Risk Factors Comparison 2024-02-26 to 2023-03-07 Form: 10-K

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You should consider and read carefully all of the risks and uncertainties described below, as well as the other information included in this Annual Report ~~on Form 10- K~~, including our consolidated financial statements and related notes. The risks described below have been organized under headings that are provided for convenience and intended to organize the risks and uncertainties into related categories to improve readability for investors; no inference should be drawn, however, that the placement of a risk factor under a particular category means that it is not applicable to another category of risks or that it may be more or less material than another risk factor. Regardless, they are also not the only risks and uncertainties facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition and results of operations. This Annual Report ~~on Form 10- K~~ also contains forward- looking statements and estimates that involve risks and uncertainties, as discussed above in this Part I under the caption " Disclosure Regarding Forward- Looking Statements ". Our actual results could differ materially from those anticipated in any forward - looking statements as a result of many factors, including the risk factors and uncertainties described below. Risks Related to Our Industry The cost of healthcare is funded substantially by government and private insurance programs, and if such funding is reduced or limited or no longer available, our business may be adversely impacted. Third- party payors, including Medicaid, Medicare and private health insurance providers, provide substantial funding for our services. Other payors, including MCOs, are also dependent upon Medicaid funding. These payors are increasingly seeking to reduce the cost of healthcare, which drives pressure on the reimbursement rates for healthcare services, which include our services. We cannot assure you that our services will be considered cost- effective by third- party payors, that reimbursement will continue to be available, or that payor reimbursement policies will not have a material adverse effect on our ability to sell our services on a profitable basis, if at all. We cannot control reimbursement rates, including Medicare market basket or other rate adjustments. Reimbursement for services that we provide is primarily through Medicaid and MCOs and rates can vary state by state and payor by payor. Legislative efforts driving increases in minimum wage levels have been made and continue to be proposed to increase minimum wages in markets in which we operate, and that could significantly impact the wage rates for personal care attendants we utilize to provide our personal care services. Further, the continued increase in inflation has the potential to continue to drive up costs related to employee wages and other inputs to our services including fuel costs. The current payors may be unable or unwilling to increase reimbursement rates sufficiently to offset the impact on us of such cost increases or, in cases where payors do increase reimbursement rates, such increases may not occur concurrently with the increase in costs or fully offset such increases. These changes could have a material adverse effect on our business, financial position, results of operations and liquidity. The implementation of alternative payment models and the transition of Medicaid and Medicare beneficiaries to MCOs may limit our market share and could adversely affect our revenues. Many government and commercial payors are transitioning providers to alternative payment models that are designed to promote cost- efficiency, quality and coordination of care. For example, accountable care organizations, or ACOs, seek to motivate hospitals, physician groups, and other providers to organize and coordinate patient care while reducing unnecessary costs. Several states have implemented, or have announced that they plan to implement, accountable care models for their Medicaid populations. If we are not included in these programs, or if ACOs establish programs that overlap with the services provided by us, we are at risk for losing market share and of experiencing a loss of business. We may be similarly impacted by increased enrollment of Medicare and Medicaid beneficiaries in managed care plans, shifting away from traditional fee- for- service models. Under the Medicare managed care program, also known as Medicare Advantage or MA, the federal government contracts with private health insurers to provide Medicare benefits. Insurers may choose to offer supplemental benefits and impose higher plan costs on beneficiaries. Enrollment in managed Medicaid plans is also growing, as states are increasingly relying on MCOs to deliver Medicaid program services as a strategy to control costs and manage resources. We may experience increased competition for managed care contracts due to state regulation and limitations. For instance, in October 2018, New York began imposing limits on the number of home healthcare providers with which a managed Medicaid plan can contract. We cannot assure you that we will be successful in our efforts to be included in plan networks, that we will be able to secure favorable contracts with all or some of the MCOs, that our reimbursement under these programs will remain at current levels, that the authorizations for services will remain at current levels or that our profitability will remain at levels consistent with past performance, and if we are not successful in these areas our business could be materially harmed and our financial condition materially adversely affected. In addition, operational processes may not be well defined as a state transitions beneficiaries to managed care. For example, membership, new referrals and the related authorization for services to be provided may be delayed, which may result in delays in service delivery to customers or in payment for services rendered. Difficulties with operational processes may negatively affect our revenue growth rates, cash flow and profitability for services provided. Other alternative payment models, such as value- based billing, capitated rates and per member per month pricing may be required by the government, MCOs and other commercial payors to control their costs while shifting financial risk to us, which could also materially affect our operations and financial condition. We are limited in our ability to control reimbursement rates received for our services, and if we are not able to maintain or reduce our costs to provide such services, our business could be materially adversely affected. Medicare and Medicaid are among our most significant payors, and their rates are established through federal and state statutes and regulations. Additionally, reimbursement rates with MCOs and other payors are difficult for us to negotiate as such payors are themselves limited in their ability to control rates and funding received from Medicaid and Medicare and are under pressure to reduce their own costs. We therefore manage our costs to achieve a desired level of profitability, including centralizing various back office processes, using technology to streamline processes and practicing efficient management of our workforce. If we are not able to continue to streamline our processes and reduce our costs, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected. Future cost containment initiatives undertaken by private third- party payors, especially if we are unable to maintain or reduce our cost of services below rates set forth by payors, may limit our future revenue and profitability and cause us to experience reduced or negative margins and our results of operations could be materially adversely affected. Our commercial payor and managed Medicaid revenue and profitability are affected by continuing efforts of third- party payors to maintain or reduce costs of healthcare by lowering payment rates, narrowing the scope and utilization of covered services, increasing case management review of services and negotiating pricing. There can be no assurance that third- party payors will make timely payments for our services, and there is no assurance that we will continue to maintain our current payor or revenue mix. We will continue our efforts to develop our commercial payor and managed Medicaid sources of revenue and any changes in payment levels from current or future third-party payors could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. We may be more vulnerable to the effects of a...... results of operations. We may be adversely affected by inadequacies in, or security breaches of, our information technology systems, including the systems intended to protect our clients' privacy and confidential information, which could lead to legal liability, adversely affect our reputation and have a material adverse effect on our business, financial condition and results of operations. Our information technology, or IT, systems are critically important to our operations and we must implement and maintain appropriate and sufficient infrastructure and IT systems to support growth and our existing business processes. We provide services to individuals and others that require us to collect, process, maintain and retain sensitive and personal client confidential information in our computer systems, including patient identifiable health information, financial information and other personal information about our customers and end- users, such as names, addresses, phone numbers, email addresses, identification numbers, sensitive health data, and payment account information. As a result, we are subject to complex and evolving United States privacy laws and regulations, including those pertaining to the handling of personal data, such as HIPAA, CCPA, and others. Most states have enacted laws, which vary significantly from jurisdiction to jurisdiction, to safeguard the privacy and security of personal information. An increasing number of states require that impacted individuals and regulatory authorities be notified if a security breach results in the unauthorized access to, or use or disclosure of, personal information. Notifications are also required under HIPAA to the extent there is unauthorized access to, or use or disclosure of, personal health information. California residents and households in particular are afforded significantly expanded privacy protections under the CCPA. The enacted laws often provide for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation. Further, while we are using internal and external resources to monitor compliance with and to continue to modify our data processing practices and policies in order to comply with evolving privacy laws, relevant regulatory authorities could determine that our data handling practices fail to address all the requirements of certain new laws, which could subject us to penalties and / or litigation. In addition, there is no assurance that our security controls over personal data, the training of employees and vendors on data privacy and data security, and the policies, procedures and practices we implemented or may implement in the future will prevent the improper disclosure of personal data. Improper disclosure of personal data in violation of the CCPA and / or of other personal data protection laws could harm our reputation, cause loss of consumer confidence, subject us to government enforcement actions (including fines), or result in private litigation against us, which could result in loss of revenue, increased costs, liability for monetary damages, fines and / or criminal prosecution, all of which could adversely affect our business, consolidated results of operations, financial condition and cash flows. We also rely on our IT systems (some of which are outsourced to third parties) to manage the data, communications and business processes for other business functions, including our marketing, sales, logistics, customer service, accounting and administrative functions. Furthermore, our systems include interfaces to third- party stakeholders, often connected via the internet. In addition, some of our services or information related to our services are carried out or hosted within our customers' IT systems, and any failure or weaknesses in their IT systems may negatively impact our ability to deliver the services, for which we may not receive relief from contractual performance obligations or compensation for services provided. In addition, security incidents impacting other companies, such as our vendors, may allow cybercriminals to obtain personal information about our customers and employees. Cybercriminals may then use this information to, among other things, attempt to gain unauthorized access to our customers' accounts, which could have a material adverse effect on our reputation, business and results of operations or financial condition. As a result of the data we maintain and third- party access, we are subject to increasing cybersecurity risks associated with malicious cyber- attacks intended to gain access to protected personal information. The nature of our business, where services are often performed outside of locations where network security can be assured, adds additional risk. If we do not allocate and effectively manage the resources necessary to build, sustain and protect an appropriate technology infrastructure, our business or financial results could be negatively impacted. Furthermore, computer hackers and data thieves are increasingly sophisticated and operate large scale and complex automated attacks, and our information technology systems may be vulnerable to material security breaches (including the access to or acquisition of customer, employee or other confidential data), cyber- attacks or other material system failures arising out of malware or ransomware attacks, denial of services, or other attacks or security incidents, any of which could adversely impact our operations and financial results, our relationships with business partners and customers, and our reputation. Because the techniques used to obtain unauthorized access or sabotage systems change frequently and may be difficult to detect for long periods of time, we may be unable to implement adequate preventative measures sufficient to prevent a breach of our systems and protect sensitive data, including confidential personal information. Any breach of our data security could result in an unauthorized release or transfer of customer or employee information, or the loss of valuable business data or cause a disruption in our business. A failure to prevent, detect and respond in a timely manner to a major breach of our data security or to other cybersecurity threats could result in system disruption, business continuity issues or compromised data integrity. These events or any other failure to safeguard personal data could give rise to unwanted media attention, damage our reputation, damage our customer relationships and result in lost sales, fines or lawsuits. We may also be required to expend significant capital and other resources to protect against or respond to or alleviate problems caused by a security breach. If we are unable to prevent material failures, our operations may be impacted, and we may suffer other negative consequences such as reputational damage, litigation, remediation costs, a requirement not to operate our business until defects are remedied, or penalties under various data privacy laws and regulations, any of which could detrimentally affect our business, financial condition and results of operations. **We may be** more vulnerable to the effects of a public health emergency than other businesses due to the nature of our end- users and the physical proximity required by our operations,which could harm our business disproportionately to other businesses.The majority of our end- users are older individuals with complex medical challenges or multiple ongoing diseases or chronic illnesses,many of whom may be more vulnerable than the general public during a pandemic or in a public health emergency.Our employees are also at greater risk of contracting contagious diseases due to their increased exposure to vulnerable end- users.Our employees could also have difficulty attending to our end- users if a program of social distancing or quarantine is instituted in response to a public health emergency,or if " stay at home " orders are perpetuated or reinitiated.In addition,we may expand existing internal policies in a manner that may have a similar effect.If the COVID- 19 virus and its potentially more contagious variants cause an additional resurgence of infections of COVID- 19,or if new variants continue to develop that are resistant to government approved COVID- 19 vaccinations,or if an influenza or other pandemic were to occur,we could suffer significant losses to our consumer population or a willingness by our end- users to utilize our services,in particular in our **PCS** ~~Personal Care~~ segment,or a reduction in the availability of our employees and,at an inflated cost,we could be required to hire replacements for affected workers.Accordingly,public health emergencies could have a disproportionate material adverse effect on our financial condition and results of operations. ~~We may~~ Risks Related to Our Business **and Operations** We derive a significant amount of our revenues from a limited number of payors, and any changes in the funding, financial viability or our relationships with these payors could have a material adverse impact on our financial condition and results of operations. We generate a significant amount of