The Future is Now

Preparing You and Your Practice for a Changing Environment

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Founder and Managing Member

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The model of restructuring your practice based on a Renal MSO and the applicability to a subspecialty practice is presented for discussion.

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Basic Assumptions

- Reimbursements will decrease
- Divide and Conquer
- The regulatory environment will be more complex
- ACO's – will happen:
  - 60% MD will be employed
  - 30% will continue
  - 10% will retire
- To survive you will need to address the above

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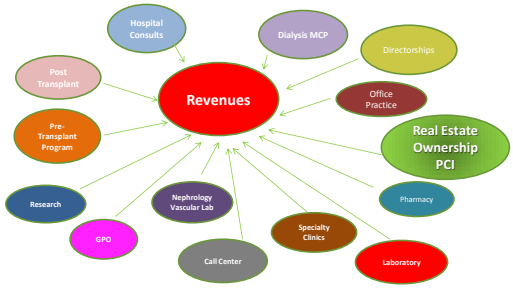
Physicians' Capital Investments

Revenue Streams



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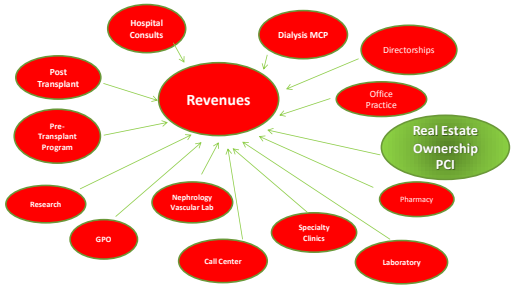
Negative Impact on Reimbursements



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KMS

MANAGED CARE
- ACOs
- Contract Negotiation
- Contract Administration
- Contract Language Review
- Credentialing
- Fee Schedule Analysis
- Outcome Analysis

BILLING & COLLECTION
- Electronic Billing System
- Electronic Claims Submissions
- Statistical Reports
- Medicare Compliance Policy
- Credit Checking Services
- Hand-held Direct Billing

ANCILLARY MANAGEMENT
- Pharmacy
- Vascular Lab
- Specialty Clinics
- Real Estate Ownership
- Central Triage & Call Desk

CORPORATE ADMINISTRATION
- Risk Management
- Legal
- Merger/Acquisition Assistance
- Practice Valuation
- OSHA Training
- Malpractice Insurance
- Health Insurance

DATA PROCESSING
- Electronic Medical Record
- Microsoft Office Suites
- Internet Access
- Application Training
- Outlook Electronic Mail
- Transcription Services
- Voice Recognition Dictation

ACCOUNTING SERVICES
- Oracle Financial Package
- Ceridian Automated Payroll
- Federal Income Tax Preparation
- Budgets
- 401(k) Benefit Management

HUMAN RESOURCES
- Human Resources Policy Manuals
- Health Insurance Management
- Labor Law Updates
- Form 5500 Preparation
- Employee Newsletter
- Physician Referral Newsletter
- Physician Recruitment

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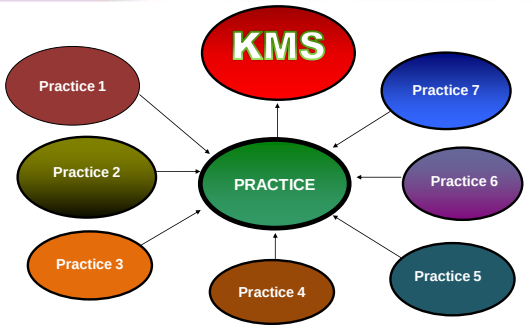

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Managed Care

- Contract Negotiation
  - ACOs
- Contract Administration
- Contract Language Review
- Credentialing
- Fee Schedule Analysis
- Outcome Analysis

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Billing and Collections

- Electronic Billing & Claims Submission System
- Statistical Reports
- Medicare Compliance Policy
- Credit Checking Services
- Hand-held Direct Billing

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Corporate Administration

- Risk Management
- Legal
- Merger/Acquisition Assistance
- Practice Valuation
- OSHA Training
- Malpractice Insurance
- Health Insurance

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Data Processing

- Electronic Medical Record
- Microsoft Office Suites
- Internet Access
- Application Training
- Outlook Electronic Mail
- Transcription Services – Voice Recognition

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Accounting Services

- Oracle Financial Package
- Ceridian Automated Payroll
- Federal Income Tax Preparation
- Budgets
- 401(k) Benefit Management

