AON
American Oncology Network

National Oncology Networks and Practices in Iowa

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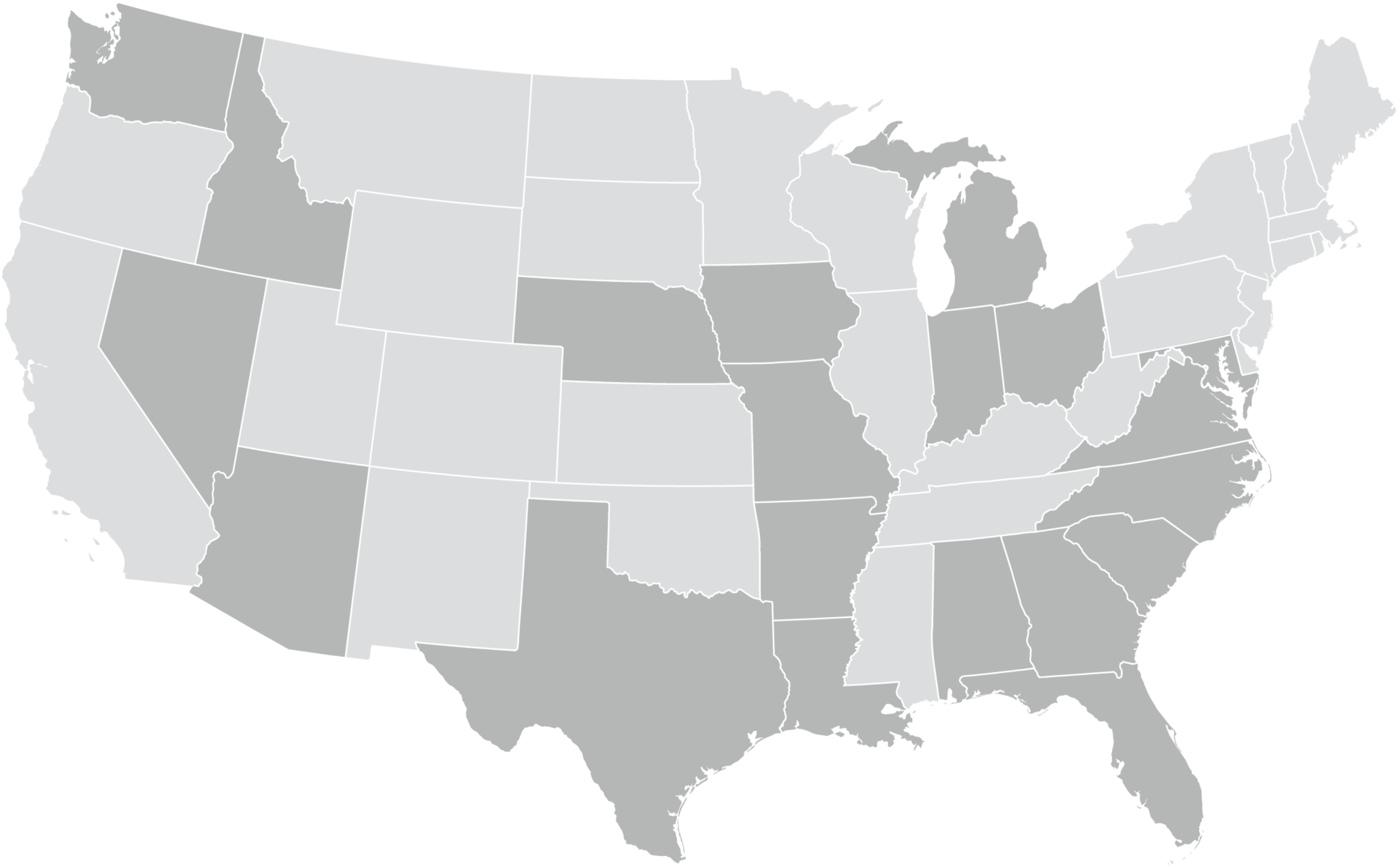
Today's Presenter

