

CONFIDENTIAL INFORMATION



ESTABLISHED 2 UNIT PAIN PRACTICE LOS ANGELES

PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION



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Since 2001, this established pain management practice treats a wide variety of patients who need physical rehabilitation, pain management, interventional pain procedures and in office injections. The practice is well known throughout the LA area and includes more than 71 medical provider networks/MPNs.

The practice consists of 2 locations. Location 1 is in the San Fernando Valley and a satellite location, Location 2, in western San Gabriel valley.

The practice was originally part of a multispecialty group since 2001 but became a solo practice with shared office with an orthopedic spine surgeon who has been a strong referral source of patients.

The San Gabriel location has constant referrals from chiropractors, internist, occupational medicine and orthopedic surgeons.

PATIENT INFORMATION

The practice is basically a mixture of Worker's Compensation patients which is about probably 60 to 70% of the practice.

Then the rest is a mixture of personal injury patients about 10 to 20%, private PPO insurance patients which is about 10 to 20% and approximately 5% Medicare and cash patients.

Location 2 is mainly Worker's Compensation patients.

PERSONNEL

The employees are highly trained and plan on continuing with the new owner.

2 employees:

- 1 FT paid approximate \$22 an hour and the salary monthly is approximately \$3400 a month.

- 1 PT employee/ independent contractor nurse practitioner

- currently gets paid \$70 an hour, an average payment about \$2000-\$3000 a month.

1 physician/owner:

Paid fees for services.

Staff to patient ratio proximately 3 to 4 staff per 20 to 30 patients.

The office manager/ administrator scheduler has been in with the practice for majority of its history and knows how to run everything in the office.

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NP#1 runs location #1. She has been trained by the doctor for the last 5 years and knows how to evaluate, do history and physical exams just as a pain specialist would, and come up with diagnosis and treatment plan. She's also been trained to do in office injections including joint injections, trigger point injections, carpal tunnel and trigger finger injections etc.

OPERATIONS AND EQUIPMENT

The practice is HIPPA compliant.

Billing/collection compliant and use the EMR system used is PCM.

There's an x-ray machine in office which can be used but it is owned by the orthopedic surgeon who shares office space.

There's also an EMG and nerve conduction study machine that can be used for electro diagnostic tests, which will be included in the sale.

There is a lab company that collects urine toxicology which makes it convenient, easy and fast to get results for patients. Also this company is very helpful with patient care, intake, discharge etc.

PREMISES AND HOURS OF OPERATION:

Location 1-

4 exam rooms in San Fernando office

1200 sf with rent of \$500/day (subleased)

Location 2-

6 exam rooms in San Gabriel office-subleased from a physician

Approximately 2500 sf. Rent is based on a percentage of collection- 59% is paid to them for all the overhead expenses and staff.

There is no procedure rooms since the doctor uses a surgery center, but if buyer desires they may buy their own fluoroscopy machine and there's space at both facilities to create a procedure room.

Hours usually every Wednesday 9-5 PM for clinic in San Gabriel and usually Tuesday and/or Thursday in San Fernando 9-5 PM.

BILLING & COLLECTIONS

There is a management and billing collection company which takes care of billing and collections as well as paying the manager.

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MARKETING

Referrals come from the insurance companies, the medical provider networks, orthopedic spine surgeons, internist, chiropractors and sometimes directly from the attorneys representing the clients for work comp and personal injury.

REVENUE AND PROFIT (per seller profit & loss statements)

Buyer to confirm all numbers and advised to hire CPA to review all financials

	2021	2022
Annual Revenue	\$ 673,108	\$ 781,485
SDE/Net Profit	\$ 283,492	\$ 381,966

See attached profit & loss statements.

FREQUENTLY ASKED QUESTIONS:

What modalities other than joint and trigger point injections are offered?- PT, Chiro, acupuncture

If they include PT, chiropractor and/or acupuncture are these performed by the respective providers. Yes

If yes are they paid a salary or percentage of collections- Included in %of collections paid

Is the work comp applicant or defense- Applicant

If applicant, are cases on lien or is payment authorized- Authorized

Please explain what services are performed for the 50% of collections. - All services, MA, PA, rent, staff, phone, fax, printing, reports, billing and collections etc.

How many hours/week does the doctor work- 3-8 hours per day

If C Arm added would that sour relations with the orthopedist or could he do procedures such as epidurals and facet blocks. –Yes, procedures can be done.

