INDEPENDENT Living Systems

Company Overview

September 9. 2019

ILS Overview

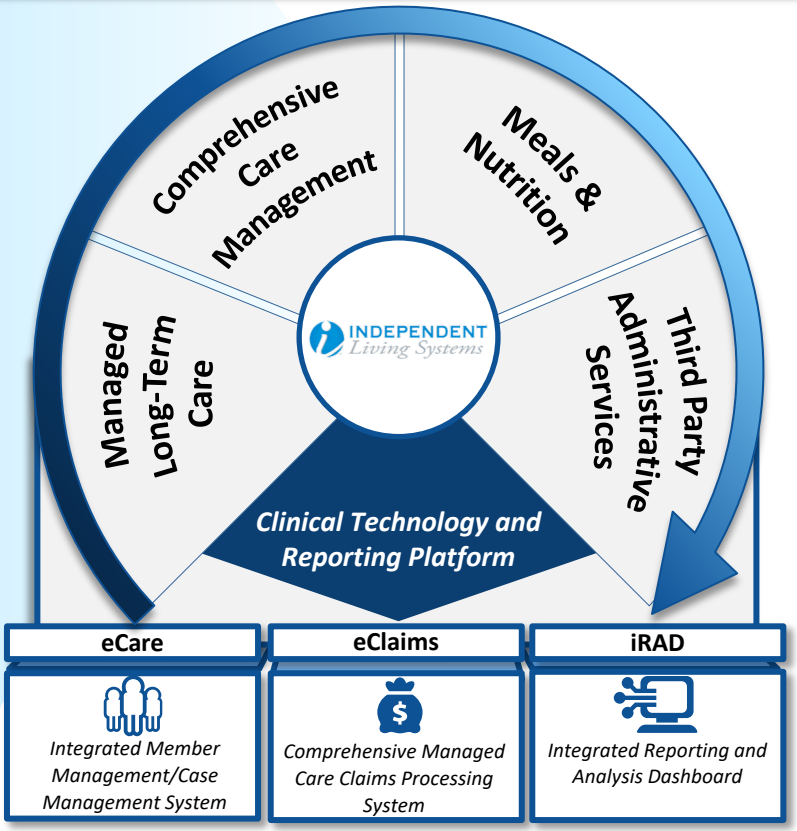
- ILS is a technology-enabled management services company that **optimizes the cost and quality of care for high-cost, complex patient populations** that are eligible for Medicare, Medicaid or dual-eligible coverage, which is, in aggregate, **a $500+ billion market**
- The Company has two operating segments:
  - Core: Offers managed care organizations **turn-key managed long-term care management, nutritional support,** comprehensive care management and third-party administrative services with a focus on social determinants of health
  - Managed Care: Leveraging the capabilities in its core business, which enabled numerous third-party plans to operate successfully, ILS has established two managed care subsidiaries:
    - **Florida Community Care ("FCC"): Operates as a MLTC plan under a statewide contract with the State of Florida that commenced in December 2018**
    - Health Pointe ("HP"): An Institutional Special Needs Plan ("I-SNP") in New York that will commence enrollment in April 2019
- ILS' platform is **differentiated by its technology-enabled approach, patient-centered philosophy and its ability to incorporate social determinants of health**

Company Fast Facts

- Services 4.8 million member lives across 30+ customers
- In 2019, ILS expects to generate $306mm of revenue and **$21mm of normalized adjusted EBITDA**
- Florida Community Care revenues expected to exceed $1.0 billion annually by 2022

Managed Care Initiatives

Florida Community Care | **Health Pointe (New York)**



Company History and Timeline

ILS has developed a full-suite of capabilities to manage complex Medicare and Medicaid populations, with a focus on populations needing LTSS and coordination around social determinants

Expanding Value Proposition & Market Opportunity

Founding and Growth in Programs

2001-2005

- **2001:** Founders began to assist health plans and other organizations in the delivery and management of long-term care services
- **2003:** Implemented MSO Pediatric Program in Florida
- **2004:** Implemented nursing home diversion program in Florida
- **2005:** Launched Nutritional Support Services division to provide targeted nutrition benefits to health plan clients in Florida

