MANAGEMENT DISCUSSION SECTION

Operator: Good morning, everyone, and welcome to HealthSouth Special Announcement Conference Call. At this time, I would like to inform all participants that their lines will be in a listen-only mode. After the speaker's remarks, there will be a question-and-answer period. [Operator Instructions] Today's conference call is being recorded. If you have any objections, you may disconnect at this time.

I will now turn the call over to Crissy Carlisle, HealthSouth Chief Investor Relations Officer.

Crissy Buchanan Carlisle, Chief Investor Relations Officer, HealthSouth Corp.

Thank you, operator, and good morning. Joining me today on the call are Mark Tarr, President and Chief Executive Officer; and Doug Coltharp, Chief Financial Officer.

Before we begin, if you did not already have a copy, the press release supplemental slides and related Form 8-K filed with the SEC are available on our website at www.healthsouth.com. On page 2 of the supplemental information, you will find the Safe Harbor statements which are also set forth in greater detail on the last page of the press release. During the call, we will make forward-looking statements which are subject to risks and uncertainties, many of which are beyond our control.

Certain risks, uncertainties, and other factors that could cause actual results to differ materially from management's projections, forecasts, estimates, and expectations are discussed in the company's SEC filing including the press release issued in related Form 8-K filed last evening, the Form 10-K for the year ended December 31, 2016 and the Form 10-Q for the quarter ended March 31, 2017. We encourage you to read them.

You are cautioned not to place undue reliance on the estimates, projections, guidance, and other forward-looking information presented. Statements made throughout this presentation are based on current estimates of future events and speak only as of today. The company does not undertake a duty to update these forward-looking statements.

I would like to remind everyone that we will adhere to the one question and one follow-up question rule to allow everyone to submit a question. If you have additional questions, please feel free to put yourself back in the queue.

Following this morning's call, I will be available later today and tomorrow for additional questions. Please call me at 205-970-5860.

With that, I'll turn the call over to Mark.

Mark J. Tarr, President, Chief Executive Officer & Director, HealthSouth Corp.

Good morning, everyone, and thanks for taking the time to participate in this morning's call particularly on such short notice. We are excited and energized about our name change and rebranding initiative as described in last evening's announcement.

This morning, Doug and I will provide the context and the rationale for this decision and address your questions. Before we begin, I'll remind you that our Q2 earnings release is scheduled for July 31 with our Investor and Analyst Conference Call to follow on the morning of August 1. As such, we are currently in a quiet period regarding Q2 and year-to-date performance and will not comment on these topics or 2017 guidance today.

To reiterate key points from last evening's announcement, HealthSouth Corporation plans to change its name to Encompass Health Corporation. The name change and rebranding reinforced our existing strategy and position as an integrated provider of in-patient and home care.

Our New York Stock Exchange ticker symbol will change from HLS to EHC. The corporate name change and ticker-symbol change will both be effective as of January 2, 2018, the first day of trading in the New Year and both business segments inpatient rehabilitation and home health and hospice will transition to the Encompass Health branding.

Doug will provide additional detail on the investment associated with the name change and rebranding in his comments. This decision to move from two brands to one unified brand has been the result of a year long process to understand how our brand could better reflect and support our business strategy.

When we first set out on this, we had less ambitious intentions. Our goal is to improve awareness of our strategy and the value proposition for each of our business segments. Changing our name and logo was not under consideration. We knew we needed outside expertise to augment our internal resources on this important project, and so we conducted an RFP that led to our engagement of profit to a leading brand consulting firm.

We then conducted extensive research across the multiple audiences, acute care leaders, physicians, case managers, patients and their caregivers, the investment community and our employees to learn how our businesses are currently perceived and to further understand what these audiences are seeking from post acute care providers.

And analyzing the research findings, we found that maintaining two separate brand was limiting the awareness and understanding of our strategy and value proposition with key constituencies. Our company was not being consistently recognized for unique strengths that are shared across our businesses, specifically coordination of care across the post-acute continuum through a collaboration with acute care providers and partners, leadership in delivering integrated inpatient and home-based care and a patient-centered focus leading to superior patient outcomes.

We also considered the changes under way in the market, moving increasingly towards integrated delivery payment models, value-based purchasing, and site neutrality. We believe our integrated care delivery model positions us to thrive in this environment. For some time we have articulated these market changes, and our response is strategic positioning.

For example, slide 6 and 7 of the supplemental information should be very familiar to all that follow our company. Still our research suggests that our outside constituencies have not consistently perceived the linkage between our inpatient and home-based segments. These considerations contributed to the conclusion that a single strong brand would more effectively achieve our business goals.