Anthony Belott

Chief Development Officer
American Oncology Network

24 years experience in development of healthcare provider organizations

American Oncology Network Snapshot



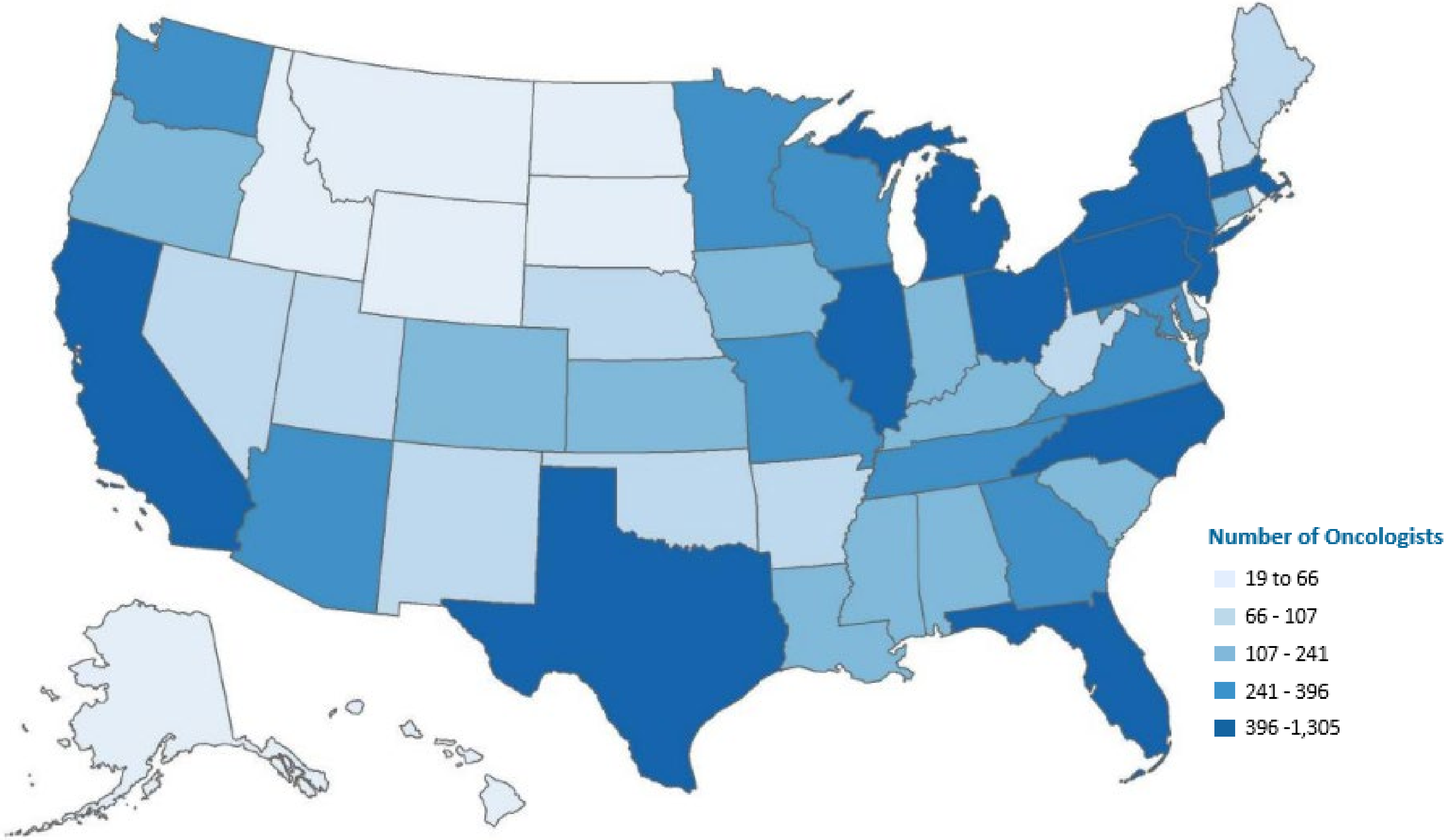
♦	**36**	Practices
♦	**220+**	Providers
♦	**100+**	Locations[1]
♦	**20**	States (+ DC)

[1]Includes management services clients

AON is building one of the fastest growing networks of community oncology practices, helping deliver high-quality cancer care across the United States

