

#### **3PL–What is it?**

- 3PL represents "Three Product Lines"
- Clinic  $\rightarrow$  Drug  $\rightarrow$  Research
- All 3PLs are complex and strategies are different for each
- 3PL organization is simple—Any bookkeeper can manage

# **3PL—Clinic/Professional Fees**

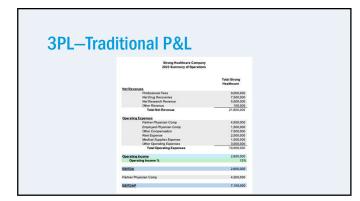
- Impacted by "Visits" or how much activity each physician produces
- Impacted by complexity of patient mix (Oncology/Uveitis)
- Coding accuracy

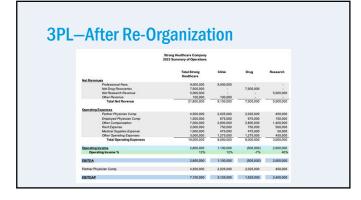
## **3PL–Drug/Treatments**

- Impacted by "Distribution Agreement"
- Payor Contracted rates (Commercial v. Medicare)
- Payor mandated step therapies
- Specialty Rx "Brown Bagging"
- ASP fluctuationsPhysician treatment plans/choice
- Drug mfr discounts and dynamics

#### **3PL**—Research

- Participation in trials
- Sponsor budgets
- Success in recruiting for trials
- New patient volume
- Operational capacity





## **3PL–Expense Allocations**

- Start somewhere—Meant to be directional
  See below image of allocations:

|                          | Brong Heathcare Company<br>2823 Summary of Operations |           |           |           |       |       |          |
|--------------------------|---|-----------|-----------|-----------|-------|-------|----------|
|                          | Total Strong<br>Healthcare                            | Clinix    | Drug      | Research  | Citra | Orva  | Research |
| Not Revenues             |   |           |           |           |       |       |          |
| Professional Fares       | 0.000.000   | 9.000.000 |           |           | TOPN  | 05    | 05       |
| Kint Drug Recovertee     | 7,506,009   |           | 7.505.303 |           | 15    | 100%  | 05       |
| Kel Resignih Revenue     | 8,000,000   |           |           | 6.000,000 | - 4%  | 0%.   | 1005     |
| Other Revenue            | 100,000   | 199,000   |           |           | 100%  | 15    |          |
| Total Net Revenue        | 21,606,000  | 8.500.000 | 1,665,589 | 1.001.000 |       |       |          |
| Operating Expenses       |   |           |           |           |       |       |          |
| Partner Physician Comp   | 4,500,000   | 2,225,000 | 2225.000  | 455.000   | 45%   | 42%   | 12%      |
| Employed Physician Comp. | 1,500,000   | \$75,000  | 675,005   | 155,000   | 45%   | 42%   | 10%      |
| Other Compensation       | 7,000,000   | 2,600,000 | 2,800,000 | 1.400.000 | 42%   | 42%   | 20%      |
| Hard Expense             | 2,050,000   | 750,000   | 250,000   | 560,005   | 37.5% | 37.5% | 255      |
| Medical Supplies Expense | 1,050,000   | 475,000   | 475,000   | 60,000    | 47.5% | 47.5% | 55       |
| Other Operating Expenses | 8,800,000   | 1,275,000 | 1,275,090 | 400.000   | 42.5% | 42.5% | 12%      |
| Total Operating Expenses | 19.006.000  | 8.000.000 | 8.000.000 | 3.000.000 | 1000  |       |          |
| Operating Income         | 2,000,000   | 1,100,000 | (500.095) | 2.000.000 |       |       |          |
| Operating Income %       | 1279  | 05        | -76       | 40%       |       |       |          |
| KRITSA                   | 2,406,000   | 0.962007  | (880,200) | 1000.000  |       |       |          |
| Partner Physician Cong   | 4,505,000   | 2.125.005 | 2.025.000 | 455,000   |       |       |          |
| ERTDAP                   | 7.106.000   | 3.125,090 | 1.625,099 | 2,495,005 |       |       |          |