After extensive consideration and deliberation, we determined that Encompass Health would be the best name to represent an integrated provider of healthcare solution. This name and the word Encompass in particular represent our commitment to creating a seamless system where high-quality care is coordinated by clinical teams across the inpatient and home settings.

We are fortunate to have already owned substantial intellectual property rights and a name that so effectively reflects our business strategy and expanding national footprint which includes a portfolio of inpatient rehabilitation hospitals, home health locations, and hospice locations.

We also appreciate how this name honors our foundational businesses, HealthSouth Corporation and Encompass Home Health and Hospice and a strong pride our employees have in each of these legacy organizations. While our name is changing, our leadership and strategy are not. I will serve as the President and CEO of Encompass Health Corporation. Barb Jacobsmeyer will

continue to lead operations for in-patient rehabilitation hospital segment and April Anthony will continue to lead the Home Health & Hospice segment of our businesses.

Our strategy and priorities remain intact. Our primary focus remained on delivering high quality care in a cost effective manner to Medicare beneficiary population. Demand for these services is being driven by the growth in this segment of the U.S. population. We believe the movement towards episodic and value-based payment models will continue as well the progression towards site neutrality within post-acute in-patient sector.

Our portfolio of free-standing inpatient rehabilitation hospitals is well-positioned for this progression towards site neutrality given their physical construct, clinical staffing, operating expertise, and advanced information technology. We are increasing our use of data analytics to advance clinical initiatives to further improve our patient outcomes. We will continue to drive the clinical collaboration between our business segments as we believe this enhances patient's outcomes and positions us as a partner of choice with healthcare system and payers.

We're making good progress on identifying and qualifying best practices for overlap markets through our TeamWorks project. We remain confident in our strategy and our ability to execute on our key operational initiatives.

Now, I'll turn it over to Doug to provide additional detail on the investment associated with the rebranding initiative.

Douglas E. Coltharp, Chief Financial Officer & Executive Vice President, HealthSouth Corp.

Thanks, Mark, and good morning, everyone. Although we are planning on our corporate name change and ticker symbol change taking effect on January 2 2018. A rollout of the Encompass Health brand across our franchise will be gradual and is expected to be completed by the end of 2019.

The total rebranding investment to be incurred over this multiyear period is estimated to be approximately $25 million to $30 million. These costs relate to managing and executing the conversion of branded assets, developing the strategy and plan to engage our stakeholders, and executing targeted marketing for broader awareness of the new Encompass Health brand.

In 2017, we expect to incur approximately $7 million to $10 million, of which $6 million to $8 million will be included as operating expenses, and $1 million to $2 million will be capital expenditures. As Mark stated in his comments, the decision to move from the two brands to one brand is the result of a year-long process, a process that was not initially targeted at this destination.

Accordingly, our previously provided full year 2017 guidance included approximately $1 million in anticipated consulting fees related to improving our brand awareness but did not include the balance of the expected $7 million to $10 million related to the name change.

We incurred approximately $500,000 in branding-related expenses in Q1 of this year and an additional approximately $1.7 million in Q2 of this year. We will update our 2017 guidance in conjunction with our second quarter earnings release scheduled for July 31, 2017. With this announcement, we are now initiating a detailed planning process for the transition of our branded assets such as signage on our hospitals, home health and hospice locations and home offices. We will be sharing more information with you later this year on the specific transition goals for 2018 and 2019.

And now, we'll open the lines for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from the line of Josh Raskin with Barclays.

<Q – Josh Raskin – Barclays Capital, Inc.>: Hi. Thanks.

<A>: Good morning, Josh.

<Q – Josh Raskin – Barclays Capital, Inc.>: Good morning, Mark. Thanks. Good morning, Doug, Crissy as well. So, just a first question, just the cadence of expenses. I heard you, Doug, say $500,000 in the first quarter and $1.7 million. I just want to make sure, that $2.2 million, has that all been fully expensed, or was any of that in CapEx, and is it safe to assume that only part of the $1 million that was in guidance has already been spent? Is that the way to think about the incremental $1.2 million was not in guidance? Is that the way to think about it?

<A – Doug Coltharp – HealthSouth Corp.>: You're right on all accounts, Josh. All of [ph] the incurrence (12:59) today has been in OpEx not CapEx. And yes, the amount over $1 million was not included in guidance.

