group IPA, Inc., an RBO.
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	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.
Description of Potential Post Transaction Changes	See attached re (A).
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>**

- PHSRI filed for a Certificate of Need for a Home Care Provider License with the Rhode Island Department of Health I believe on 1/10/25
- 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.] \_\_\_\_\_
- 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.]

The submitter follows its contracted Health Plans threshold languages which vary depending on the population they serve. The Health Plans provide the letter templates. For interpretation services, the submitter uses 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.

The overall transaction structure will involve affiliates of Astrana Health acquiring certain assets and equity of Prospect's physician practices and care management service lines as appropriate in California, Texas, Arizona, and Rhode Island. Specifically, the transaction will result in the following changes to the governance and operational structure of the Prospect seller parties:

1. ApolloCare Partners of Texas PLLC will become the sole shareholder of Prospect Health Services RI, Inc. d/b/a Prospect ACO Rhode Island, which will continue to conduct its health care operations post-closing;

2. Astrana Care Hospital, LLC will become the sole member of Alta Newport Hospital, LLC d/b/a Foothill Regional Medical Center, which will continue providing acute care hospital services post-closing;

3. Astrana Health Management, Inc. will become the sole shareholder of Prospect Health Plan, Inc., which will (i) continue to operate as a health plan post-closing, (ii) continue to maintain its same network of providers and plan-to-plan agreements post-closing, (iii) continue to operate in its same service area and lines of business post-closing, and (iv) other than changes to the composition of its board of directors and officers, will operate in the same manner post-closing that it does pre-closing;

The Prospect entities selling their assets to Astrana Health buyer entities will cease operations post-closing, but the Astrana Health buyer entities intend to carry on the health care operations of the Prospect asset seller entities through their respective Astrana Health buyer entities or affiliated professional entities. In particular:

1. Metropolitan IPA, as a risk-bearing entity registered with DMHC, will continue the care coordination operations of Prospect Medical Group, Inc., Prospect Health Source Medical Group, Inc., Genesis Healthcare of Southern California, Inc., Nuestra Familia Medical Group, Inc., StarCare Medical Group, Inc., Prospect Professional Care Medical Group, Inc., Prospect NWOC Medical Group, Inc., Pomona Valley Medical Group, Inc., and Upland Medical Group, a Professional Medical Corporation (including, specifically as it relates to PHP, providing the same provider network services that are currently provided by such entities to PHP);

2. AMG will continue the health care operations of Prospect Physician Holdings, Inc., Prospect Intermediate Physician Holdings, Inc., New Genesis Medical Associates, Inc., and Primary and Multi-Specialty Clinics of Anaheim, Inc.;

3. Astrana Health Management, Inc. will continue the health care management operations of Prospect Medical Systems, LLC (including, specifically as it relates to PHP, providing to PHP the same administrative services that Prospect Medical Systems, LLC currently provides to PHP) and the pharmacy operations of RightRX;

4. ApolloCare Partners of Texas PLLC will continue the health care operations of Prospect Provider Group RI, LLC, Prospect Provider Group TX, Inc., and Prospect Health Services TX, Inc.;

AstranaCare Partners of Arizona, LLC will continue the health care operations of Prospect Medical Group AZ, LLC.

Please see Section 10 (including attachments thereto) of MCN # 2024-12-13-1285 and MCM # 2024-12-10-1279 for descriptions of all other parties to the transaction.