The Oncologist Landscape

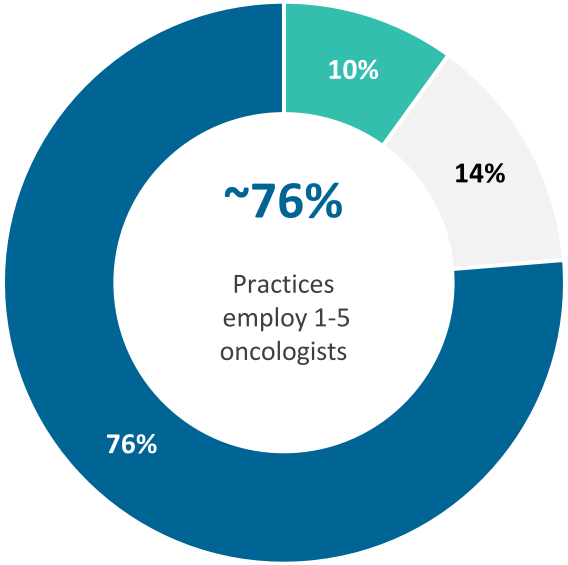
- **~13,300** Oncologists in the U.S.
- **~1 in 5** Oncologists approaching retirement age
- **>2,200** Estimated oncologist shortage by 2025



Key Trends in Tracking Supply and Demand of Oncologists: American Society of Clinical Oncology, 2020

The Oncology Practice Landscape

Highly Fragmented Market [1]



Number of Oncologists per Practice

1 - 5   6 - 12   >12

Number of Sites

1 - 5   >5

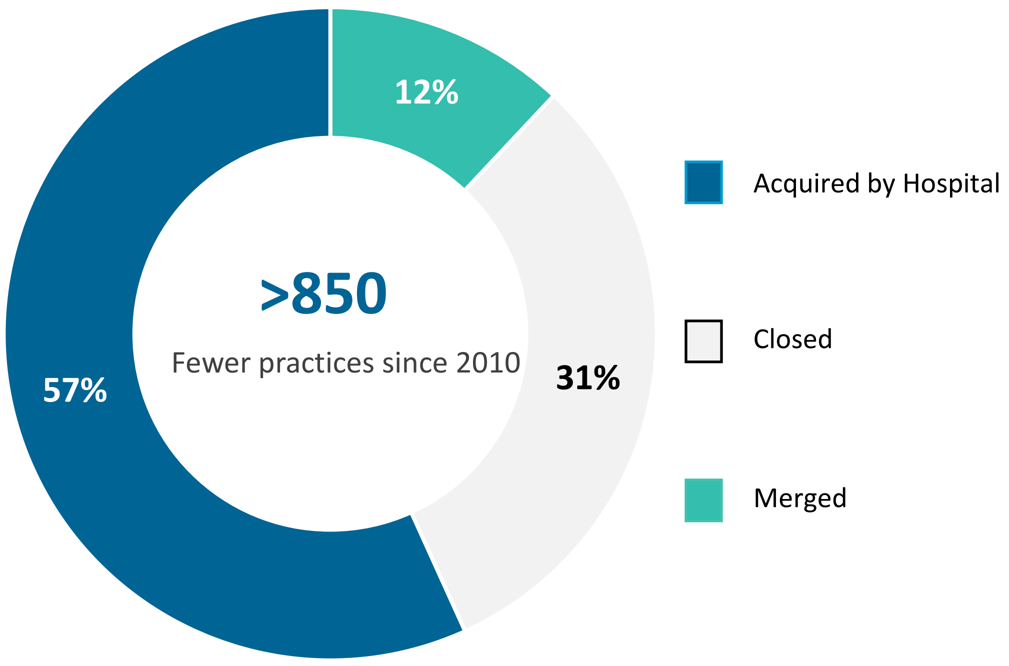
A highly fragmented market, oncology is (has been) ripe for consolidation based on necessity for the providers and opportunity for the consolidators

1) Oncology practice landscape in 2018; Oncology Practice Management

Drivers of Consolidation

- Financial pressures are driving increased consolidation
- Hospitals and large practices are employing more oncologists than ever
- Key provider headwinds include:
  - Sequestration
  - Transition to VBC/APM programs
  - Decreasing drug margins
  - Operating cost inflation
  - Increased DIR fees
  - Hospital competition/340B pricing
  - Access to clinical trials
  - APP and staffing shortages
  - Physician recruiting challenges

Oncology Practice Consolidation 2010-2020 (1)

