



3PL—What is it?

- 3PL represents “Three Product Lines”
- Clinic → Drug → 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 fluctuations
- Physician 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–Traditional P&L

Strong Healthcare Company 2023 Summary of Operations		Total Strong Healthcare
Net Revenues		
Professional Fees	6,000,000	
Net Drug Revenues	7,000,000	
Net Research Revenue	5,000,000	
Other Revenue	100,000	
Total Net Revenue		21,000,000
Operating Expenses		
Partner Physician Comp	4,500,000	
Employed Physician Comp	1,500,000	
Other Compensation	2,000,000	
Rent Expense	2,000,000	
Medical Supplies Expense	1,000,000	
Other Operating Expenses	3,000,000	
Total Operating Expenses		13,000,000
Operating Income		2,800,000
Operating Income %		12%
EBITDA		2,800,000
Partner Physician Comp	4,500,000	
EBITDAP		7,100,000

3PL—After Re-Organization

	Total Strong Healthcare	Clinic	Drug	Research
Net Revenues				
Professional Fees	9,000,000	9,000,000	-	-
Net Drug Revenues	7,500,000	-	7,500,000	-
Net Research Revenues	5,000,000	-	-	5,000,000
Other Revenues	100,000	100,000	-	-
Total Net Revenue	21,600,000	9,100,000	7,500,000	5,000,000
Operating Expenses				
Partner Physician Comp	4,500,000	2,025,000	2,025,000	450,000
Employed Physician Comp	1,500,000	675,000	675,000	150,000
Other Compensation	7,000,000	2,800,000	2,800,000	1,400,000
Rent Expense	2,000,000	750,000	750,000	500,000
Medical Supplies Expense	1,000,000	475,000	475,000	50,000
Other Operating Expenses	3,000,000	1,275,000	1,275,000	450,000
Total Operating Expenses	19,000,000	8,900,000	8,900,000	3,000,000
Operating Income	2,600,000	1,100,000	(500,000)	2,000,000
Operating Income %	12%	12%	7%	40%
EBITDA	2,600,000	1,100,000	(500,000)	2,000,000
Partner Physician Comp	4,500,000	2,025,000	2,025,000	450,000
EBITDAP	7,100,000	3,125,000	1,525,000	2,450,000

3PL—Expense Allocations

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

	Total Strong Healthcare	Clinic	Drug	Research	Clinic	Drug	Research
Net Revenues							
Professional Fees	9,000,000	9,000,000	-	-	100%	0%	0%
Net Drug Revenues	7,500,000	-	7,500,000	-	0%	100%	0%
Net Research Revenues	5,000,000	-	-	5,000,000	0%	0%	100%
Other Revenues	100,000	100,000	-	-	100%	0%	0%
Total Net Revenue	21,600,000	9,100,000	7,500,000	5,000,000			
Operating Expenses							
Partner Physician Comp	4,500,000	2,025,000	2,025,000	450,000	45%	45%	10%
Employed Physician Comp	1,500,000	675,000	675,000	150,000	45%	45%	10%
Other Compensation	7,000,000	2,800,000	2,800,000	1,400,000	45%	45%	10%
Rent Expense	2,000,000	750,000	750,000	500,000	37.5%	37.5%	25%
Medical Supplies Expense	1,000,000	475,000	475,000	50,000	47.5%	47.5%	5%
Other Operating Expenses	3,000,000	1,275,000	1,275,000	450,000	42.5%	42.5%	15%
Total Operating Expenses	19,000,000	8,900,000	8,900,000	3,000,000			
Operating Income	2,600,000	1,100,000	(500,000)	2,000,000			
Operating Income %	12%	12%	7%	40%			
EBITDA	2,600,000	1,100,000	(500,000)	2,000,000			
Partner Physician Comp	4,500,000	2,025,000	2,025,000	450,000			
EBITDAP	7,100,000	3,125,000	1,525,000	2,450,000			

The End