<Q – Josh Raskin – Barclays Capital, Inc.>: Okay. All OpEx. Okay. And secondarily, I understand that there's more of a strategic rationale and sort of understanding where the future is moving. But have you guys thought about this as a potential return on investment, or should we just think of it as sort of necessary spend to sort of advanced strategy, right? Is there a way to measure benefit?

<A – Mark Tarr – HealthSouth Corp.>: Josh, it's Mark. I think it's difficult to put a number on this. We certainly viewed it as an opportunity to go towards a branding that would better identify with our strategic initiative. And by having two brands, one for each one of our business segments, we're actually missing out on an opportunity and it became more and more difficult as we're out in the marketplace to try to support two brands. So, I think it's difficult to put in an actual dollar on there for a return on investment. But we do think this is the right thing to do for the company moving forward.

<A>: Yeah. I think it'll be less than the direct line. But I do think that there will be tangible benefits that accrue. Some of the reasons that led us down this path are, one, in discussing the current pipeline for joint venture opportunities for new areas with our business development group, it became aware to us that many acute care systems were not familiar with HealthSouth in spite of our prominence in this particular sector of post-acute care and they didn't understand the relationship that we had with Encompass and what we can bring to the table in terms of the coordination of the post-acute network of services. So, we do believe that ultimately, the rebranding is going to further smooth the process for negotiating new joint venture relationships.

We think it'll help underscore the value proposition with other payers as well, particularly Medicare Advantage plans. And then, finally, we identified that in the overlap markets in which we are currently working on clinical collaboration opportunities, that the maintenance of two separate brands was, in some ways, serving as an impediment to our progress. And so that we believe that this initiative, together with TeamWorks is going to be imperative in terms of achieving our goals with regard to clinical collaboration.

Operator: Our next question comes from Sheryl Skolnick with Mizuho Capital.

<A>: Good morning, Sheryl.

<A>: Good morning, Sheryl.

<Q – Sheryl Skolnick – Mizuho Securities USA, Inc.>: Good morning, everyone. So, a couple of things. Your last answer, Doug, was very helpful because I did wonder whether you were – despite the success you had in increasing the number of HealthSouth discharges that are treated in Encompass Home Health and that's been notable success. I did wonder if there was a bit of a hitch with the different brands.

So, that is – that's important and appreciated. I guess the one thing though that I do have the answer is two questions really that I have to ask. The first one being, the timing of this announcement and why it wasn't put together, so you could give us a whole coordinated view on guidance, because this is sort of [ph] TCL (16:23) we know we need to adjust expenses.

Unfortunately, we don't really have a good sense of whether or not we need to adjust anything else. So, I don't know if you could either discuss why now or how we should we think about that? Given that you're in a quiet period.

And then, the second question goes to a more strategic point I know I'm only allowed one but I'm asking two, which is you've got the situation with Kindred was seems to be having much less success in increasing the number of home health on episode that it gets from its own upstream partners within it's company, yet you're now moving in that direction of integrative post-acute care. So, why are you having success or why is the timing to build this network now better than the timing when others might have tried it in the past?

<A – Doug Coltharp – HealthSouth Corp.>: Yeah. Sheryl this is Doug. Let me start with the first one, and it was a decision that we kind of battered back and forth a long period of time was it to combine the two announcements or to separate them.

Ultimately, we were concerned that with an announcement of this magnitude, we're to be coupled together with the Q2 earnings report, there was a potential that both elements of that report would be diluted and that it would be difficult to focus on the Q2 results when we were talking about the rebranding and vice versa.

We recognize that that puts the analyst in a bit of a different position because they don't have the ability to incorporate our Q2 results in updating their own models, but what we're saying right now is that the guidance is unchanged and we have just given you some new information regarding specifically the branding expenses.

It will also be the case that on a go-forward basis, with each quarterly report, we will provide for you the amount of investment in both OpEx and CapEx dollars related to the implementation of the branding strategy.

<A>: And to answer your second question, Sheryl, the timing on this is particularly again we believe relative to extending the clinical collaboration, two organizations have had essentially two years now to work together to establish the framework for the clinical collaboration. If you take into account the fact that we closed on the transaction with Encompass at the end of 2014, we had all 2015 and 2016 for the two organizations to grow closer together.

2017 has been focused on looking at the best practices and ultimately now, we're in the throes of a TeamWorks initiative to standardize those best practices for that clinical collaboration. Those all go together in terms of why, we believe, now is a great time to make this announcement and rebrand the company under one brand.