our revenue from a limited number of payors under a relatively small number of contracts. For example, for the year ended December 31, ~~2022~~ **2023** , approximately 30. ~~6~~ **9** % of our NEMT segment revenue was derived from only five payors, and one of which, a single state Medicaid agency, contributed ~~10~~ **11** . ~~9~~ **2** % to our aggregate NEMT segment revenue during that period. As it relates to our other segments, for the year ended December 31, ~~2022~~ **2023** , approximately ~~12~~ **11** . ~~0~~ **3** % of our **PCS** ~~Personal Care~~ segment revenue was derived from one U. S. state Medicaid program, and approximately ~~19~~ **18** . ~~9~~ **5** % of our RPM segment revenue was derived from one health plan. The loss of, reduction in amounts generated by, or changes in methods or regulations governing payments for our services under these contracts could have a material adverse impact on our revenue and results of operations. In addition, any consolidation of any of our private payors could increase the impact that any such risks would have on our revenue, financial position, and results of operations. Our business...... effect on our business, financial condition and results of operations. Delays in collection, or non- collection, of our accounts receivable, particularly during any business integration process, could adversely affect our business, financial position, results of operations and liquidity. Prompt billing and collection are important factors in our liquidity. Billing and collection of our accounts receivable are subject to the complex regulations that govern Medicare and Medicaid reimbursement and rules imposed by nongovernment payors. Our inability to bill and collect on a timely basis pursuant to these regulations and rules could subject us to payment delays that could have a material adverse effect on our business, financial position, results of operations and liquidity. It is possible that documentation support, system problems, Medicare, Medicaid or other payor issues, particularly in markets transitioning to managed care for the first time, or industry trends may extend our collection period, which may materially adversely affect our working capital, and our working capital management procedures may not successfully mitigate this risk. The timing of payments made under the Medicare and Medicaid programs is subject to governmental budgetary constraints, resulting in an increased period of time between submission of claims and subsequent payment under specific programs, most notably under the Medicaid and Medicaid managed programs ~~, which typically pay claims approximately 30 to 60 days slower than the average hospital claim~~ . In addition, we may experience delays in reimbursement as a result of the failure to receive prompt approvals related to change of ownership applications for acquired or other facilities or from delays caused by our or other third parties' information system failures. We may also experience delayed payment of reimbursement rate increases that are subject to the approval of the CMS and / or various state agencies before claims can be submitted or paid at the new rates. Any delays experienced for the foregoing or other reasons could have a material adverse effect on our business, results of operations and financial condition. Further, a delay in collecting our accounts receivable, or the non- collection of accounts receivable in connection with our transition and integration of acquired companies ~~, including GMM,~~ and the attendant movement of underlying billing and collection operations from legacy systems to our systems could have a material negative impact on our results of operations and liquidity. Our reported financial results could suffer if there is an impairment of goodwill or long- lived assets, which could have a material adverse effect on our results of operations and financial condition. We are required under accounting principles generally accepted in the United States, or GAAP, to review the carrying value of long- lived assets to be used in operations whenever events or changes in circumstances indicate that the carrying amount of the assets may be impaired. Factors that may necessitate an impairment assessment include, among others, significant adverse changes in the extent or manner in which an asset is used, significant adverse changes in legal factors or the business climate that could affect the value of an asset or significant declines in the observable market value of an asset. Where the presence or occurrence of those events indicates that an asset may be impaired, we assess its recoverability by determining whether the carrying value of the asset exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the asset over the remaining economic life of the asset. If such testing indicates the carrying value of the asset is not recoverable, we estimate the fair value of the asset using appropriate valuation methodologies, which would typically include an estimate of discounted cash flows. If the fair value of those assets is less than carrying value, we record an impairment loss equal to the excess of the carrying value over the estimated fair value. The use of different estimates or assumptions in determining the fair value of our intangible assets may result in different values for those assets, which could result in an impairment or, in the period in which an impairment is recognized, could result in a materially different impairment charge. In addition, goodwill may be impaired if the estimated fair value of our reporting units is less than the carrying value of the respective reporting unit. As a result of our growth, in part through acquisitions, goodwill and other intangible assets represent a significant portion of our assets. From our ~~recent~~ **largest** acquisitions, goodwill generated in relation to the acquisition of **Simplura in 2020 was $ 320. 4 million, goodwill generated in relation to the acquisition** of Care Finders in 2021 was $ 232. 1 million, goodwill generated in relation to the acquisition of VRI in 2021 was $ 236. 3 million, and goodwill generated in relation to the acquisition of GMM in 2022 was $ 44. 3 million. We perform an analysis on our goodwill balances to test for impairment on an annual basis. Interim impairment tests may also be required in advance of our annual impairment test if events occur or circumstances change that would more likely than not reduce the fair value, including goodwill, of our reporting unit below the reporting unit' s carrying value. Such circumstances could include: (1) loss of significant contracts; (2) a significant adverse change in legal factors or in the climate of our business; (3) unanticipated competition; (4) an adverse action or assessment by a regulator; or (5) a significant decline in our stock price. **During our July 1 annual assessment of goodwill, we determined that based on our qualitative assessment for each reporting unit, factors existed which required us to test our goodwill for impairment. These factors included a decline in the market price of the Company' s common stock, industry specific regulatory pressures such as Medicaid redetermination and the Centers for Medicare and Medicaid Services (" CMS") proposed ruling on Ensuring Access to Medicaid Services, and general economic and market volatility. As a result of our quantitative assessment, we determined that the goodwill at our PCS and RPM reporting units was impaired. As a result, we recorded an impairment of goodwill charge of $ 183. 1 million in the second quarter of 2023, of which $ 137. 3 million was recorded at our PCS segment and $ 45. 8 million was recorded at our RPM segment.** As of December 31, ~~2022~~ **2023** , the carrying value of goodwill, intangibles, equity method investments, and property and equipment, net was $ ~~968~~ **785** . ~~7~~ **6** million, $ ~~439~~ **360** . ~~4~~ **9** million, $ 41. ~~3~~ **5** million and $ ~~69~~ **85** . ~~1~~ **6** million, respectively. We continue to monitor the carrying value of these long- lived assets. If future conditions are different from management' s estimates at the time of an acquisition or market conditions change subsequently, we may incur future charges for impairment of our goodwill, intangible assets, equity method investments or property and equipment, which could have a material adverse impact on our results of operations and financial position. Failure to maintain or to develop further reliable, efficient and secure IT systems would be disruptive to our operations and diminish our ability to compete and successfully grow our business. We are highly dependent on efficient and uninterrupted performance of our IT and business systems. These systems quote, process and service our business, and perform financial functions necessary for pricing and service delivery. These systems must also be able to undergo periodic modifications and improvements without interruptions or untimely delays in service. Additionally, our ability to integrate our systems with those of our clients is critical to our success. Our information systems rely on the commitment of significant financial and managerial resources to maintain and enhance existing systems as well as develop and create new systems to keep pace with continuing changes in information processing technology or evolving industry and regulatory requirements. Nevertheless, we still rely on manual processes and procedures, including accounting, reporting and consolidation processes that may result in errors and may not scale proportionately with our business growth, which could have an adverse effect on our business, financial condition and results of operations. A failure or delay to achieve improvements in our IT platforms could interrupt certain processes or degrade business operations and could place us at a competitive disadvantage. If we are unable to implement appropriate systems, procedures and controls, we may not be able to successfully offer our services and grow our business and account for transactions in an appropriate and timely manner, which could have an adverse effect on our business, financial condition and results of operations. We face risks related to attracting and retaining qualified employees, which could harm our business and have a material adverse effect on our results of operations. Our business success depends, to a significant degree, on our ability to identify, attract, develop, motivate and retain highly qualified and experienced employees who possess the skills and experience necessary to deliver high- quality services to our clients, with the continued contributions of our senior management being especially critical to our success. Our objective of providing the highest quality of service to our clients is a significant consideration when we evaluate the education, experience and qualifications of potential candidates for employment as direct care and administrative staff. A portion of our staff is made up of professionals with requisite educational backgrounds and professional certifications. These employees are in great demand and are likely to remain a limited resource for the foreseeable future, exacerbated by continued labor shortages in the current economy. Our ability to attract and retain employees with the requisite experience and skills depends on several factors, including our ability to offer competitive wages, benefits and professional growth opportunities. While we have established programs to attract new employees and provide incentives to retain existing employees, particularly our senior management, we cannot assure you that we will be able to attract new employees or retain the services of our senior management or any other key employees in the future. Some of the companies with which we compete for experienced personnel may have greater financial, technical, political and marketing resources, name recognition and a larger number of clients and payors than we do, which may prove more attractive to employment candidates. The inability to attract and retain experienced personnel could have a material adverse effect on our business. The performance of our business also depends on the talents and efforts of our highly skilled IT professionals. Our success depends on our ability to recruit, retain and motivate these individuals. Effective succession planning is also important to our future success. If we fail to ensure the effective transfer of senior management knowledge and smooth transitions involving senior management, our ability to execute short and long- term strategic, financial and operating goals, as well as our business, financial condition and results of operations generally, could be materially adversely affected. Any acquisition or acquisition integration efforts that we undertake could disrupt our business, not generate anticipated results, dilute stockholder value and have a material adverse impact on our operating results. Our growth strategy involves the evaluation of potential entry into complementary markets and service lines through acquisition, particularly with opportunities that may leverage the advantages inherent in our large- scale technology- enabled operations and networks. We have made acquisitions and anticipate that we will continue to consider and pursue strategic acquisition opportunities, the success of which depends in part on our ability to integrate an acquired company into our business operations. Integration of any acquired company will place significant demands on our management, systems, internal controls and financial and physical resources. This could require us to incur significant expense for, among other things, hiring additional qualified personnel, retaining professionals to assist in developing the appropriate control systems and expanding our IT infrastructure. The nature of our business is such that qualified management personnel can be difficult to find. Our inability to manage growth effectively could have a material adverse effect on our financial results. For example, the successful integration of Care Finders into our **PCS** ~~Personal Care~~ segment and the remote patient monitoring business acquired in the VRI transaction and expanded with the GMM acquisition and our ability to realize the expected benefits of the acquisition are subject to a number of risks and uncertainties, many of which are outside of our control, including: • the challenges and unanticipated costs associated with integrating complex organizations, systems, operating procedures, compliance programs, technology, networks and other assets; • the difficulties harmonizing differences in the business cultures; • the inability to successfully combine our respective businesses in a manner that permits us to achieve the cost savings and other anticipated benefits from the acquisitions; • the challenges associated with known and unknown legal or financial liabilities associated with the acquisitions; • the risk of entering markets in which we have little or no experience; • the challenges associated with the incurrence of indebtedness and the assumption of new contracts associated with the acquisitions; • the inability to minimize the diversion of management attention from ongoing business concerns during the process of integrating our businesses; • the inability to resolve potential conflicts that may arise relating to customer, supplier and other important relationships; • the difficulties in retaining key management and other key employees; and • the challenge of managing the expanded operations of a larger and more complex company and coordinating geographically separate organizations. We incurred substantial expenses to complete the acquisitions, but we may not realize the anticipated cost benefits and other benefits to the extent expected, on the timeline expected, or at all. Moreover, competition in this industry may also cause us not to fully realize the anticipated benefits of the acquisitions. There can also be no assurance that the companies we acquire, will generate income or incur expenses at the historical or projected levels on which we based our acquisition decisions, that we will be able to maintain or renew the acquired companies' contracts, that we will be able to realize operating and economic efficiencies upon integration of acquired companies or that the acquisitions will not adversely affect our results of operations or financial condition. In addition, as we expand our markets or otherwise take advantage of prospects for growth, in connection with our acquisition strategy, we could issue stock that could dilute existing stockholders' percentage ownership, or we could incur or assume substantial debt or contingent liabilities. There can be no assurance that we will be successful in overcoming problems encountered in connection with any acquisition or integration and our inability to do so could disrupt our operations and adversely affect our business. Our failure to address these risks or other problems encountered in connection with past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and harm our business generally **. Weakening of general economic, political, credit and / or capital market conditions in the markets in which we do business could adversely affect our financial performance, our ability to grow or sustain our business, financial condition, and results of operations, and our ability to access capital markets. The implications of the current macroeconomic environment, which is characterized by high inflation rates, high interest rates, supply chain challenges, labor shortages, volatility in capital markets and growing recession risk, have had and