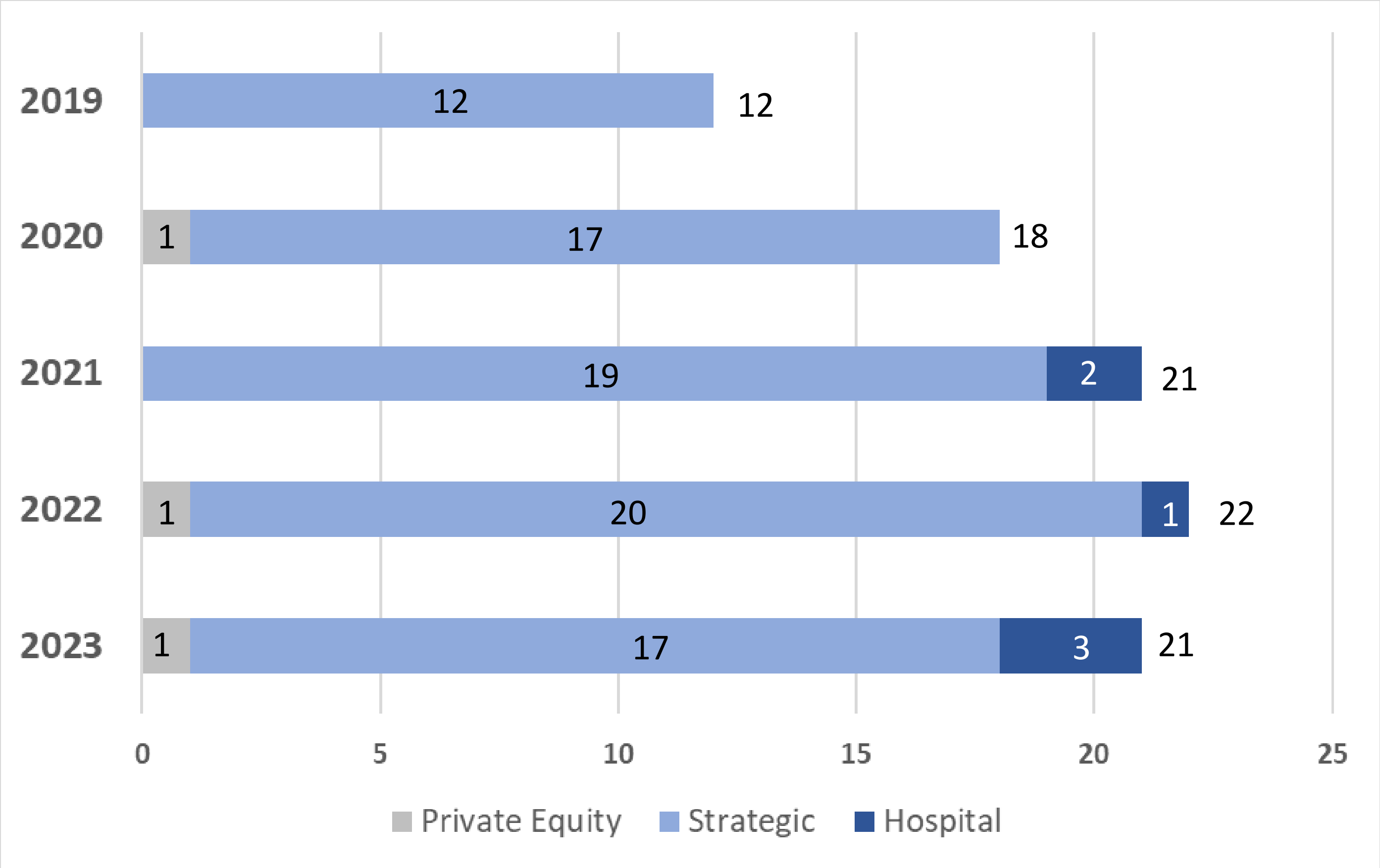


1) Community Oncology Alliance; 2020 Community Oncology Alliance Practice Impact Report

Continuing Trend of Consolidation (2019 - 2023)

- Practice acquisition activity has generally increased since 2018
- Strategic buyers (i.e., national oncology networks) have been the most active segment of acquirors

Oncology Practice Acquisitions [1]



1) Provident Healthcare Partners; Oncology Industry Summary Q4 2023

Impact in Iowa

Oncology Practice Impact January 2008 – April 2020 [1]