<A>: And, Sheryl, in terms of comparing the relative success we've had to other post-acute care providers, it's difficult for us to comment on their strategies. I think what is the case is we had been very focused and targeted in the investments that we've made and in the direction of our efforts. And so, we've invested in establishing more overlapped markets between home health and [indiscernible] (19:50).

April and her team at Encompass have invested in staffing the home health agencies that they were better positioned to service the types of patients that are coming out of our rehab facilities. We had already each made a substantial investment in the information technology and then link the two together, so that from [ph] ENR (20:12) perspective, we had a seamless flow.

We've been continuing to work with Cerner on developing our overall post-acute network coordination capabilities. So, I think it's been a series of very focused initiatives and investments that have led to our success in this regard today.

<A>: One of the things we've seen is that the cultures of Encompass and HealthSouth were actually very closely aligned relative to focus on quality outcomes, taking [indiscernible] (20:40) and being the most efficient provider out there having higher regard for low turnover and being great places to work. So, all of that has enabled to us to come together under one brand and move forward on our clinical collaboration efforts.

Operator: [Operator Instructions] Our next question comes from Kevin Ellich with Craig-Hallum.

<A>: Good morning, Kevin.

<Q – Kevin Ellich – Craig-Hallum Capital Group LLC>: Good morning. Thanks for taking my questions. Just got a couple for you guys. Of the remaining spend in 2018 and 2019, I think it'll be above $18 million to $20 million, how should we think about the cadence of that, and should the same proportion of about 15%, 17% be CapEx versus OpEx or how should we think about that?

And then my follow-up question is, Doug, I think you mentioned in your prepared remarks that the brand, some healthcare systems and JV partners didn't really know the HealthSouth name. Was that more geographic in nature in terms of what systems in HealthSouth? Have they never watched the [indiscernible] (21:57) sports center and seen the HealthSouth rehab facility with the football player coming out of it or how should we think about that?

<A – Doug Coltharp – HealthSouth Corp.>: Well, you have to be doing a 90's rewind to see the professional athletes coming out of one of the HealthSouth facilities. That was a long time ago in our past. I think in terms of the lack of familiarity with the brand name, certainly, as you move further and further away from the southeast, the degree to which we were encountering that situation increased but it wasn't specific to any geography.

Having said that, as you know from some of our recent reports, we've had quite a bit of development activity for instance in the state of California. And the name HealthSouth doesn't always resonate very well in a place like California. Don't want to overemphasize how much of an impediment that was but we certainly think that the name change will facilitate some of those JV development opportunities.

In terms of the cadence on the balance of the expenses, it's a little difficult to estimate and a lot of that relates to our existing joint venture relationships. So, we're not going to force a specific logo change and name change upon our JV partners. We take the term partnership very seriously so we've already been in contact with our existing JV partners and we're going to work with them to determine the best timing and the best modality for incorporating our new branding initiative into each specific hospital.

And so, that makes it difficult for us to know the exact timing of some of the changes that will result in additional expenses over that two-year period. In terms of the breakdown between OpEx and CapEx, of the aggregate $25 million to $30 million spend, we estimate that about 60% to 70% of that will be operating expenses and the balance will be capital expenditures. The reason that we can't be more specific is, again, because don't know what specific path on a hospital-by-hospital basis will head down particularly with our JV partners, and then depending on the strategy we

pursue, there will also be some accounting traps to be run with regarding which elements will be capitalized and which we will expensed. But again, our current estimate is that out of the [ph] average (24:16), 60% to 70% will be OpEx and the balance will be CapEx.

<Q – Kevin Ellich – Craig-Hallum Capital Group LLC>: Great. Thank you.

Operator: Our next question comes from John Ransom with Raymond James.

<A>: Good morning, John.

<A>: Good morning, John.

<Q – John Ransom>: Hey, good morning. So, my question is I guess a little more philosophical. I mean, we all know that some of the sad history of the [indiscernible] (24:40) days, is part of this just defensive that the HealthSouth brand still had a little bit of a legacy take to it even though you guys have been hard at work for a decade to [indiscernible] (24:50) some of the unfortunate history?

<A>: It's really not a driving force here. Certainly, indirectly being able to change names, we will be moving into a new home office building next spring, all of those have a way of distancing ourselves from that particular chapter in our past, but it was not a driving force and factor in this rebranding initiative.

<Q – John Ransom>: Okay. And is it just your view that discharge planners just add more familiarity in general with the Encompass brand? Is that over simplified? Is that an easy way to think about it?