could continue to have an adverse effect on our business, results of operations, and financial condition. In April 2022, during the COVID- 19 pandemic, inflation rates in the United States were the highest they had been since 1981. While post- pandemic inflation rates have decreased since April 2022, there can be no assurance that inflation rates will not increase in the future. Increased inflation rates could result in higher costs related to employee wages and other inputs to our services, including fuel costs, and could result in us incurring higher debt obligations than expected. If we incur higher costs than originally anticipated, including under our FFS contracts, and are unable to adjust the rates to reflect the changes in costs due to the structure of our contracts, our results of operations and financial condition may be adversely affected. Further the growing recession risk and ongoing economic uncertainty may lead to increased credit risk, higher borrowing costs, or reduced availability of capital and credit markets, which could impact our access to financing in the credit and capital markets at reasonable rates in the event we find it desirable to do so. Higher interest rates and borrowing costs as well as increased costs of labor as a result of the tight labor market, particularly in the healthcare industry, could create additional economic challenges. With the majority of our payors being governmental healthcare agencies who are also under significant operational and budgetary strain, these significantly increased labor and supply costs without a commensurate increase in revenue may lead to a continued deterioration of operating margins across our business** . Our estimated income taxes could be materially different from income taxes that we ultimately pay, which could have a material adverse effect on our results of operations and financial condition. Our total income tax provision is based on our taxable income and the tax laws in the various jurisdictions in which we operate or operated. Significant judgment and estimation is required in determining our annual income tax expense and in evaluating our tax positions and related matters. In the ordinary course of our business, there are many transactions and calculations for which the ultimate tax determinations are uncertain or otherwise subject to interpretation. In addition, we make or were required to make judgments regarding the applicability of tax treaties and the appropriate application of transfer pricing regulations with respect to the operations of our former workforce development services segment. In the event one taxing jurisdiction disagrees with another taxing jurisdiction with respect to the amount or applicability of a particular type of tax, or the amount or availability of a particular type of tax refund or credit, we could experience temporary or permanent double taxation and increased professional fees to resolve such taxation matters. Our determination of our income tax liability is subject to review by applicable tax authorities, and we have been audited by various jurisdictions in prior years. We were examined by the Internal Revenue Service as a result of the large refunds received from the loss on the sale or our former workforce development services segment. This examination was completed in the third quarter of 2021 with no material adjustments being made. In addition, we **were** ~~are being~~ examined by various states and by the Saudi Arabian tax authorities with respect to these matters. Although we believe our income tax estimates and related determinations are reasonable and appropriate, relevant taxing authorities may disagree. The ultimate outcome of any such audits and reviews could be materially different from the estimates and determinations reflected in our historical income tax provisions and accruals ~~business~~ and **results of operations.Our business,results of operations and financial condition may be** adversely ~~affect~~ **affected** ~~our financial results~~ **by pandemic infectious diseases,including the COVID- 19 pandemic** .The widespread outbreak of an illness or any other communicable disease,or any other public health crisis that results in economic disruptions such as the COVID- 19 pandemic,could materially adversely affect our business and results of operations.COVID- 19 and its potentially more contagious variants specifically,as well as measures taken by governmental authorities and private actors to limit the spread of the virus,have interfered with,and may continue to interfere with,the ability of our employees,suppliers,transportation providers and other business providers to carry out their assigned tasks at ordinary levels of performance relative to the conduct of our business,which may cause us to materially curtail portions of our business operations.The ultimate impact of the COVID- 19 pandemic on our business will depend on a number of evolving factors that we may not be able to predict,including:• the duration and scope of the pandemic;• governmental,business and individuals’ actions that have been and continue to be taken in response to the pandemic;• the impact of the pandemic on economic activity and actions taken in response;• the effect on our customers and members and customer and member demand for our services,in particular with respect to our ~~PCS~~ **Personal Care** segment services;• our ability to provide our services as a result of,among other things,travel restrictions,disruptions in our contact centers related to COVID- 19,people working from home and taking the opportunity to provide personal care services that we might otherwise provide through our ~~PCS~~ **Personal Care** segment,and the willingness of our employees to return to work due to health concerns,childcare issues or enhanced unemployment benefits,including after “ shelter in place ” and other related “ stay at home restrictions ” are lifted or modified;• issues with respect to our employees’ health,working hours and / or ability to perform their duties;• increased costs to us in response to these changing conditions and to protect the health and safety of our employees,including increased spending for hazard pay and personal protective equipment;and • the ability of our payors to pay for our services.Furthermore,any failure to appropriately respond,or the perception of an inadequate response,could cause reputational harm and / or subject us to claims and litigation,either of which could result in a material adverse effect on our business and results of operations. ~~When~~ **Since** the COVID- 19 pandemic emerged in March 2020,we observed a material reduction in trip volume in our NEMT segment as a result of state imposed public health orders. ~~On May 11,2023,~~ **While this reduction in trip volume has improved and** the ~~Department of Health~~ **Company has experienced** ~~and~~ - **an increase in trip volume** ~~Human Services (" HHS") declared the end of the public health emergency (" PHE") for the COVID- 19 pandemic.During~~ each year following the ~~emergence of the~~ pandemic, ~~we~~ **structural changes in the industry as a result of the pandemic,predominantly related to an increase in the utilization of telehealth and virtual care,** have continued to **have** ~~experience increased utilization and~~ - **an impact on** ~~are currently operating at a higher volume of trips in our NEMT segment than before~~ the **Company' s** ~~COVID- 19 outbreak.While this increase in~~ trip volume ~~shows increased demand for our services,it also exposes the Company to cost containment risk as labor costs and trip costs are rising at a higher rate than reimbursement,which results in lower profit margins than previously.The increase in trip costs is driven,in part,by the current macroeconomic environment,inflationary pressures,rising interest rates,higher labor costs,and supply chain challenges which limit the NEMT segment' s ability to provide services at a reasonable cost to achieve historic profit margins.These macroeconomic trends also put pressure on the availability of transportation providers~~ .Any ongoing impact to ~~our~~ **trip volume as a result of this structural change in the** industry ~~as a result of the increased demand despite the headwinds in the current macroeconomic environment~~ may have a negative financial impact on our transportation providers and may result in lower revenues as the Company adapts to this change in demand for transportation services.As volumes continue to increase **to pre-pandemic levels** ,the availability of transportation providers in the future may be limited due to the capacity constraints within our network of transportation providers.Additionally,we may face staffing difficulties in our contact centers as the recruitment of potential employees may be challenging amid the current labor environment,which could negatively impact the customer and member experience while interfacing with our contact centers and materially adversely affect our reputation and results of operations.Our ~~PCS~~ **Personal Care** segment also experienced a material reduction in volume of service hours and visits as a result of the pandemic.While this reduction in service hours and ~~visits~~ - **visit** has continued to improve **toward pre- pandemic levels** each year following the pandemic,ongoing impacts of the pandemic including constraints on the labor market,specifically related to strain on healthcare professionals,has led to a shortage of caregivers which will continue to impact the volume of service hours that can be provided.Further,these labor constraints have driven increased wage rates,which limits the Company' s ability to be profitable in contracts with set rates for various care services.Any depressed volumes as a result of the labor shortage and the strain on healthcare professionals could reduce the quality with which our caregivers provide services and could result in lower than expected revenue **,** in the ~~PCS~~ **Personal Care** segment.As volume continues to increase,we may face difficulty meeting the volume of demand due to staffing challenges in the healthcare industry.Any of these circumstances and factors could have a material adverse effect on our business.Our RPM segment has not experienced a direct material impact to operations or financial activity as a result of the COVID- 19 pandemic.While this segment of the business has proven resilient given the increase in demand for remote healthcare services in a highly contagious infection environment,potential risks could arise that could have a material impact on the financial results of the segment.Specifically,given the strain on the healthcare professionals that serve the healthcare community,we could experience shortages in qualified medical professionals that support our remote care monitoring business.Further,as this segment relies on patients receiving health monitoring devices for use in-home,any impact to the supply chain that ensures these critical devices arrive for active and continued vitals monitoring and data analytic solutions could have a negative impact on our business.Any of these factors could have a material adverse effect on our reputation and business.The uncertainty and volatility of NEMT trip volume and ~~PCS~~ **Personal Care** volume of hours provided due to COVID- 19 and the long- term impacts of the pandemic on the global economy can affect the assumptions we rely upon to develop our expense estimates relative to the operations of these business segments.If we do not accurately estimate costs incurred in providing these services,these segments may be impacted by out of period adjustments to actual results.Any or all of these factors could have an adverse effect on our business,financial condition and results of operations.Furthermore,the impact of the COVID- 19 pandemic and the long- term effects of the pandemic are continuously evolving,and the continuation of the pandemic,any additional resurgence,or COVID- 19 variants could precipitate or aggravate the other risk factors included in this ~~Annual Report~~ **report** ,which in turn could further materially adversely affect our business,financial condition,liquidity,results of operations,and profitability,including in ways that are not currently known to us or that we do not currently consider to present significant risks.Our contact **center employees may be disproportionately impacted by health epidemics or pandemics like COVID- 19,which could disrupt our business and adversely affect our financial results.Our contact** centers typically seat a significant number of employees in one location.Accordingly,an outbreak or resurgence of a contagious infection or virus,such as COVID- 19 or its potentially more contagious and / or vaccine resistant variants,in one or more of the locations in which we do business may result in significant worker absenteeism,lower capacity utilization **rates,voluntary or mandatory closure of our contact centers,transportation restrictions that could make it difficult for our employees to commute to work,travel restrictions on our employees,and other disruptions to our business.Any prolonged or widespread health epidemic could severely disrupt our business operations and have a material adverse effect on our business,financial condition** . Risks Related to Our NEMT Segment There can be no assurance that our contracts will survive as contemplated until the end of their stated terms, or that upon their expiration will be renewed or extended on satisfactory terms, if at all, and disruptions to, the early expiration or renegotiation of, or the failure to renew our contracts could have a material adverse impact on our financial condition and results of operations. Our NEMT segment contracts are subject to frequent renewal and, from time to time, requests for renegotiation during a contract term. For example, many of our state Medicaid contracts, which represented ~~40~~ **approximately 37** . ~~0~~ **1** % of our NEMT segment revenue for the year ended December 31, ~~2022~~ **2023** , have terms ranging from three to five years and are typically subject to a competitive procurement process near the end of the term. We also contract with MCOs, which represented ~~60~~ **approximately 62** . ~~0~~ **9** % of our NEMT segment revenue for the year ended December 31, ~~2022~~ **2023** . Our MCO contracts for NEMT segment services typically continue until terminated by either party upon reasonable notice in accordance with the terms of the contract, and sometimes a contractual counterparty will seek to renegotiate the pricing and other terms of a contract to our detriment prior to the stated termination date of a contract. We cannot anticipate if, when or to what extent we will be successful in renewing our state Medicaid contracts or retaining our MCO contracts through their contractual duration on terms originally negotiated or at all. For the year ended December 31, ~~2022~~ **2023** , ~~30~~ **32** . ~~5~~ **3** % of our NEMT segment revenue was generated under state Medicaid contracts that are subject to renewal during ~~2023~~ **2024** . In addition, with respect to many of our state contracts, the payor may terminate the contract without cause, or for convenience, at will and without penalty to the payor, either immediately or upon the expiration of a short notice period in the event that, among other reasons, government appropriations supporting the programs serviced by the contract are reduced or eliminated. We cannot anticipate if, when or to what extent a payor might terminate a contract with us prior to its expiration, or fail to renew or extend a contract with us. If we are unable to retain or renew our contracts, or replace lost contracts, on satisfactory terms, our financial condition and results of operations could be materially adversely affected. While we pursue new contract awards and also undertake efficiency measures, there can be no assurance that such measures will fully offset the negative impact of contracts that are not renewed or are canceled on our financial condition and results of operations. Our success depends on our ability to compete effectively in the marketplace, and our results of operations could be materially adversely affected if we are unable to compete effectively in the markets for our services. We compete for clients and for contracts with a variety of organizations that offer similar services. Many organizations of varying sizes compete with us, including local not- for- profit organizations and community- based organizations, larger companies, organizations that currently provide or may begin to provide similar NEMT services (including transportation network companies such as Uber and Lyft) and CHA providers. Some of these companies may have greater brand recognition as well as greater financial, technical, political, marketing, and other resources that contribute to a larger number of clients or payors than we have. In addition, some of these companies may offer more services than we do. To remain competitive, we must provide superior quality services on a cost- effective basis to our payors and customers. The market in which we operate is influenced by technological developments that affect cost- efficiency and quality of services, and the needs of our customers change and evolve regularly. Accordingly, our success depends on our ability to develop services that address these changing needs and to provide technology needed to deliver these services on a cost- effective basis. Our competitors may better utilize technology to change the way services in our industry are designed and delivered and they may be able to provide our customers with