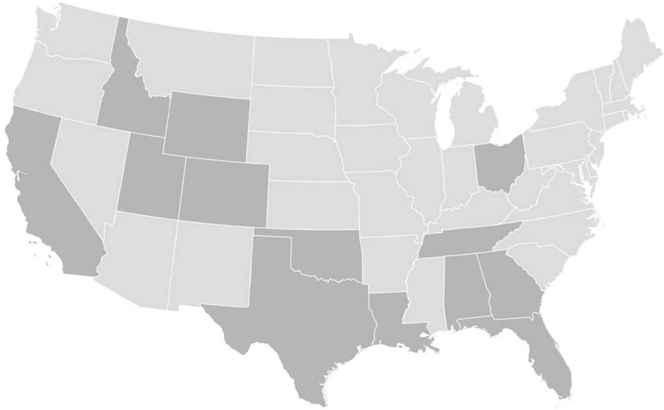
Total Sites/ Practices Impacted	Clinics Closed	Practices Struggling Financially	Practices Sending Patients Elsewhere	Practices Acquired by Hospitals	Practices Merged
16	2	0	1	12	1

1) Community Oncology Alliance; 2020 Community Oncology Alliance Practice Impact Report

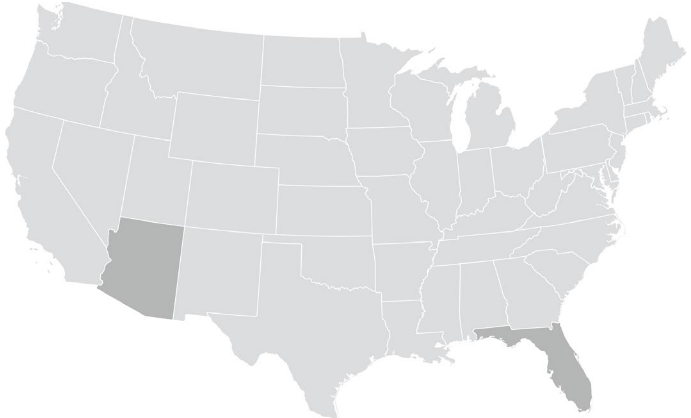
The National Networks

American Oncology Network
Ownership: Public
20 states; 100+ sites

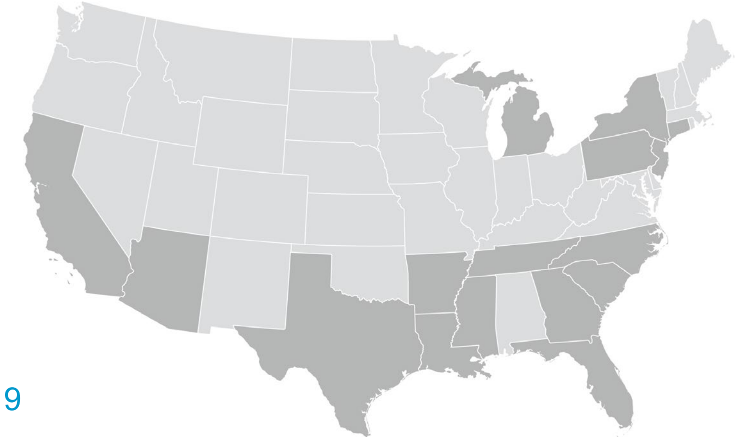
Integrated Oncology Network
Ownership: Private Equity
13 states; 50+ sites



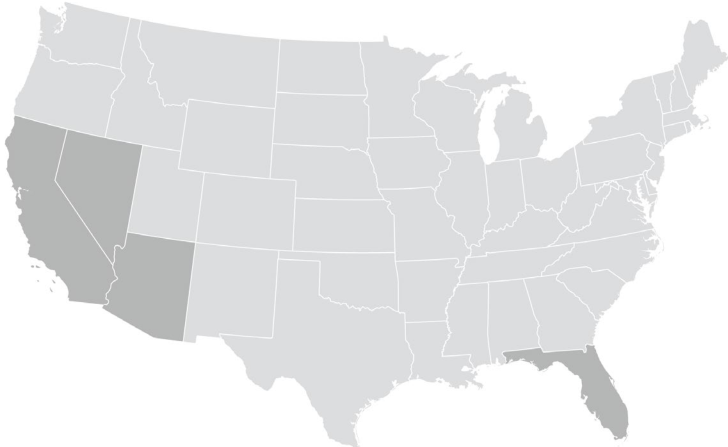
Oncology Care Partners
Ownership: Private Equity
2 states; 4 sites