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Ancillary Management

- Pharmacy
- Vascular Lab
- Specialty Clinics
- Central Triage & Call DeskReal
- Real Estate Ownership (The PCI Model)

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About PCI

- 100+ Years of Healthcare Leadership
  - Founded by Pedro Vergne-Marini, MD
  - Focused medical construction including specialty clinics
  - Successful real estate investment for physicians
- PCI's Business Model:
  - to **develop** medical office and clinical facilities **with physician and provider partners**
  - to provide an **investment vehicle** for physicians and key personnel
  - to make investments affordable **through fractional ownership**
- PCI's Products/Services:
  - "Blue Collar" - Turnkey construction, development and syndication with physician ownership.
  - "White Collar" - Syndication of existing property with physician ownership

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About PCI

- Today, PCI has **over** 500 physicians who have invested in PCI or related projects

Hence PCI's tagline:

"Physicians Investing in Physicians"

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PCI's Value

- Full or Partial Ownership without the headaches.
- PCI Manages the Following Activities:

Activity	PCI	Healthcare Provider	Practice (MDs)
Site Selection	✓	Input	Input
Getting Site Under Contract	✓		
Architectural, Site & Building Design	✓	Input	Input
Lease, Rate & Term Negotiations with healthcare provider(s)	✓	Input	Input
Construction – Site, Shell, Build-out	✓		
Securing Financing- Construction & Permanent	✓		
Facility Management- If contracted	✓		
Investment Management- Accounting, Legal, Financial Reporting, K-1, Distributions & Cash Mgmt…	✓		

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PCI's Value

- What this means to you:
  - Increased speed-to-market entry for:
    - Consolidations
    - New (DeNovo) Locations
  - Unique:
    - Employee recruiting program added to Practice's arsenal
    - Employee retention program via ownership model
  - Improved Patient Scores:
    - Decrease Employee Turnover by improving employee satisfaction through personal (fractional) ownership of facility

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PCI's Value

- What this means to you :
  - Decreased overhead
  - Decreased capital expenditures when expanding
  - The potential of generating liquidity via "White Collar" Syndications for existing Practice projects, providing more capital for acquisitions and/or expansions
  - Helps Practice:
    - improve how efficiently it allocates and employs its return on invested capital
    - reduce net debt/EBITDA ratio
    - improve it's financial flexibility by providing it an additional financial instrument
  - Ability to expand the number of units promoting overall growth & cash flow

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PCI's Value

- PCI provides **Physicians** the following benefits:
  - Fractional ownership
  - Income diversification through medical real estate Ownership
  - Tax Benefit*
  - Projects approved for Qualified Plans (i.e., 401(k), IRA, etc…)
  - Portfolio Diversification
  - Stable stream of income*
  - Employee ownership acts as a:
    - Recruitment tool
    - Retention tool

*Note: Local market conditions dictate value and performance of real estate asset and investment. Tax laws governing accelerated depreciation subject to change with legislation.

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Offering Attributes & Process*

- PCI's CPOM Attributes:
  - Each project is divided into 100 Limited Partnership "units";
  - Each unit is of equal value;
  - Each one (1) unit sells at a pre-set price. Pricing is determined by project size, scope and additional factors spelled out in the project specific CPOM;
  - You can buy as little as 1 unit per project;
  - There may be up to 4 offering rounds;
  - Each offering round is made up of a predefined group.

*Note: This is not an offer or solicitation in any jurisdiction where we are not authorized to do business. To learn how to obtain a prospectus containing this and other important information, please contact a Physicians' Capital Investments, LLP representative at 1.866.936.3089. Please read the prospectus carefully before investing.

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Investor Invitation Process

- **Group 1: Employees located within the specified medical facility:**
  - **Medical Director**
  - **Physicians of Practice**
  - **Key employees of Practice**
- Group 2: Investors in PCI LLC
- Group 3: Previous individual facility investors
- Group 4: Medical community at large which are categorized as "Potential Investor" by PCI

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In Conclusion

PCI provides you with:

- Access to working capital to execute your strategic plan
- Minimal initial capital investment
- Minimal, if any Personal Guarantees
- A stable and guaranteed stream of income
- An appreciating asset
- The ability to invest in future unaffiliated properties, providing you with a diverse portfolio of investment
- Personal ownership of YOUR facility
- The "gift" to focus on the care of your patients

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For More Information on PCI

www.physcap.com

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