different or greater capabilities than we can provide, including better contract terms, technical qualifications, price and availability of qualified professional personnel. In addition, new or disruptive technologies and methodologies by our competitors may make our services noncompetitive. For example, the COVID- 19 pandemic has driven an industry shift toward virtual health solutions which may reduce the number of in- person visits an end- user may be required to make to healthcare providers in order to receive care, which could reduce the utilization of our NEMT services. We have experienced, and expect to continue to experience, competition from new entrants into the markets in which we operate. Increased competition may result in pricing pressures, loss of or failure to gain market share, or loss of or failure to gain clients or payors, any of which could have a material adverse effect on our operating results. Our business may also be adversely affected by the consolidation of competitors, which may result in increased pricing pressure or negotiating leverage with payors, or by the provision of our services by payors or clients directly to customers, including through the acquisition of competitors. We obtain a significant portion of our business through responses to government requests for proposals and we may not be awarded contracts through this process in the future, or contracts we are awarded may not be profitable. We obtain, and will continue to seek to obtain, a significant portion of our business from state government entities, which generally entails responding to a government request for proposal, or RFP. To propose effectively, we must accurately estimate our cost structure for servicing a proposed contract, the time required to establish operations and submit the most attractive proposal with respect to both technical and price specifications. The accurate estimate of costs is based on historical experience with similar contracts and future expectation around transportation costs, which may be inaccurately forecasted due to uncertainties driven by the post- COVID- 19 pandemic supply chain shortages and the current geopolitical environment. We must also assemble and submit a large volume of information within rigid and often short timetables. Our ability to respond successfully to an RFP will greatly affect our business. If we misinterpret bid requirements as to performance criteria or do not accurately estimate performance costs in a binding bid for an RFP, there can be no assurance that we will be able to modify the proposed contract and we may be required to perform under a contract that is not profitable, which could materially adversely affect our results of operations. If we fail to satisfy our contractual obligations, we could be liable for damages and financial penalties, which may place existing pledged performance and payment bonds at risk as well as harm our ability to keep our existing contracts or obtain new contracts and future bonds, any of which could harm our business and results of operations. Our failure to comply with our contractual obligations could, in addition to providing grounds for immediate termination of the contract for cause, negatively impact our financial performance and damage our reputation, which, in turn, could have a material adverse effect on our ability to maintain current contracts or obtain new contracts. The termination of a contract for cause could, for instance, subject us to liabilities for excess costs incurred by a payor in obtaining similar services from another source. In addition, our contracts require us to indemnify payors for our failure to meet standards of care, and some of them contain liquidated damages provisions and financial penalties if we breach these contracts, which amounts could be material. Our failure to meet contractual obligations could also result in substantial actual and consequential financial damages, the impact of which could be materially adverse to our business and reputation If we fail to estimate accurately the cost of performing certain contracts, we may experience reduced or negative margins and our results of operations could be materially adversely affected. During **2023,** 2022, **and** 2021, ~~and 2020~~ **85. 3 %** , 87. 8 %, **and** 84. 7 ~~%, and 86. 2~~ % of our NEMT segment revenue, respectively, was generated under capitated contracts with the remainder generated through fee for service (" FFS") contracts. Under most of our capitated contracts, we assume the responsibility of managing the needs of a specific geographic population by contracting out transportation services to local transportation companies on a per ride or per mile basis. We use “ pricing models ” to determine applicable contract rates, which take into account factors such as estimated utilization, state specific data, previous experience in the state or with similar services, the medically covered programs outlined in the contract, identified populations to be serviced, estimated volume, estimated transportation provider rates and availability of mass transit. The amount of the fixed per- member, monthly fee is determined in the bidding process, but is predicated on actual historical transportation data for the subject geographic region as provided by the payor, actuarial work performed in- house as well as by third party actuarial firms and actuarial analysis provided by the payor. If the utilization of our services is more than we estimated, the contract may be less profitable than anticipated, or may not be profitable at all **. Certain capitated contracts are structured in a shared risk format and have provisions for reconciliations, risk corridors or profit rebates. Under this shared risk structure, the amount of the fixed per- member fee is determined based on actual realized transportation volumes or costs. This provides some margin protection against unprofitable contracts, as the rate per member will increase if cost of transportation was to increase above certain specified levels. These shared risk contracts pose certain risks to cash management and liquidity, as contracts under this structure can lead to large contract payables and contract receivables balances on our balance sheet, that have longer payment terms than typical cycles. This can lead to large outflows of cash and impact our liquidity** . Under our FFS contracts, we receive fees based on our interactions with government- sponsored clients. To earn a profit on these contracts, we must accurately estimate costs incurred in providing services. If the client population relating to these contracts is not large enough to cover our fixed costs, such as rent and overhead, our operating results could be materially adversely affected and our profitability impaired. Our FFS contracts are not reimbursed on a cost basis; therefore, if we fail to estimate our costs accurately, we may experience reduced margins or losses on these contracts. Revenue under certain contracts may be adjusted prospectively if client volumes are below expectations. If we are unable to adjust our costs accordingly, our profitability may be negatively affected. In addition, certain contracts with state Medicaid agencies are renewable or extended at the state’ s option without an adjustment to pricing terms. If such renewed contracts require us to incur higher costs, including inflation or regulatory changes, than originally anticipated, our results of operations and financial condition may be adversely affected. The NEMT segment may be adversely impacted if the drivers we engage as independent contractors were instead classified as employees. We believe that the drivers we engage to provide rider benefits are properly classified as independent contractors and that these drivers are not our employees. Changes to federal, state or local laws governing the definition or classification of independent contractors, or judicial or administrative challenges to our classification of these drivers as independent contractors, could affect the status of these drivers as independent contractors. A change in the classification of these drivers from independent contractors to employees could increase materially our expenses associated with the delivery of our services, which could materially adversely affect our business, results of operations and financial condition. Significant interruptions in communication and data services could adversely affect our business. Our contact centers are significantly dependent on telephone, internet and data service provided by various communication companies. Any disruption of these services could adversely affect our business. We have taken steps to mitigate our exposure to service disruptions by investing in complex and multi- layered redundancies, and we can transition services among our different ~~call~~ **contact** centers. Despite these efforts, there can be no assurance that the redundancies we have in place would be sufficient to maintain the ~~call~~ **contact** centers' operations without disruption. Any disruption could harm our customer relationships and have a material adverse effect on our results of operations. Risks Related to Our **PCS** ~~Personal Care~~ Segment Competition among in- home personal care, or home healthcare, services companies is significant, and if we are not successful in executing on our strategies in the face of this competition, our business could be materially adversely affected. The in- home personal care services industry, which is sometimes referred to as the home healthcare services industry, is highly competitive. Our **PCS** ~~Personal Care~~ segment competes with a variety of other companies in providing personal care services, some of which may have greater financial and other resources and may be more established in their respective communities. Competing companies may offer newer or different services from those offered by us, which may attract customers who are presently receiving our in- home personal care services to those other companies. Competing companies may also offer services across a greater continuum of care and therefore may be able to obtain new cases or retain patients that might otherwise choose us. In the areas in which our in- home personal care programs are provided, we also compete with a large number of organizations, including: • community- based home healthcare providers; • hospital- based home healthcare agencies; • rehabilitation centers, including those providing home healthcare services; • adult day care centers; • assisted living centers; • skilled nursing facilities; and • fiscal intermediaries that process payroll and undertake other administrative responsibilities related to the provision of care by a patient’ s family members or other directly- hired personal assistants. Some of our current and potential competitors have or may obtain significantly greater marketing and financial resources to promote their programs than we have or may obtain. We compete based on the availability of personnel, the quality of services, the expertise of staff and, in some instances, the price of the services. Relatively few barriers to entry in the personal care industry exist in our local markets. Accordingly, other companies, including hospitals and other healthcare organizations that are not currently providing in- home personal care services, may expand their services to include those services or similar services. We may encounter increased competition in the future that could negatively impact patient referrals to us and limit our ability to maintain or increase our market position, the effect of any of which could have a material adverse effect on our business, financial position, results of operations and liquidity. If any large, national healthcare entities that do not currently directly compete with us move into the in- home personal care market, competition could significantly increase. Larger, national healthcare entities have significant financial resources and extensive technology infrastructure. In addition, companies that currently compete with respect to some of our personal care services could begin competing with additional services through the acquisition of an existing company or de novo expansion into these services. Additionally, consolidation, especially by way of the acquisition of any of our competitors by any large, national healthcare entity, could also lead to increased competition. State certificates of need, or CON, laws, which often limit the ability of competitors to enter into a given market, are not uniform throughout the United States and are frequently the subject of efforts to limit or repeal such laws. If states remove existing CON laws, we could face increased competition in these states. Further, we cannot assure you that we will be able to compete successfully against current or future competitors, which could have a material adverse effect on our business, results of operations and financial condition. If we are unable to maintain relationships with existing patient referral sources, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected. Our success in entering the markets we serve depends on referrals from physicians, hospitals, nursing homes, service coordination agencies, MCOs, health plans and other sources in the communities we serve and on our ability to maintain good relationships with existing referral sources. Our referral sources are not contractually obligated to refer patients to us and may refer their patients to other providers. Our growth and profitability depends, in part, on our ability to establish and maintain close working relationships with these patient referral sources and to increase awareness and acceptance of the benefits of personal care services by our referral sources and their patients. Our loss of, or failure to maintain, existing relationships or our failure to develop new referral relationships could have a material adverse effect on our business. Many states have CON laws or other regulatory and licensure obligations that may adversely affect the successful integration of our personal care service lines and that may adversely affect our ability to expand into new markets and thereby limit our ability to grow and increase net patient service revenue. Many states have enacted CON laws that require prior state approval to open new healthcare facilities or expand services at existing facilities. In such states, expansion by existing providers or entry into the market by new providers is permitted only where a given amount of unmet need exists, resulting either from population increases or a reduction in competing providers. These states ration the entry of new providers or services and the expansion of existing providers or services in their markets through a CON process, which is periodically evaluated and updated as required by applicable state law. The process is intended to promote comprehensive healthcare planning, assist in providing high- quality healthcare at the lowest possible cost and avoid unnecessary duplication by ensuring that only those healthcare facilities and operations that are needed will be built and opened. New York, New Jersey, and West Virginia have CON laws applicable to the in- home personal care services we provide. In every state where required, our home healthcare offices and personal care centers possess a license and / or CON issued by the state health authority that determines the local service areas for the home healthcare office or personal care center. In general, the process for opening a home healthcare office or personal care center begins by a provider submitting an application for licensure and certification to the state and federal regulatory bodies, which is followed by a testing period of transmitting data from the applicant to the CMS. Once this process is complete, the care center receives a provider agreement and corresponding number and can begin billing for services that it provides unless a CON is required. For those states that require a CON, the provider must also complete a separate application process before billing can commence and receive required approvals for capital expenditures exceeding amounts above prescribed thresholds. Our failure or inability to obtain any necessary approvals could adversely affect our ability to expand into new markets and to expand our **PCS** ~~Personal Care~~ segment services and facilities in existing markets. If a state with CON laws finds that there is an over- abundance of one type of Medicaid provider within the state, it may, for a period of time, impose a moratorium against the issuance of new Medicaid licenses for that type of service. While a moratorium would not prohibit us from continuing to provide services for which we are already licensed in that state, it may prevent us from entering a new state de novo, which could limit our expansion opportunities, affect our ability to execute on our business strategies and materially harm our business and operations. We may not, absent the consent of the New York Department of Health, be able to manage the day to day operations of the licensed in- home personal care services agency business in the State of New York, which would have an adverse impact on our expected results from that acquisition and could result in a material adverse effect on our business and operations. Our operation of our licensed in- home personal care services agency business in the State of New York is subject to a " no control " affidavit process. We submitted our relevant information associated with this process concurrently with the closing of the Simplura acquisition, but while we wait for necessary