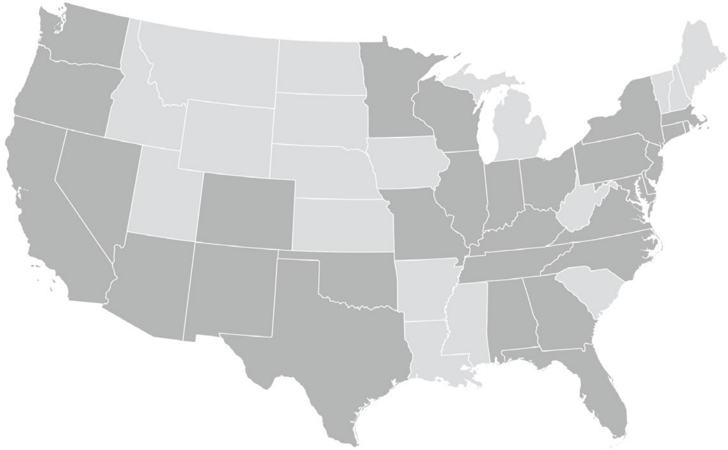
OneOncology
Ownership: Private Equity/Cencora
16 states; 300+ sites



The Oncology Institute of Hope & Innovation
Ownership: Public
4 states; 70+ sites



US Oncology
Ownership: McKesson
31 states; 500+ sites



Limited National Network Presence in Iowa

- Healthcare landscape largely reliant on hospitals
- University of Iowa – Holden Comprehensive Cancer Center
- Single large oncology practice
- Rural communities serviced via outreach clinics
- AON is the only national network with a presence in Iowa

Heartland ONCOLOGY & HEMATOLOGY
A DIVISION OF AMERICAN ONCOLOGY PARTNERS, P.A.

- Council Bluffs
- Atlantic (Cass County Memorial Hospital)
- Hamburg (George Grape Community Hospital)
- Myrtue Medical Center

ICS Iowa Cancer Specialists

- Davenport
- Pharmacy Management Services Only

Iowa's rural landscape and few 'platform' size practices offer limited opportunity for most national oncology networks

What Are Practices Looking For?

- Lower drug cost / assistance with formulary management
- Access to (enhanced) pharmacy, lab, pathology, radiology, radiation
- Better payor contracts / VBC
- Revenue cycle assistance
- Working capital access
- Relief from administrative burden
- Tools and programs to support quality care
- Integrated technology
- Recruiting help
- Access to clinical trials
- Physician autonomy
- Growth

AON Approach

- ☑ Lower drug cost / assistance with formulary management
- ☑ Access to (enhanced) pharmacy, lab, pathology, radiology, radiation
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- ☑ Recruiting help
- ☑ Access to clinical trials
- ☑ Physician autonomy
- ☑ Growth

Operating as a single, fully-integrated national oncology practice, AON's employed physician model delivers a full set of services and features; the financial and governance arrangements are designed to replicate physician ownership

Features of Different Operating Models

	AON	Fully Independent	Other Network Models	Employed Model (e.g., Hospital)
Operational Autonomy	✓	✓	✓	
Purchasing Scale	✓		✓	✓
Integrated Pharmacy and Lab	✓			✓
Centralized Back Office	✓			✓
Robust Tech Platform	✓			
Aligned Economic Incentives	✓	✓		

AON's Fully-Integrated Model

Practice Mgmt.

- ✓Revenue Cycle
- ✓Procurement
- ✓Staffing and HR
- ✓Compliance and Legal

Technology

- ✓IT Systems
- ✓Decision Support
- ✓Data Analytics

Transitions to VBC

- ✓Managed Care Contracting
- ✓Quality and Reporting
- ✓Care Management

Local Practice Management

- ✓Real Estate Ownership
- ✓Physician Comp Formula
- ✓Capital Investments
- ✓Research Participation

Clinical Care

- ✓Infusion Services
- ✓Admixture
- ✓Imaging
- ✓Local Laboratory
- ✓Clinical Staff
- ✓Access to Clinical Trials

Patient Mgmt.

- ✓Patient Intake
- ✓Patient Registration
- ✓Scheduling
- ✓Triage

AON offers community oncology practices benefits of scale through an integrated care platform, while preserving local practice autonomy

AON's Platform Drives Revenue Growth and Diversification

Specialty Pharmacy

- In-house AON specialty pharmacy "insources" revenue to the practice
- Access to >92% of oral oncolytics
- 80% average script capture rate
- Hands-on patient assistance & support
- In-network with major PBMs

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Clinical Research

- Network-wide data analytics and trial matching
- Provide access to diverse patient demographics
- Currently offering 100+ clinical trials