Will owner include receivables in the purchase- It depends on how much they want to pay and if they're willing to pay extra for the old accounts receivables which includes big liens/bills on PI cases also.

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Statement of Revenue & Expenses
For the Periods Ended December 31, 2022 and 2021

	12 Months Ended Dec. 31, 2022	Prior Year Period	Variance	Pct	12 Months Ended Dec. 31, 2022	Prior Year Period	Variance	Pct
Revenue								
Fees Collected	\$ 781,465.33	\$ 673,088.96	\$ 108,376.37	16	\$ 781,465.33	\$ 673,088.96	\$ 108,376.37	16
Interest	20.16	18.80	1.36	7	20.16	18.80	1.36	7
Total Revenue	781,485.49	673,107.76	108,377.73	16	781,485.49	673,107.76	108,377.73	16
Cost of Sales								
Wages-Officer	90,000.00	67,500.00	22,500.00	33	90,000.00	67,500.00	22,500.00	33
Ins. Malpractice	6,384.25	0.00	6,384.25	0	6,384.25	0.00	6,384.25	0
Drugs & Supplies	113,148.64	68,292.73	44,855.91	66	113,148.64	68,292.73	44,855.91	66
Consultation Fees	54,868.01	44,240.00	10,628.01	24	54,868.01	44,240.00	10,628.01	24
Visiting Expenses	52,802.73	83,000.00	(30,197.27)	(36)	52,802.73	83,000.00	(30,197.27)	(36)
Total Cost of Sal	317,203.63	263,032.73	54,170.90	21	317,203.63	263,032.73	54,170.90	21
Gross Profit	464,281.86	410,075.03	54,206.83	13	464,281.86	410,075.03	54,206.83	13
Operating Expenses								
Accounting & Legal	2,175.00	1,925.00	250.00	13	2,175.00	1,925.00	250.00	13
Advertising	29,889.15	42,307.30	(12,418.15)	(29)	29,889.15	42,307.30	(12,418.15)	(29)
Returned Checks	9,963.03	130.73	9,832.30	999	9,963.03	130.73	9,832.30	999
Bank Charges	51.00	41.00	10.00	24	51.00	41.00	10.00	24
Billing Services	39,223.68	63,061.79	(23,838.11)	(38)	39,223.68	63,061.79	(23,838.11)	(38)
Cleaning	2,515.00	1,710.00	805.00	47	2,515.00	1,710.00	805.00	47
Contributions	320.00	1,700.00	(1,380.00)	(81)	320.00	1,700.00	(1,380.00)	(81)
Credit Card Charges	60.00	0.00	60.00	0	60.00	0.00	60.00	0
Insurance	0.00	6,384.25	(6,384.25)	(100)	0.00	6,384.25	(6,384.25)	(100)
Licenses	208.00	0.00	208.00	0	208.00	0.00	208.00	0
Office Exp.	6,423.80	10,954.32	(4,530.52)	(41)	6,423.80	10,954.32	(4,530.52)	(41)
Outside Services	36,390.28	0.00	36,390.28	0	36,390.28	0.00	36,390.28	0
Pension	22,500.00	30,000.00	(7,500.00)	(25)	22,500.00	30,000.00	(7,500.00)	(25)
Rent	24,000.00	23,500.00	500.00	2	24,000.00	23,500.00	500.00	2
Repair & Maintenance	4,400.00	17,718.33	(13,318.33)	(75)	4,400.00	17,718.33	(13,318.33)	(75)
Taxes-Licenses	3,370.00	2,464.25	905.75	37	3,370.00	2,464.25	905.75	37
Taxes-Payroll	7,039.00	17,224.00	(10,185.00)	(59)	7,039.00	17,224.00	(10,185.00)	(59)
Taxes-Corporation	2,470.52	800.00	1,670.52	209	2,470.52	800.00	1,670.52	209
Telephone	73.09	0.00	73.09	0	73.09	0.00	73.09	0
Utilities	6,534.20	6,662.06	(127.86)	(2)	6,534.20	6,662.06	(127.86)	(2)
Total Expenses	197,605.75	226,583.03	(28,977.28)	(13)	197,605.75	226,583.03	(28,977.28)	(13)
Net Income (L)	\$ 266,676.11	\$ 183,492.00	\$ 83,184.11	45	\$ 266,676.11	\$ 183,492.00	\$ 83,184.11	45

\$381,966 sde

\$283,492 sde