approvals, we will be limited in our ability to exercise control over the personal care business there for operational matters until such time that our ownership of that business is approved by the New York Department of Health. We can provide no assurance regarding the timing of the approval of this change of ownership by the New York Department of Health, or that such approval will be obtained at all. During this time, we cannot exercise day to day management of these entities, and the pre- acquisition management of Simplura or individuals hired by the pre- acquisition management of Simplura will continue to operate the business. There is no prohibition on these entities making cash distributions to us during this interim period, but there can be no assurance that we will obtain the necessary authorization from the New York Department of Health to remove the " no control " affidavit and operate this business ourselves. If we are not able to ultimately take over control of these operations, or if we are only able to do so on a more limited basis than anticipated, we may not achieve the synergies and operational benefits expected from the Simplura acquisition as contemplated and our business and results of operations could be materially adversely affected. Changes in the case- mix of our personal care patients, as well as payor mix and payment methodologies, may have a material adverse effect on our profitability. The sources and amounts of our patient revenues are determined by a number of factors, including the mix of patients and the rates of reimbursement among payors. Changes in the case- mix of the patients as well as payor mix among private pay, Medicare and Medicaid, as well as specialty programs, including waiver programs within Medicaid, may significantly affect our profitability. In particular, any significant increase in our Medicaid population or decrease in Medicaid payments could have a material adverse effect on our financial position, results of operations and cash flow, particularly if states operating these programs continue to limit, or more aggressively seek limits on, reimbursement rates or service levels. Our loss of existing favorable managed care contracts could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. There is a risk that our existing favorable managed care contracts could be terminated. Managed care contracts typically permit us or the payor to terminate the contract without cause, typically within 90 days, which can provide payors leverage to reduce volume or obtain favorable pricing. Our failure to negotiate and put in place favorable managed care contracts, or our failure to maintain favorable managed care contracts, could have a material adverse effect on our business. The personal care industry has historically experienced shortages in qualified employees and management, which could harm our business. Our personal care services compete with other healthcare providers for both professional and management level employees. Our ability to attract and retain qualified personnel depends on several factors, including our ability to provide these personnel with attractive assignments for the desired number of hours per week and competitive compensation and benefits. There can be no assurance that we will succeed in any of these areas. As the demand for personal care services continues to exceed the supply of available and qualified personnel, our competitors may be forced to offer more attractive wage and benefit packages to these professionals. Furthermore, the competitive market for this labor force has created turnover as many seek to take advantage of the supply of available positions, each offering new and more attractive wage and benefit packages. In addition to the wage pressures inherent in this environment, including any changes to minimum wage, the cost of training new employees amid the turnover rates may cause added pressure on our operating results and harm our business. Our personal care business may be adversely impacted by labor relations which could create labor disruptions that impact our ability to perform our obligations. Approximately 2, 700 of our hourly caregivers are unionized in regions of New York. Certain collective bargaining agreements with the 1199 SEIU United Healthcare Workers East are currently being negotiated, and others will require renegotiation upon expiration. We may not be able to negotiate terms that are satisfactory to the labor unions, and ultimate agreement may be on terms unfavorable to us. In addition, a unionized work force poses the risk of work stoppages, which if initiated could materially harm our results of operations as well as our commercial relationships with our customers if we are unable to perform under our contracts with them during any such stoppage. If additional regions in which we operate become unionized, or if we expand our personal care operations into geographic areas where healthcare workers historically have been unionized, being subject to additional collective bargaining agreements may have a negative impact on our ability to timely and successfully recruit qualified personnel and may increase our operating costs. Generally, if we are unable to attract and retain qualified personnel, the quality of our services may decline and we could lose patients and referral sources, which could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. Our **PCS** ~~Personal Care~~ segment may be subject to malpractice or other similar claims, which could adversely impact our brand and our success in the marketplace. The services our **PCS** ~~Personal Care~~ segment offers involve an inherent risk of professional liability and related substantial damage awards. Due to the nature of our personal care business, we, through our employees and caregivers who provide services on our behalf, may be the subject of medical malpractice claims. A court could find that these individuals should be considered our agents, and, as a result, we could be held liable for their acts or omissions. Claims of this nature, regardless of their ultimate outcome, could have a material adverse effect on our business or reputation or on our ability to attract and retain patients and employees. While we maintain malpractice liability coverage that we believe is appropriate given the nature and breadth of our operations, any claims against us in excess of insurance limits, or multiple claims requiring us to pay deductibles, could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. Risks Related to Our **RPM** ~~Remote Patient Monitoring~~ Segment We operate in a competitive industry, and any failure to develop and enhance technology applications could harm our business, financial condition and results of operations. Strategic shifts in the industry as a result of the pandemic toward in- home care solutions have accelerated the growth in the RPM industry which is a competitive industry and we expect it to attract increased competition, which could make it difficult for us to succeed. We currently face competition in the RPM industry from a range of companies, including specialized software and solution providers that offer similar solutions, often at substantially lower prices, and that are continuing to develop additional products and becoming more sophisticated and effective. In addition, large, well-financed health plans have in some cases developed their own telehealth, expert medical service or chronic condition management tools and may provide these solutions to their customers at discounted prices. Competition from specialized software and solution providers, health plans and other parties will result in continued pricing pressures, which is likely to lead to price declines in certain product segments, which could negatively impact our sales, profitability and market share. Some of our competitors may have, or new competitors or alliances may emerge that have, greater name recognition, a larger customer base, longer operating histories, more widely- adopted proprietary technologies, greater marketing expertise, larger sales forces and significantly greater resources than we do. Further, our current or potential competitors may be acquired by third parties with greater available resources. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements and may have the ability to initiate or withstand substantial price competition. In addition, current and potential competitors have established, and may in the future establish, cooperative relationships with vendors of complementary products, technologies or services to increase the availability of their solutions in the marketplace. Our competitors could also be better positioned to serve certain segments of our markets, which could create additional price pressure. In light of these factors, even if our solutions are more effective than those of our competitors, current or potential customers may accept competitive solutions in lieu of purchasing our solutions. If we are unable to successfully compete, our business, financial condition and results of operations could be materially adversely affected. If we do not continue to innovate and provide services that are useful to customers and achieve and maintain market acceptance, we may not remain competitive, and our revenue and results of operations could suffer. Our success depends on our ability to keep pace with technological developments, satisfy increasingly sophisticated customer requirements, and achieve and maintain market acceptance on our existing and future services in the rapidly evolving market for the management and administration of healthcare services. In addition, market acceptance and adoption of our existing and future services depends on the acceptance by health plans and provider partners as to the distinct features, cost savings and other perceived benefits of our existing and future offerings as compared to competitive alternative services. Our competitors are constantly developing products and services that may become more efficient or appealing to our customers. As a result, we must continue to invest significant resources in research and development in order to enhance our existing services and introduce new services that our customers will want, while offering our existing and future services at competitive prices. If we are unable to predict customer preferences or industry changes, or if we are unable to modify our existing and future services on a timely or cost- effective basis, we may lose customers and our business, financial condition and results of operations may be harmed. If we are not successful in demonstrating to existing and potential customers the benefits of our existing and future services, or if we are not able to achieve the support of health plans and provider partners for our existing and future services, our revenue may decline or we may fail to increase our revenue in line with our forecasts. Our results of operations would also suffer if our technology and other innovations are not responsive to the needs of our customers, are not timed to match the corresponding market opportunity, or are not effectively brought to market. Risks Related to Our Corporate and Other Segment Our investment in Matrix could be adversely affected by our lack of sole decision- making authority, our reliance on our equity investment' s financial condition, any disputes that may arise between us and Matrix and our exposure to potential losses from the actions of Matrix, and could materially and adversely affect the value of our consolidated assets. We hold a non- controlling interest in Matrix, which, as of December 31, ~~2022~~ **2023** , constituted 2. ~~1~~ **4** % of our consolidated assets. We do not have unilateral power to direct the activities that most significantly impact Matrix' s economic performance. The arrangement with Matrix involves risks not present with respect to our wholly- owned subsidiaries and that may negatively impact our financial condition and results of operations or make the arrangement less successful than anticipated. Factors that may negatively impact the success of our Matrix investment include the following: • we may be unable to take actions that we believe are appropriate but are opposed by Matrix under arrangements that require us to cede or share decision- making authority over major decisions affecting the ownership or operation of the company and any property owned by the company, such as the sale or financing of the business or the making of additional capital contributions for the benefit of the business; • Matrix management may take actions that we oppose; • we may be unable to sell or transfer our investment to a third party if we fail to obtain the prior consent of our investment partner; • Matrix may become bankrupt or the majority member may fail to fund its share of required capital contributions, which could adversely impact the investment or increase our financial commitment to the investment; • Matrix may have business interests or goals with respect to a business that conflict with our business interests and goals, including with respect to the timing, terms and strategies for investment, which could increase the likelihood of disputes regarding the ownership, management or disposition of the business; • disagreements with Matrix could result in litigation or arbitration that increases our expenses, distracts our management, and disrupts the day- to- day operations of the business, including the delay of important decisions until the dispute is resolved; and • we may suffer losses as a result of actions taken by Matrix with respect to our investment. If any of the foregoing events were to transpire, our results of operations and liquidity position could be materially adversely affected and our business could be materially harmed. **As part of our investment in innovation, the MSO provides virtual clinical care management services through the PC, an unaffiliated professional corporation owned and operated by a licensed physician, and our relationships or arrangements with the PC could become subject to legal challenges. The MSO' s contractual relationships and arrangements with the PC, through which virtual healthcare services are provided, may implicate certain state laws that generally prohibit non- professional entities from providing**

licensed medical services or exercising control over licensed physicians or other healthcare professionals (such activities are generally referred to as the " corporate practice of medicine ") or engaging in certain practices such as fee- splitting with such licensed professionals. The interpretation and enforcement of these laws vary significantly from state to state. There can be no assurance that these laws will be interpreted in a manner consistent with our practices or that other laws or regulations will not be enacted in the future that could have an adverse effect on our business, financial condition and results of operations. Regulatory authorities, state boards of medicine, state attorneys general and other parties may assert that, despite the agreements through which we operate, we are engaged in the provision of medical services and / or that our arrangements with the PC constitute unlawful fee- splitting. If a jurisdiction' s prohibition on the corporate practice of medicine or fee- splitting is interpreted in a manner that is inconsistent with our practices, we would be required to restructure or terminate our arrangements with the PC to bring our activities into compliance with such laws. A determination of non- compliance, or the termination of or failure to successfully restructure these relationships could result in disciplinary action, penalties, damages, fines, and / or a loss of revenue, any of which could have a material and adverse effect on our business, financial condition and results of operations. Some state corporate practice of medicine and fee- splitting prohibitions also authorize penalties on healthcare professionals for aiding in the improper rendering of professional services, which could discourage physicians and other healthcare professionals with whom we contract from providing clinical services. The MSO, the PC and the medical practitioners providing virtual clinical care services through such PC may become subject to medical liability claims, which could have an adverse impact on our business. The relationships and arrangements between the MSO, the PC and the medical practitioners providing virtual clinical care services through such PC entail the risk of medical liability claims against the MSO. Although we carry insurance covering medical malpractice claims in amounts that we believe are appropriate in light of the risks attendant to our business, successful medical liability claims could result in substantial damage awards that exceed the limits of our insurance coverage, and / or plaintiffs in these matters may request punitive or other damages that may not be covered by insurance. In addition, such liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand the services offered by the MSO. As a result, adequate liability insurance may not be available to the MSO in the future at acceptable costs or at all. Any claims made against the MSO that are not fully covered by insurance could be costly to defend, result in substantial damage awards against the MSO and divert the attention of our or the MSO' s management, which could have an adverse effect on our business, financial condition and results of operations. If the MSO or the PC fail to comply with applicable data interoperability and information blocking rules, our consolidated results of operations could be adversely affected. The 