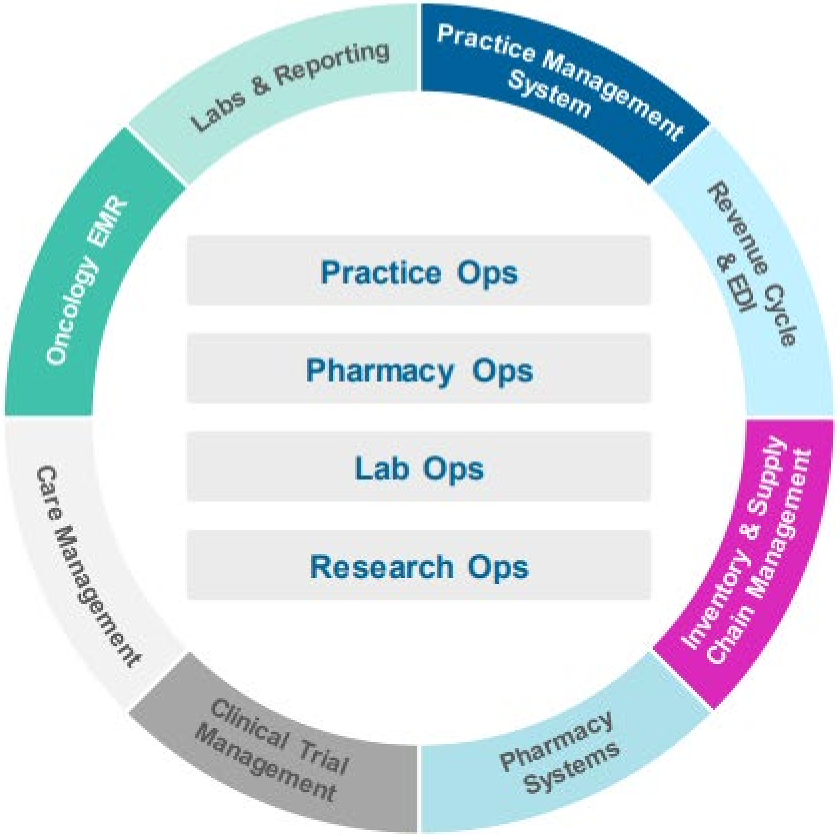
Laboratory & Pathology

- Centralized CLIA-certified, CAP-accredited lab
- Better turnaround times
- 24/7 access to pathologists
- Integrated into AON EMR system
- Access to novel technologies such as next-generation sequencing ("NGS")

Radiation Therapy & Imaging

- Support investment in select practices/markets
- Opportunity to significantly expand practice capabilities
- Enhances patient treatment options in-house

Robust Tech Platform Underpins Operations, Driving Efficiencies



One platform connects patient records, pharmacy, pathology lab, and back office, creating **improved service levels and care outcomes**

Automates workflows in key areas such as revenue cycle management, **increasing clinical efficiency**

Centralized formulary and care navigator allows AON's expert medical team to push new insights to practices, **raising the quality of care**

Data warehouse and decision support **drives objective clinical and practice operations**

Substantial investments made since inception to built an integrated technology platform that ties together our clinical and operational ecosystems

Quality Care at Lower Cost

4.2% Decrease

in total expenditures compared to all oncology practices

12.3% Decrease

in hospital admissions

9.6% Decrease

in unplanned 30-day readmissions

2.0% Decrease

in total expenditures compared to OCM practices

12.0% Decrease

in emergency room visits (no admission/observation stay)

13.6% Decrease

in physician and ancillary services expenditures (1)

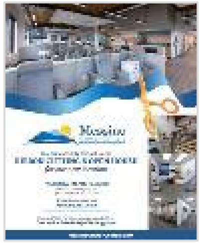
Increase in biosimilar drug usage

Decrease in patient prescription expenses

Resources to Drive Same Store Growth

MARKETING

Marketing Strategy	Campaign Development	Traditional Advertising
Multi-Channel Advertising	PR / Media Outreach	Patient Communications
Referral Physician Communications	Referral Base Management Support	Online Reputation Management
Search Engine Marketing	Social Media	Website Management