Significant Proprietary Product Development and Expansion

2006 - 2017

- **2008:** Began to actively develop the proprietary eCare IT platform
- **2009:** Developed Care Transition Services model
- **2010:** Introduced Comprehensive Care Management for Medicare and Medicaid populations
- **2010:** Began to expand nationally
- **2012 – 2014:** ILS successfully started LTC programs in FL, NY, CA, VA, IL and SC
- **2013:** Acquired Royal Healthcare/TPA business line
- **2017:** ILS qualifies as a long-term care PSN through a Community Care for the Elderly contract with the Area Agency on Aging

Continued Expansion Through Partnerships and Organic Growth

2018 Onwards

- **2018:** Achieved NCQA Accreditation as early adopter (LTC)
- **2018:** Florida Community Care (93% owned by ILS), an ILS subsidiary, is awarded an MLTC contract with the State of Florida to manage populations in need of long-term care — FCC went live in December 2018
- **2019:** ILS introduces a Medicare I-SNP in New York that will commence in October 2019 under the Health Pointe brand

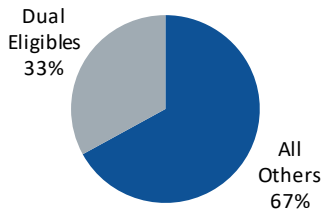
Large and Growing Market Opportunity

Complex populations account for over $500 billion of healthcare spending which has caused the federal and state governments to increase support for managed care tools, such as those offered by ILS

Spending on Select Complex Government Populations

Dual-Eligible Spending

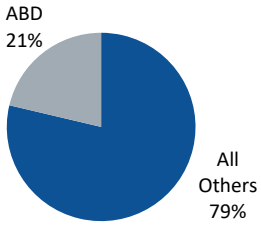
(% of Total Medicare And Medicaid Spend)



$421 billion

Non-Dual Aged, Blind and Disabled Spending

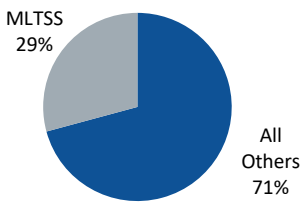
(% of Total Medicaid Spend)



$124 billion

MLTSS Spending[1]

(% of Total Medicaid Spend)



$171 billion

- Dual-eligibles represent approximately 9% of total Medicare and Medicaid beneficiaries but 33% of Medicare and Medicaid spend
- Similarly, non dual-ABDs represent only 7% of Medicaid beneficiaries but 21% of Medicaid spend
- MLTC spending typically represents the highest activity for dual-eligibles and non-dual ABDs

Policy Tailwinds

- Federal government evaluating LTSS benefit that would cover all eligible individuals, regardless of whether they qualify for Medicaid
- CMS guidance for 2019 allows (and encourages) inclusion of nutrition benefits in Medicare Advantage plans
- More states transitioning the management of complex populations to managed care

Source: Kaiser Family Foundation, CMS, CBO, Medicaid.gov, Wall Street research

1. Current Medicaid spend for LTC based on growth in CBO's projected federal January 2019 Baseline Medicaid payments for long-term care

ILS Core Services Portfolio

ILS has 5 legacy core services lines, which collectively serve 4.8 million members across 30+ clients

	Description	Date of Inception	% of 2019 Core Rev.
Managed Long-Term Care (LTC)	*Turn-key solution for managed care plans that addresses all clinical and administrative needs associated with optimizing the cost and quality of care for Medicaid beneficiaries needing long-term care*	2001	*39%*
Meals and Nutrition (NSS)	*One of the nation's largest nutritional providers delivering consistent, high-quality therapeutic meals to elderly and at-risk populations*	2005	*30%*
Third Party Admin (TPA)	*A fully integrated business and technology offering to support all administrative and financial reporting requirements of health plans and risk bearing entities*	2001	*13%*
Comprehensive Care Management (CM)	*A streamlined solution for ongoing care management and care optimization targeted towards special needs populations and special needs plans, especially those serving dual-eligible beneficiaries*	2010	*11%*
Management Services Organization (MSO)	*Population and provider-based interventions to address utilization and monitor unit cost of services*	2003	*7%*

ILS Membership Lives	**95K** *LTC Members*	+	**4.6M** *Nutrition Eligible Members*	+	**67K** *CM Members*	+	**17K** *MSO Members*	= **4.8M** *Total Member Lives*
PMPM Range	*$30.00 – $200.00*		*$0.83 - $15.00*[1]		*$16.50 - $24.00*		*$7.50 - $35.00*[2]	