21st Century Cures Act (the " Cures Act "), which was signed into law in December 2016, includes provisions related to data interoperability, information blocking and patient access. In May 2020, CMS and the HHS Office of the National Coordinator for Health Information Technology (" ONC ") published the Cures Act final rule, which went into effect on April 5, 2021, to clarify provisions of the Cures Act regarding interoperability and information blocking, and to include, among other things, requirements surrounding information blocking, changes to ONC' s health IT certification program and requirements that CMS-regulated payors make relevant claims / care data and provider directory information available through standardized patient access and provider directory application programming interfaces, or APIs, that connect to provider electronic health record systems (" EHRs "). The final rule will transform the way in which healthcare providers, health IT developers, health information exchanges / health information networks, (" HIEs / HINs "), and health plans share patient information, and create significant requirements for healthcare industry participants. For example, the final rule prohibits healthcare providers, health IT developers of certified health IT, and HIEs / HINs from engaging in practices that are likely to interfere with, prevent, materially discourage, or otherwise inhibit the access, exchange or use of electronic health information (" EHI "), also known as " information blocking. " To further support access and exchange of EHI, the final rule identifies eight " reasonable and necessary activities " as exceptions to information blocking activities, as long as specific conditions are met. As a relatively new rule, the interpretation of these requirements is continuing to evolve and any failure of the MSO or the PC to comply with these rules could have an adverse effect on our business, results of operations and financial condition. The MSO and the PC remote patient monitoring business model depends on the ability for new patient encounters to occur remotely by means of telehealth, and if the telehealth flexibilities currently permitted under the Consolidated Appropriations Act of 2023 are not extended, this business model may no longer be feasible and our results of operations could be adversely affected. Under the CMS' 2021 Physician Fee Schedule final rule, CMS limited the provision of RPM services to " established patients " of a billing physician, which required an initiating in- person visit with the physician. In the CMS' 2024 Physician Fee Schedule final rule, CMS confirmed that the " established patient " limitation continues to be in place for RPM services. In response to the COVID- 19 pandemic, CMS made several changes in the manner in which Medicare will pay for telehealth visits, many of which relax previous requirements, including the " established patient " restriction, initiating site requirements for both the providers and patients and telehealth modality requirements. The Consolidated Appropriations Act of 2023 extended many of the COVID- 19 public health emergency provisions related to telehealth until December 31, 2024, including the flexibility to permit a patient' s home to be an originating cite and to permit telehealth by means of audio only communication. State law applicable to telehealth, particularly licensure requirements, has also been relaxed in many jurisdictions as a result of the COVID- 19 pandemic. It is unclear which, if any, of these changes will remain in place permanently and which will be rolled- back following the COVID- 19 pandemic. If regulations change to restrict the ability of physicians to deliver care through telehealth modalities, including with respect to the initiating visit, our results of operations may be adversely affected. Risks Related to Governmental Regulations Healthcare is a heavily regulated industry, and compliance with existing laws is costly, and non- compliance has the potential to be even costlier considering that violations of laws may result in corrective action or sanctions that could reduce our revenue and profitability. The United States healthcare industry is subject to extensive federal and state oversight relating to, among other things: • professional licensure; • conduct of operations; • addition of facilities, equipment and services, including certificates of need, or CON; • coding and billing related to our services; and • payment for services. Both federal and state government agencies have increased coordinated civil and criminal enforcement efforts related to the healthcare industry. Regulations related to the healthcare industry are extremely complex and, in many instances, the industry does not have the benefit of significant regulatory or judicial interpretation of those laws. Medicare and Medicaid anti- fraud and abuse laws prohibit certain business practices and relationships related to items and services reimbursable under Medicare, Medicaid and other governmental healthcare programs, including the payment or receipt of remuneration to induce or arrange for referral of patients or recommendation for the provision of items or services covered by Medicare or Medicaid or any other federal or state healthcare program, often referred to as the Anti- Kickback Statute. Federal and state laws also prohibit the submission of false or fraudulent claims, including claims to obtain reimbursement under Medicare and Medicaid, under what is commonly referred to as the False Claims Act. We have implemented policies to help assure our compliance with these regulations as they become effective, but interpretations different from our interpretations or enforcement of these laws and regulations in the future could subject our practices to allegations of impropriety, illegality, or overpayment, or could require us to make changes in our facilities, equipment, personnel, services or the manner in which we conduct our business, any of which could increase costs and could materially adversely affect our business and results of operations. Changes to the regulatory landscape applicable to our businesses could have a material adverse effect on our results of operations and financial condition ~~.~~ **, including the proposed ruling by the Centers for Medicare and Medicaid Services (" CMS") titled Ensuring Access to Medicaid Services** Our **PCS** ~~Personal Care~~ segment locations that maintain a Medicare certified home healthcare line of business (for example, in Pennsylvania and Massachusetts) must comply with ever changing federal conditions or participation, where compliance is difficult to achieve and hard to monitor. Recently implemented requirements for which adherence is particularly challenging include the need to: • provide transfer summary to facility within two days of a planned transfer or within two business days of becoming aware of an unplanned transfer if the patient is still receiving care in the facility; • provide written notice of patient' s rights and responsibilities, and transfer and discharge policies to a patient - selected representative within four business days of the initial evaluation visit; • communicate revisions to the plan of care due to change in health status to the patient, representative (if any), caregiver and physicians issuing orders for plan of care; and • communicate discharge plan revisions to the patient, representative (if any), caregiver, all physicians issuing orders for the plan of care and to the provider expected to care for the patient after discharge (if any). CMS could adopt new requirements or guidelines that may further increase the costs associated with the provision of certified services, which could harm our business and have a material adverse effect on our results of operations. **As an example, components of the 2023 proposed ruling released by CMS titled Ensuring Access to Medicaid Services, which proposes advancements in access to care, quality of care, and improved health outcomes for Medicaid beneficiaries, include stipulations which would require that 80. 0 % of Medicaid payments for personal care services be spent on compensation for the direct care workforce rather than other administrative or overhead expenses. This requirement would limit our ability to achieve a gross margin that would allow us to continue to invest in technological platforms that would ease the administrative burden and allow our care providers to focus on higher quality of care, which could have a material adverse effect on our results of operations and financial condition.** In New York, we provide Service Coordination, or SC, and / or Home and Community Support Services, or HCSS, to ~~731~~ Traumatic Brain Injury, or TBI, and Nursing Home Transition and Diversion, or NHTD, Medicaid waiver participants. These waiver programs were developed based on the philosophy that individuals with disabilities, individuals with traumatic brain injury, and seniors, may be successfully served and included in their surrounding communities so long as the individual is the primary decision maker and works in cooperation with care providers to develop a plan of services that promotes personal independence, greater community inclusion, self- reliance and participation in meaningful activities and services. Examples of activities that are at various stages of implementation that may implicate or materially adversely affect our waiver line of business profitability follow. • Conflict Free Case Management – The NYS DOH, in collaboration with CMS, is implementing mandatory conflict- free case management policies. Conflict- free case management requires the separation of clinical eligibility determinations and care planning assessments (for example, SC) from the direct provision of services (for example, HCSS). Providers in the personal care industry are expected to implement additional conflict of interest standards that may or may not ultimately require the creation of legally separate entities with distinct protocols. • Managed Long- Term Care Carve- In – Managed Long- Term Care, or MLTC, is a system believed to streamline the delivery of long- term care services to people who are chronically ill or disabled and who wish to reside, or continue to reside, safely in their homes and communities. The entire array of services to which an enrolled member is entitled can be received through the MLTC plan a particular member has chosen. As New York transforms its long- term care system to one that ensures care management for all, enrollment in a MLTC plan may be mandatory or voluntary, depending on individual circumstances. While TBI and NHTD participants are currently excluded from having to enroll in a MLTC plan (for example, SC and HCSS claims are billed and paid on a Medicaid fee- for- service basis), the NYS DOH submitted a transition plan to CMS for consideration that eliminates the exclusion, meaning that TBI and NHTD waiver participants who wish to continue receiving services must enroll in a plan. While the primary goal stated was to improve access to all services across the state, the result may also require our navigation of network participation requirements and typical managed care cost control measures (for example, authorizations, utilization review, rate negotiation). Regarding in- home personal care generally (including certified or non- certified and waiver or non- waiver), compliance with responsibilities under the Fair Labor Standards Act, or FLSA, remains key. The United States Department of Labor, or DOL, continues its focus on the industry to ensure that personal care workers earn a minimum wage and are afforded various overtime pay protections. We may be sued individually or by a class of workers claiming that a violation has occurred, or a complaint may be filed with the

DOL to investigate. If it is ultimately found that we neglected to pay the full amount of wages owed under the FLSA (for meals, breaks, travel, or otherwise), payment for the missing amount and possibly double that amount may be mandated, which could materially increase our costs and harm our results of operations. With respect to our Matrix investment, the **Comprehensive Health Assessment ("** CHA **")** services industry is primarily regulated by federal and state healthcare laws and the requirements of participation and reimbursement of the Medicare Advantage program established by CMS. From time to time, CMS considers changes to regulatory guidelines with respect to prospective CHAs or the risk adjusted payment system applicable to Matrix' s Medicare Advantage plan customers. CMS could adopt new requirements or guidelines that may, for example, increase the costs associated with CHAs, limit the opportunities and settings available to administer CHAs, or otherwise change the risk adjusted payment system in a way that would adversely impact our business. Further, changes in or adoption of new state laws governing the scope of practice of mid- level practitioners, or more restrictive interpretations of such laws, may restrict Matrix' s ability to provide services using nurse practitioners. Any such implementation of additional regulations on the CHA industry by CMS or other regulatory bodies or further regulation of mid- level practitioners could have a material adverse impact on Matrix' s revenues and margins, which could have a material adverse impact on our balance sheet and financial position **State revalidation and potential reduction of eligible Medicaid beneficiaries following the expiration** of the COVID- 19 public health emergency under the Families First Coronavirus Response Act (2020) could diminish the demand for our services,affect the profitability of our capitated contracts with our customers,and have a material adverse effect on our results of operations and financial condition.The Families First Coronavirus Response Act (2020) requires states to maintain Medicaid beneficiary eligibility for all Medicaid participants through the last day of the month in which the COVID- 19 ~~PHE~~ **public health emergency** ends ~~.On May 11,2023,the Department of Health and Human Services (" HHS") declared the end of the PHE for the COVID- 19 pandemic~~ .Prior to the enactment of the Act,states regularly reviewed on an on- going basis whether Medicaid participants qualified for the program,based on factors such as income,age or disability status.While states ~~were~~ **have been** prohibited from removing ineligible participants from their Medicaid rolls ~~during the PHE~~ ,new enrollment **has also** steadily increased,resulting in record high levels of Medicaid participation. ~~Now~~ **Once the federal government determines under the Act** that ~~HHS~~ **the public health emergency** has ~~declared the end~~ **ended** ~~of the PHE~~ **,which could occur any time after April 16,2022** ,states must revalidate the eligibility of each Medicaid beneficiary once every 12 months.During this process,a significant number of Medicaid beneficiaries could lose Medicaid coverage,not only because of changed circumstances such as regained employment,but also as a result of clerical and other errors that may leave otherwise eligible beneficiaries off the rolls due to the administrative burden to be placed on short- staffed state and local offices.A drop in Medicaid enrollment could affect adversely our ability to be reimbursed by our customers for the services we provide to our end- users,our NEMT per- member per- month fee generation under our capitated contracts,and our FFS payments and the demand for our services generally,the occurrence of any of which could harm our business and have a material adverse effect on our results of operations and financial condition **.