PHYSICIAN RECRUITMENT

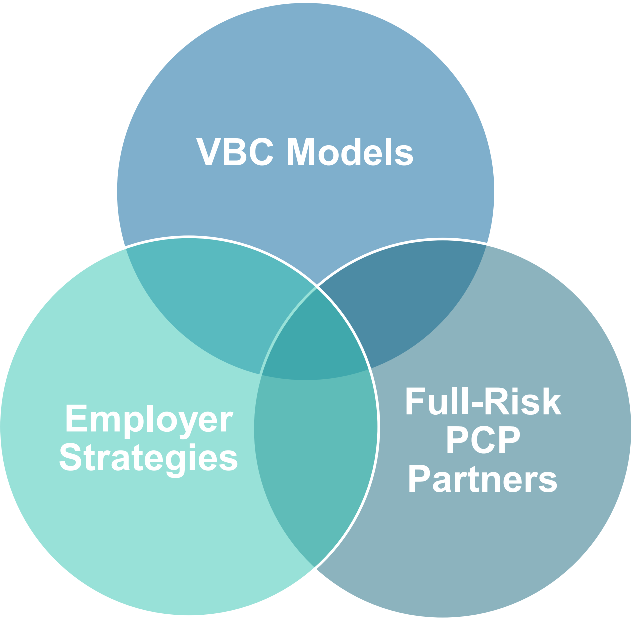
Awareness
- Conferences
- Websites
- Advertising

Outreach
- Fellowship Programs
- Social Media

Savings
- 50%+ vs. Outside Recruiters

Process & Efficiency
- Full Time and Dedicated Internal Physician

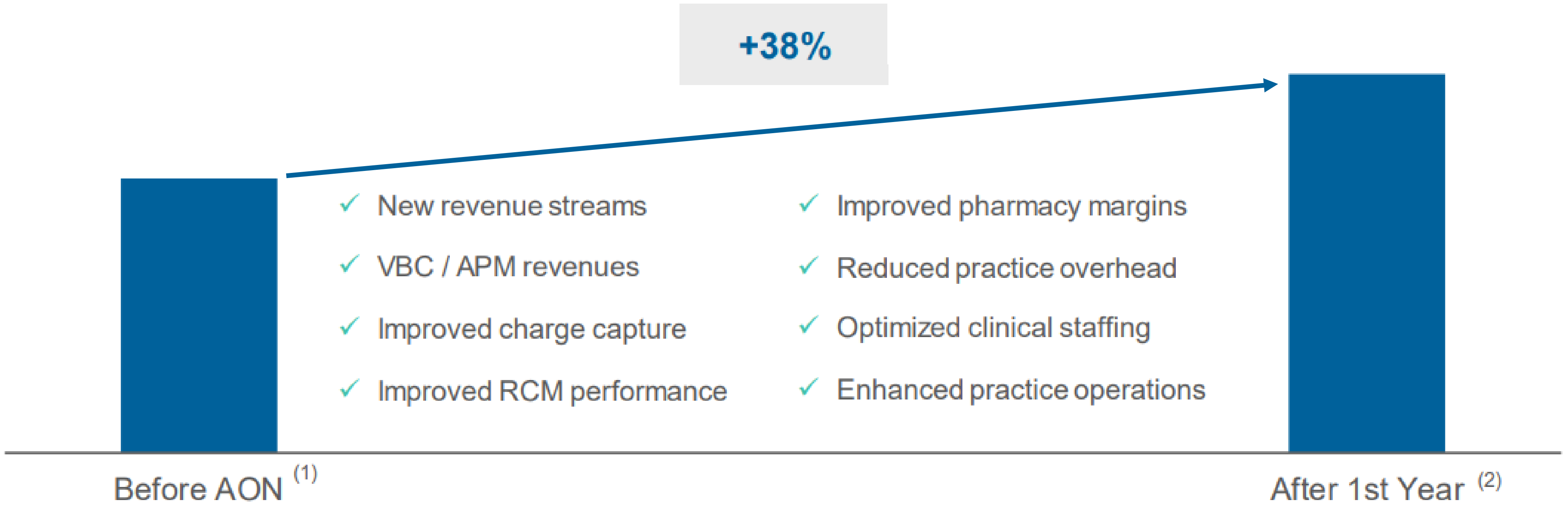
PARTNER-DRIVEN GROWTH STRATEGIES



Business Model Aligned with Providers for Growth

- Align incentives with practices
- Additional/enhanced revenue streams + cost savings = better economics for practice
- Reduce administrative burden, allowing practices to focus patient care

Average Pre-Distribution Pool ("PDP") Earnings Per Physician



1) PDP is practice-level margin, net of AON central service fees and all practice operating expenses, available for distribution
2) Compares months 13-15 PDP run-rate to pre-AON baseline PDP. Includes 20 practices (98 physicians) that have been on the AON platform for 15 or more months

Thank you

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