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The Ensign Group Announces Nine-Facility Expansion in San Diego, California

MISSION VIEJO, Calif., Oct. 13, 2014 (GLOBE NEWSWIRE) -- The Ensign Group, Inc. (Nasdaq:ENSG), the parent company of the Ensign™ group of skilled nursing, rehabilitative care services, home health care, hospice care, assisted living and urgent care companies, announced today that it has agreed to purchase nine skilled nursing and assisted living facilities, a home health agency and a private home care business from Shea Family Care, the largest provider of a complete continuum of post-acute healthcare services in the San Diego market. The asset acquisition includes:

- Shea Family Care Grossmont, an 86-bed skilled nursing facility located in, La Mesa, California;
- Shea Family Care La Jolla, a 59-bed skilled nursing facility located in La Jolla, California;
- Shea Family Care Mission Hills, a 68-bed skilled nursing facility located in San Diego, California;
- Shea Family Care South Bay, a 94-bed skilled nursing facility located in Chula Vista, California;
- Shea Family Care Parkside, a 52-bed skilled nursing facility located in El Cajon, California;
- Shea Family Care Somerset, a 65-bed skilled nursing and sub-acute care facility located in El Cajon, California;
- Shea Family Care Victoria, a 120-bed skilled nursing facility located in El Cajon, California;
- Shea Family Care Magnolia, a 99-bed skilled nursing facility located in El Cajon, California;
- Shea Family Living LoHar, a 68-unit assisted living located in El Cajon, California;
- Shea Family Home Health, an operating Medicare/Medicaid certified home health agency with a home office located in El Cajon, California; and
- Shea Family at Home, a private pay home care operation also based in El Cajon, California.

"Shea Family has a long history of serving the San Diego community and we are honored to be continuing and advancing the exceptional work that they have been doing for generations," said Christopher Christensen, Ensign's President and Chief Executive Officer. "We welcome Shea Family to Ensign and look forward to combining our teams of top-performing healthcare professionals as we seek to take our service to a whole new level," he added.

Kenneth Lund, Shea Family's Chief Executive Officer, commented, "With healthcare reform accelerating, we searched for an organization with aligned values that could help continue the mission of excelling in personalized healthcare, expanding our integrated care continuum throughout more of San Diego County. We were impressed by Ensign's focus on quality of life for its team of healthcare providers, quality of care for residents, and quality outcomes across all levels of care, making this relationship a win for the greater San Diego region for generations to come," he said.

Mr. Barry Port, Ensign's Chief Operating Officer, added, "This strategic acquisition significantly strengthens our presence in the San Diego healthcare community and adds to our ability to partner with hospital systems and managed care providers to serve customers with post-acute solutions across the continuum of care." Mr. Port added, "Shea Family's locations, spectrum of services, strong core values, reputation for quality and market position are an ideal fit."

Ensign will purchase and retain the real estate in two of the nine operations and will assume long-term leases on the remaining facilities, two of which will include an option to purchase the real estate. The facilities will be purchased with cash and will be operated by Ensign's California-based subsidiaries. The acquisition is expected to be effective in the fourth quarter of 2014 and remains subject to the completion of certain regulatory approvals and other closing conditions. Ensign expects the operations to be operationally accretive to earnings in 2015.

On an unrelated matter, Mr. Christensen indicated that Ensign was recently informed that its previously announced agreement to purchase four California-based operations from Keiro Senior HealthCare was not given the approval of California's Attorney General, which must approve the acquisition of a non-profit business under California law. In its history, Ensign has successfully received approval of the state attorney general in several transactions involving non-profit sellers across several states, including California.

The notice issued by the California Attorney General did not provide a detailed explanation, but the notice did reference the existence of Ensign's corporate integrity agreement as a factor in the decision. The California Attorney General has recently sponsored legislation, which was passed but subsequently vetoed by Governor Jerry Brown, expanding the Attorney General's authority to approve and enforce conditions of healthcare mergers and acquisitions. The California Attorney General has also recently withheld approval of other healthcare transactions involving non-profit healthcare operators. California law does not require the Attorney General's approval of acquisitions of for-profit businesses, including Ensign's acquisition of Shea Family.

Mr. Christensen reiterated that Ensign continues to actively seek additional opportunities to acquire real estate or to lease both well-performing and struggling skilled nursing, assisted living and other healthcare related businesses across the United States. The closing of the Shea Family transaction will bring Ensign's growing portfolio to 136 healthcare facilities (nine of which will be owned), nine hospice companies, twelve home health agencies, two home care businesses and fourteen urgent care clinics across 12 states.

About Ensign(TM)

The Ensign Group, Inc.'s independent operating subsidiaries provide a broad spectrum of skilled nursing and assisted living services, physical, occupational and speech therapies, home health and hospice services, urgent care services and other rehabilitative and healthcare services at 127 facilities, nine hospice companies, eleven home health businesses and fourteen urgent care clinics in California, Arizona, Texas, Washington, Utah, Idaho, Colorado, Nevada, Iowa, Nebraska, Oregon and Wisconsin. More information about Ensign is available at <http://www.ensigngroup.net>.

About Shea Family™

The Shea family traces its tradition of care back 85 years, across four generations. Families in the greater San Diego region have relied on Shea Family to be "Here for What Matters," since 1974. Today that promise includes a full spectrum of services across the entire post-acute care continuum. Patients and residents enjoy a coordinated care experience, which produces measurably better quality outcomes. For more information, visit www.sheafamily.net.

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