** . The cost of our services is funded substantially by government and private insurance programs, and changes in budgetary priorities of the government entities or private insurance programs that fund these services could result in the loss of contracts, a reduction in reimbursement rates, or a decrease in amounts payable to us under our contracts. Payments for our services are largely derived from contracts that are directly or indirectly paid by government agencies with public funds and private insurance companies. All of these contracts are subject to legislative appropriations and state and / or national budget approval, as well as changes to potential eligibility for services. The availability of funding under our contracts with state governments is dependent in part upon federal funding to states. Changes in Medicaid provider reimbursement and federal matching funds methodologies may further reduce the availability of federal funds to states in which we provide services. Currently, many of the states in which we operate are facing budgetary shortfalls or changes in budgetary priorities. While many of these states are dealing with budgetary concerns by shifting costs from institutional care to home and community-based care such as the services we provide, there is no assurance that this trend will continue or be implemented as it has been historically. For example, in New York (one of several states where our **PCS** ~~Personal Care~~ segment provides services under the name " All Metro Health Care "), there are Medicaid Redesign Team initiatives taking place aimed at reducing Medicaid expense through provider consolidation and other measures. Our continued ability to provide core services, though expected, is now dependent upon various competitive bid processes, including the following: • LHCSA Request for Proposal (Anticipated) – The FY 2021 enacted New York State Budget created a new Public Health Law, or PHL, Section 3605- c which, if implemented, would prohibit Licensed Home Care Service Agencies, or LHCSAs, such as our **PCS** ~~Personal Care~~ segment' s individually- licensed branches, from providing or claiming for services provided to Medicaid recipients without being authorized to do so by contract with the NYS DOH. This restriction would apply to the provision of such services under the state Medicaid plan, a plan waiver, or through an MCO (for example, managed long- term care plan). If implemented, the statute would require the NYS DOH to contract with only enough LHCSAs to ensure that Medicaid recipients have access to care. The NYS DOH is expected to post an RFP that includes demonstrated cultural and language competencies specific to the population of recipients and the available workforce, experience serving individuals with disabilities, and demonstrated compliance with all applicable federal and state laws and regulations among the selection criteria. After contracts are awarded, the NYS DOH could terminate a LHCSA' s contract, or suspend or limit a LHCSA' s rights and privileges under a contract, upon thirty- days' written notice if the Commissioner of Health finds that a LHCSA has failed to comply with the provisions of Section 3605- c or any regulations promulgated under the statute. Also, authorization received by LHCSAs under PHL Section 3605- c would not substitute for satisfying existing licensure requirements or the screening and enrollment process required for participation in the Medicaid program. Consequently, a significant decline in government or private insurance company expenditures or the number of program beneficiaries, a shift of expenditures or funding away from programs that call for the types of services that we provide, or change in government contracting or funding policies could cause payors to terminate their contracts with us or reduce their expenditures or reimbursement rates under those contracts, either of which could have a negative impact on our financial position and operating results. We are subject to regulations relating to privacy and security of patient and service user information, and our failure to comply with such regulations could result in a material adverse impact on our operating results. There are numerous federal and state regulations addressing patient information privacy and security concerns. In particular, the federal regulations issued under HIPAA contain provisions that: • protect individual privacy by limiting the uses and disclosures of patient information; • require the implementation of security safeguards to ensure the confidentiality, integrity and availability of individually identifiable health information in electronic form; and • prescribe specific transaction formats and data code sets for certain electronic healthcare transactions. Compliance with state and federal privacy laws and regulations requires considerable resources. These costs and investments could negatively impact our financial position and results of operations. Further, the HIPAA regulations and state privacy laws expose us to increased regulatory risk, as the penalties associated with a failure to comply or with information security breaches, even if unintentional, could be substantial and have a material adverse effect on our financial position and results of operations. We could be subject to actions for false claims or recoupment of funds pursuant to certain audits for non- compliance with government coding and billing rules, which could have a material adverse impact on our operating results. If we fail to comply with federal and state documentation, coding and billing rules, we could be subject to criminal or civil penalties, loss of licenses and exclusion from the Medicare and Medicaid programs, which could have a material adverse impact on our financial position and operating results. In billing for our services to third- party clients, we must follow complex documentation, coding and billing rules. These rules are based on federal and state laws, rules and regulations, various government pronouncements, including guidance and notices, and industry practice. Failure to follow these rules could result in potential criminal or civil liability under the federal False Claims Act, under which extensive financial penalties can be imposed, or under various state statutes which prohibit the submission of false claims for services covered. Compliance failure could further result in criminal liability under various federal and state criminal or civil statutes. We may be subject to audits conducted by our clients or their proxies, including the Office of Inspector General, or OIG, for the Department of Health and Human Services, or DHHS, state Medicaid regulatory agencies, state Medicaid fraud enforcement agencies, health departments, CMS, the Unified Program Integrity Contractors and regional federal program integrity contractors for the Medicare and Medicaid programs that may result in recoupment of funds. In addition, our clients may be subject to certain audits that may result in recoupment of funds from our clients that may, in turn, implicate us. We could be adversely affected in the event such an audit results in negative findings and recoupment from or penalties to our customers. Our contracts are subject to stringent claims and invoice processing regimes which vary depending on the customer and nature of the payment mechanism. Government entities may take the position that if a transport cannot be matched to a medically necessary healthcare event, or is conducted inconsistently with contractual, regulatory or even policy requirements, payment for such transport may be recouped by such customer. Likewise, a government surveyor may determine that a personal care visit was not sufficiently supported by a time and attendance record and / or that the aide was not qualified on a particular date of service and seek a refund as a result. While we carefully and regularly review documentation, and coding and billing practices, the rules are frequently vague and confusing and they cannot ensure that governmental investigators, private insurers or private whistleblowers will not challenge our practices. Such a challenge could result in a material adverse effect on our financial position and results of operations. We could be subject to civil penalties and loss of business if we fail to comply with applicable bribery, corruption and other regulations governing business with public organizations. We are subject to the federal Anti- Kickback Statute, which prohibits the offer, payment, solicitation or receipt of any form of remuneration in return for referring, ordering, leasing, purchasing or arranging for or recommending the ordering, purchasing or leasing of items or services payable by a federally funded healthcare program. Any of our financial relationships with healthcare providers will be potentially implicated by this statute to the extent Medicare or Medicaid referrals are implicated. Violations of the Anti- Kickback Statute could result in substantial civil or criminal penalties, including criminal fines of up to $ 100, 000 per violation, imprisonment of up to ten years, civil penalties under the Civil Monetary Penalties Law of up to $ 100, 000 per violation, plus three times the remuneration involved, civil penalties under the False Claims Act of up to $ 22, 363 for each claim submitted, plus three times the amounts paid for such claims and exclusion from participation in the Medicaid and Medicare programs. Any such penalties could have a significant negative effect on our operations. Furthermore, the exclusion could result in significant reductions in our revenues, which could materially and adversely affect our business, financial position and results of operations. **Increasing scrutiny and changing expectations with respect to environmental, social and governance (“ ESG ”) matters may impose additional costs on us, impact our access to capital, or expose us to new or additional risks. Increased focus, including from regulators, investors, employees and clients, on ESG matters may result in increased costs (including but not limited to increased costs related to compliance and stakeholder engagement), impact our reputation, or otherwise affect our business performance. Negative public perception, adverse publicity or negative comments in social media could damage our reputation or harm our relationships with regulators, employees or our customers, if we do not, or are not perceived to, adequately address these issues, including if we fail to demonstrate progress towards any current or future ESG goals. Any harm to our reputation could negatively impact employee engagement and retention and the willingness of customers to do business with us. At the same time, various stakeholders may have divergent views on ESG matters. This divergence increases the risk that any action or lack thereof with respect to ESG matters will be perceived negatively by at least some stakeholders and adversely impact our reputation and business. It is possible that stakeholders may not be satisfied with our ESG practices or the speed of their adoption. At the same time, certain stakeholders might not be satisfied if we adopt ESG practices at all. Actual or perceived shortcomings with respect to our ESG practices and reporting could negatively impact our business. We could also incur additional costs and require additional resources to monitor, report, and comply with various ESG practices. In addition, a variety of organizations have developed ratings to measure the performance of companies on ESG topics, and the results of some of these assessments are widely publicized. Such ratings are used by some investors to inform their investment and voting decisions. In addition, many**

investors have created their own proprietary ratings that inform their investment and voting decisions. Unfavorable ratings of our company or our industry, as well as omission of inclusion of our stock into ESG- oriented investment funds, may lead to negative investor sentiment and the diversion of investment to other companies or industries, which could have a negative impact on our stock price and our access to and cost of capital. Our business is subject to licensing regulations and other regulatory provisions, including provisions governing surveys and audits, and changes to, or violations of, these regulations could negatively impact us. In many of the locations where we operate, we are required by local laws to obtain and maintain licenses. The applicable state and local licensing requirements govern the services we provide, the credentials of staff, record keeping, treatment planning, client monitoring and supervision of staff. The failure to maintain these licenses or the loss of a license could have a material adverse impact on us and could prevent us from providing services to clients in a given jurisdiction. Our contracts are subject to surveys or audit by our payors or clients. We are also subject to regulations that restrict our ability to contract directly with a government agency in certain situations. Such restrictions could affect our ability to contract with certain payors and clients, and could have a material adverse impact on our financial condition and results of operations. Our contracts are subject to audit and modification by the payors with whom we contract, at their sole discretion, and any such audits and modifications could materially and adversely affect our results of operations. Our businesses depend on our ability to perform successfully under various government funded contracts. Under the terms of these contracts, payors, government agencies or their proxy contractors can review our compliance or performance, as well as our records and general business practices, at any time, and may in their discretion: • suspend or prevent us from receiving new contracts or extending existing contracts because of violations or suspected violations of procurement laws or regulations; • terminate or modify our existing contracts; • seek to recoup the amount we were paid and / or reduce the amount we are paid under our existing contracts; or • audit and object to our contract related fees. Any increase in the number or scope of audits could increase our expenses, and the audit process may disrupt the day- to- day operations of our business and distract management. If payors have significant audit findings, or if they make material modifications to our contracts, it could have a material adverse impact on our financial position and results of operations. State revalidation and potential reduction of eligible...... results of operations and financial condition. Risks Related to Our Indebtedness **and Economic Conditions** Our existing debt agreements contain restrictions that limit our flexibility in operating our business and could have a material adverse effect on our business and results of operations. Our agreements covering our outstanding indebtedness, including the New Credit Agreement and the indentures governing our Notes due 2025 and 2029, respectively, contain various covenants that limit or will limit our ability to engage in specified types of transactions. These agreements may, among other things, limit our ability to: • incur additional debt; • provide guarantees in respect of obligations of other persons; • issue redeemable stock and preferred stock; • pay dividends or distributions or redeem or repurchase capital stock; • make loans, investments and acquisitions; • enter into transactions with affiliates; • create or incur liens; • make distributions from our subsidiaries; • permit contractual obligations that burden our ability to make distributions from our subsidiaries; • sell assets and capital stock of our subsidiaries; • make prepayments on subordinated debt; and • consolidate or merge with or into, or sell substantially all of our assets to, another person. **In addition, our agreements covering our outstanding indebtedness, including the New Credit Agreement and the indentures governing our Notes due 2025 and 2029, require us to meet financial covenants associated with that debt, and contain cross- default provisions. For example, the New Credit Agreement contains an affirmative covenant regarding our Total Net Leverage Ratio as of the end of each of our fiscal quarters. See Part II, Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations for additional information regarding the New Credit Agreement and the Total Net Leverage Ratio.** A breach of any of these covenants or restrictions could result in a default under the applicable agreements that govern our indebtedness ~~,~~ including as a result of cross default provisions, and, in the case of our New Credit Facility, permit the lenders to cease making loans to us. Upon the occurrence of an event of default under our New Credit Facility, the lenders could elect to declare all amounts outstanding under our New Credit Facility to be immediately due and payable and terminate all commitments to extend further credit. Such actions by those lenders could cause cross defaults under our other indebtedness **resulting in our other indebtedness being declared immediately due and payable, including our Notes due 2025 and 2029. We cannot provide any assurance that the holders of such indebtedness would waive a default, including as a result of a cross default** . In the event of acceleration of our outstanding indebtedness, we cannot assure you that we ~~would~~ **will** be able to repay the debt or obtain new financing to refinance the debt. Even if new financing is made available to us, it may not be on terms acceptable to us. If we were unable to repay these amounts, certain debt holders could proceed against the collateral granted to them to secure the indebtedness, including the equity of subsidiary guarantors that we have pledged as collateral, pursuant to our New Credit Agreement. If any of the foregoing were to occur, our business and results of operations could be materially adversely affected and the value of our equity could be materially diminished. We have substantial indebtedness and lease obligations that could ~~affect~~ **restrict** our ~~ability~~ **financial opportunities and competitive position and we may not be able** to ~~meet our obligations under~~ **generate sufficient cash to service all of** our indebtedness **which could** ~~and lease obligations and may otherwise restrict our activities and~~ harm our operations and business. Our substantial indebtedness and lease obligations could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate indebtedness, and prevent us from meeting our obligations under the New Credit Facility and our Notes due 2025 and 2029. Our substantial indebtedness and lease obligations could have important consequences, including: • increasing our vulnerability to adverse economic, industry or competitive developments; • requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness and lease payments under our leases, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities; • exposing us to the risk of increased interest rates because certain of our borrowings, including borrowings under the New Credit Facility, are at variable rates of interest; • making it more difficult for us to satisfy our obligations with respect to our indebtedness and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default **, including as a result of a cross- default,** under the agreements governing such indebtedness, including the New Credit Facility and the Notes due 2025 and 2029; • restricting us from making strategic acquisitions or causing us to make non- strategic divestitures; • imposing restrictions on the operation of our business that may hinder our ability to take advantage of strategic opportunities or to grow our business; • limiting our ability to obtain additional financing for working capital, capital expenditures (including real estate acquisitions), debt service requirements and general corporate or other purposes, which could be exacerbated by volatility in the credit markets; and • limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to any of our competitors who are less leveraged and who therefore may be able to take advantage of opportunities that our leverage prevents us from exploiting. Our ability to make scheduled payments on and to refinance our indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors, all of which are beyond our control, including the availability of financing in the international banking and capital markets and the ongoing effects of the COVID- 19 pandemic on the global economy. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to service our debt, to refinance our debt or to fund our other liquidity needs. Any refinancing or restructuring of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations. Further, in the event of a default, **including as a result of a cross- default,** the holders of our indebtedness could elect to declare such indebtedness ~~be~~ **immediately** due and payable, which could materially adversely affect our results of operations and financial condition. Expiration of our New Credit Agreement, loss of available financing or an inability to renew or refinance our debt could have an adverse effect on our financial condition and results of operations. The indebtedness subject to our Notes matures in 2025 and 2029 and subject to our New Credit Agreement matures in 2027 and there can be no assurance that we will be able to payoff timely or refinance our Notes or extend our indebtedness under our New Credit Agreement or enter into a new one on terms that are acceptable to us, or at all. If our cash on hand is insufficient, or we are unable to generate sufficient cash flows in the future to cover our cash flow and liquidity needs and service our debt, we may be required to seek additional sources of funds, including extending or replacing our indebtedness, refinancing all or a portion of our existing or future indebtedness, incurring additional indebtedness to maintain sufficient cash flow to fund our ongoing operating needs and fund anticipated expenditures. There can be no assurance that any new financing or refinancing will be possible or obtained on terms acceptable to us, or at all. If we are unable to obtain needed financing, we may (i) be unable to satisfy our ongoing obligations, (ii) be unable to pursue future business opportunities or fund acquisitions, (iii) find it more difficult to fund future operating costs, tax payments or general corporate expenditures, and (iv) become vulnerable to adverse general economic, capital markets and industry conditions. Any of these circumstances could have a material adverse effect on our financial position, liquidity and results of operations. We may incur substantial additional indebtedness, which could impair our financial condition. We may incur substantial additional indebtedness to fund our activities, including to fund share repurchases, acquisitions, cash dividends and business expansion. While our New Credit Agreement contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. Any additional indebtedness would increase the risk that we may be unable to generate cash sufficient to pay amounts due in respect of such indebtedness, and the risks that we already face as a result of our leverage would intensify. Future substantial indebtedness could also have other important consequences on our business. For example, it could: • make it more difficult for us to satisfy our existing obligations; • make it more difficult to renew or enter into new contracts with existing and potential future clients; • limit our ability to borrow additional amounts to fund, among other things, working capital, capital expenditures, debt service requirements, the execution of our business strategy or acquisitions; • require us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our debt, which would reduce the funds available to us for other purposes; • restrict our ability to dispose of assets and use the proceeds from any such dispositions; • restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due; • make us more vulnerable to adverse changes in general economic, industry and competitive conditions, as well as in government regulation and to our business; and • expose us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates. Our ability to satisfy and manage our debt obligations depends on our ability to generate cash flow and on overall financial market conditions. To some extent, this is subject to prevailing economic and competitive conditions and to certain financial, business and other factors, many of which are beyond our control. Our business may not generate sufficient cash flow from operations to permit us to pay principal, premium, if any, or interest on our debt obligations. If we are unable to generate sufficient cash flow from operations to service our debt obligations and meet our other cash needs, we may be forced to reduce or delay capital expenditures, sell or curtail assets or operations, seek additional capital, or seek to restructure or refinance our indebtedness. If we must sell or curtail our assets or operations, it may negatively affect our ability to generate revenue. Risks Related to Our Common Stock If we are unable to remediate ~~recently~~ **the** identified material weaknesses in our internal control over financial reporting, or if we experience additional material weaknesses or other deficiencies or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately and timely report our financial results, in which case our business may be harmed, investors may lose confidence in the accuracy and completeness of our financial reports, and the price of our common stock may decline. Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on the effectiveness of our system of internal control. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America (" U. S. GAAP "). We are required to furnish annually a report by management of its assessment of the effectiveness of our internal control over financial reporting as of the end of our most recent fiscal year. In addition, our independent registered public accounting firm is required to provide a related attestation report on our internal control over financial reporting. In connection with our ~~2022~~ **2023** year- end assessment of internal control over financial reporting, we determined that, as of December 31, ~~2022~~ **2023** , ~~we did not~~ **the material weaknesses related to the ineffective general information technology controls** (~~i~~ **" GITCs"**) ~~conduct an~~ **and process- level** ~~effective risk assessment to identify and assess changes in our internal~~ control ~~environment~~ **activities in the revenue and payroll processes within the PCS segment were unremediated as of December 31** , ~~specifically related to new IT~~ **2023. The material weaknesses were largely a result of the continued integration of the PCS segment and the high volume of transactions across their disparate** systems ~~and newly acquired companies, (ii) structure effective reporting lines, appropriate authorities, or responsibilities, or (iii) establish mechanisms to enforce accountability in the pursuit of objectives to establish and operate effective internal control over financial reporting~~ . For further discussion of the material weaknesses identified and our remedial efforts, see Item 9A, Controls and Procedures. Remediation efforts place a significant burden on management and add increased pressure to our financial resources and processes. As a result, we may not be successful in making the improvements necessary to remediate the material weaknesses identified by management, or do so in a timely manner, or identify and remediate additional control deficiencies, including material weaknesses, in the future. If we are unable to remediate successfully our existing or any future material weaknesses or other deficiencies in our internal control over financial reporting: the accuracy and timing of our financial reporting may be adversely affected; our liquidity, our access to capital markets, the perceptions of our creditworthiness, and our ability to complete acquisitions may be adversely affected; we may be unable to maintain compliance with applicable securities laws, **NASDAQ** ~~The Nasdaq Stock Market LLC (" Nasdaq ")~~ listing requirements, and the covenants under our debt instruments or derivative arrangements regarding the timely filing of periodic reports; we may be subject to regulatory investigations and penalties; investors may lose confidence in our financial reporting; and we may suffer defaults, accelerations, or cross- accelerations under our debt instruments or derivative arrangements to the extent we are unable to obtain waivers from the required creditors or counterparties or are unable to cure any breaches. If any such event or circumstance were to occur, our stock price could decline and our business, financial condition and results of operations could be materially adversely affected. Future sales of shares of our common stock by existing stockholders could cause our stock price to decline. Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline. As of December 31, ~~2022~~ **2023** , we had 19, ~~729~~ **775** , ~~923~~ **041** shares of common stock outstanding that were freely transferable without restriction or further registration under the Securities Act, unless held by or purchased by our " affiliates " as that term is defined in Rule 144 under the Securities Act. Shares of our common stock held by or purchased by our affiliates are restricted or " covered " securities within the meaning of Rule 144 under the Securities Act, but will be eligible for resale subject to applicable volume, means of sale, holding period and other limitations of Rule 144 under the Securities Act. With respect to our stockholders Coliseum Capital Partners, L. P., Coliseum Capital Partners II, L. P. and Blackwell Partners, LLC- Series A, as well as our former stockholder Coliseum Capital Co- Invest, L. P, which we sometimes refer to collectively as the Coliseum Stockholders, any or all of which may continue to be considered an affiliate or affiliates of ours, we have filed a registration statement that has been declared effective under the Securities Act covering the resale by the Coliseum Stockholders of an aggregate of ~~1~~ **2** , ~~282~~ **982** , ~~055~~ **751** shares of our common stock that continue to be held by the Coliseum Stockholders. As a result, such shares may be sold pursuant to the registration statement without regard to the volume and other limitations of Rule 144 under the Securities Act that would otherwise be applicable to such sales. We also filed a registration statement under the Securities Act to register additional shares of common stock to be issued under our Amended and Restated 2006 Long- Term Incentive Plan, or Incentive Plan, and, as a result, all shares of common stock acquired upon exercise of stock options or vesting of shares of restricted stock **, restricted stock units** or **performance- based** restricted stock units granted under our Incentive Plan will also be freely tradable under the Securities Act, unless purchased or acquired by our affiliates under the plan. As of December 31, ~~2022~~ **2023** , there were vested stock options outstanding and exercisable to purchase a total of ~~26~~ **42** , ~~332~~ **054** shares of our common stock and there were ~~124~~ **504** , ~~898~~ **110** shares of our common stock subject to restricted stock awards, restricted stock units, and performance **-** based **restricted** stock units under the **Incentive** ~~plan~~ **Plan** . In addition, ~~1~~ **792** , **338** ~~177, 991~~ shares of our common stock are reserved for future issuances under the Incentive Plan. Our annual operating results and stock price may be volatile or may decline significantly regardless of our operating performance. Our annual operating results and the market price for our common stock may fluctuate significantly in response to a number of factors, many of which we cannot control, including: • changes in rates or coverage for services by payors; • changes in Medicaid, Medicare or other United States federal or state rules, regulations or policies; • market conditions or trends in our industry or the economy as a whole, including increases in the minimum wage requirements in various jurisdictions in which we operate, and fluctuations in the size of the Medicare member population as well as overall health of its members; • increased competition, including through insourcing of services by our clients and new entrants to the market; • negative effects from war, incidents of terrorism, natural disasters, pandemics, or responses to these events; • changes in tax laws; and • changes in accounting principles. If any of these events or circumstances were to impact our results or stock price, our common stock price could decrease and the value of an investment in our common stock would experience a corresponding decrease. In addition, the stock markets, and in particular NASDAQ, have experienced considerable price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we become involved in securities litigation, we could incur substantial costs, and our resources and the attention of management could be diverted from our business. The Company depends on its subsidiaries for cash to fund all of its operations and expenses, including to make future dividend payments or to fund stock repurchases, if any, and there can be no assurance that our subsidiaries will make available to us the funds necessary for us to fund our operations and capital needs. Our operations are conducted entirely through our subsidiaries. Our ability to generate cash to fund all of our operations and expenses, to pay dividends or complete stock repurchase programs, or to meet any debt service obligations is highly dependent on our subsidiaries' earnings and the receipt of funds from our subsidiaries by way of dividends or intercompany loans. We have not paid any cash dividends on our common stock and do not expect to pay any dividends on our common stock in the foreseeable future. We currently intend to invest our and our subsidiaries' future earnings, if any, to fund our growth, to develop our business, invest in our technology, for working capital needs and for general corporate purposes. To the extent that we determine in the future to pay dividends on our common stock, however, none of our subsidiaries will be obligated to make funds available to us for the payment of dividends. Similarly, our subsidiaries are not obligated to make funds available to us to fund stock repurchases. Further, our New Credit Agreement significantly restricts the ability of our subsidiaries to pay dividends, make loans or otherwise transfer assets to us. In addition, Delaware law imposes solvency restrictions on our ability to pay dividends to holders of our common stock. Therefore, you are not likely to receive any dividends on our common stock for the foreseeable future and the success of an investment in shares of our common stock will depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares. Furthermore, if the subsidiaries are unable or unwilling to fund our cash needs when needed or desired, our results of operations and business and financial condition could be materially adversely affected. If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more analysts downgrade our stock or publish misleading or unfavorable research about our business, our stock price would likely decline in reaction to such information. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our common stock price or trading volume to decline. Anti- takeover provisions in our second amended and restated certificate of incorporation, as amended, and amended and restated bylaws could discourage, delay or prevent a change of control of our company and may affect the trading price of our common stock. Our second amended and restated certificate of incorporation, as amended, and amended and restated bylaws include a number of provisions that may be deemed to have anti- takeover effects, including provisions governing when and by whom special meetings of our stockholders may be called, and provisions that may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. As a result of these provisions, holders of our common stock may not receive the full benefit of any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future. Our second amended and restated certificate of incorporation, as amended, and amended and restated bylaws **, as amended,** may also make it difficult for stockholders to replace or remove our management, including ~~provisions providing for staggered terms for our Board of Directors (the" Board")~~ , no cumulative voting for the election of directors, ~~and~~ provisions governing director vacancies, which are filled only by remaining directors (including vacancies resulting from removal or other cause) **, and, until the phase- out of our staggered Board of Directors (the" Board") is complete in 2025, provisions providing for staggered terms for certain members of the Board** . These provisions may facilitate management entrenchment that may delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our stockholders.