<A>: No. That's not the right way to think about it. I think when we think about Encompass, first of all, the definition of Encompass itself is a nice overlay when we think about treating the patient across business segments and start to think about integrating our clinical approach. And it also gives us a chance with the name Encompass Health to take a portion of both of the foundational businesses from the business segments that make up our current company. And have a way of representing both of those business segments in the new name.

<A>: What our research uncovered, John, is that we actually have very low brand recognition for each of our two existing brands. And that's not surprising because neither one of our organization had invested much in any kind of marketing or branding initiatives. What we did find is that where our brands were known, they were both recognized as extremely high quality providers of care in a very cost-effective manner and being organizations of high integrity.

As we consulted with Prophet about once we have made the determination about the fact that we want to move to one name, and we thought about what name we might choose. Prophet [indiscernible] (26:55) came to us and said we could charge you, guys, a lot more in a way of fees and try to come up with a brand-new name. We'll make something up. But you already own the name that really underscores the strategy that you're attempting to pursue, and we think that bringing that out and underscoring the value proposition and bringing a new logo to life is really the best strategy.

So that decision actually became fairly easy.

<Q – John Ransom>: Well, I congratulate you at least on that picking some new made-up words that nobody knows what it means. That [indiscernible] (27:26) healthcare companies do, they come up with some strange double name that means nothing to anybody. So...

<A>: We were aware of that and wanted to make sure we didn't fall into that trap.
<Q – John Ransom>: Pretty sure the word exists in the dictionary already, okay.

<A>: And also just from a pure risk management perspective, it's substantially derisked this rebranding because we already own so much of the intellectual property surrounding the name.

<Q – John Ransom>: So, you're going to be passing out some T-shirts to us at some point with the name...

<A>: [ph] Dub (27:53) shirts, John, for you.

<Q – John Ransom>: Dub shirt. That works for me. All right. Thank you, guys.

<A>: Thanks, John.

Operator: [Operator Instructions] We do have a follow-up question from the line of Sheryl Skolnick with Mizuho.

<Q – Sheryl Skolnick – Mizuho Securities USA, Inc.>: Okay. So, John ran some [indiscernible] (28:15) award for the best questions and most entertaining conversation on this call. And for many of them, thank you, John. But more seriously, so let me just go back to this guidance, if I may, please, because I just want to make sure I understand exactly what you're saying.

You're saying your guidance is unchanged. You're saying your OpEx, above and beyond what's already been spent this year, should be $5 million to $7 million higher for the balance of the year, the three quarters that are not yet reported, and you gave us the detail. Should I be adding those three things together, those various statements together to draw a conclusion, or am I missing a piece?

<A>: Yeah, again, as Mark commented at the outset, we are not reaffirming our guidance. We're just not changing our guidance to release our second quarter information.

<Q – Sheryl Skolnick – Mizuho Securities USA, Inc.>: Okay. That's helpful.

<A>: What we've done is just giving you some information about expense items that were not included in that previously provided guidance. We're not trying to do anything regarding Q2 performance at this point.

<Q – Sheryl Skolnick – Mizuho Securities USA, Inc.>: Okay. Well, I'm very glad that I asked that question. So, then we should feel free to make whatever changes we need to make even if it falls outside or inside the balance of guidance depending on our models. Got it.

<A>: That's correct. And again, we recognize that puts you on a bit of uncomfortable position. We apologize. We thought this was the right strategy.

<Q – Sheryl Skolnick – Mizuho Securities USA, Inc.>: No. It's fine. It's fine. I just want to thank you. Sorry to interrupt you. But I just want to make sure that I understand it. And I can't disagree with the strategy even if it's uncomfortable. It's sort of like there's no good time. I understand that.

Can we go back to the strategic points for a couple of minutes because it has been troubling to me that there hasn't been the sort of cultural coordination in the leadership roles or is closing the integration between Encompass and HealthSouth as I might have liked. There's been sort of a separateness. So, what does this rebranding signal about the collaboration and coordination because I think it's happening on Main Street where it clearly needs to happen. It sounds like the branding will allow it to be exported to other markets as one brand which makes perfect sense in markets where the HealthSouth team was perhaps not as dominant as it is in some.

But running these businesses very separately has troubled me. So, is this a signal that there's going to be more strategic coordination at the top or more integration and feeling like it's whole company rather than two really strong companies that get along really well?

<A>: Well, Sheryl, let me clarify, there has been extensive collaboration between the two business segments in the senior leadership all the way from day one. And April and her team have worked extensively with the team here in Birmingham.

The inpatient senior management group along with the home health and hospice senior management group have worked extensively. So, we didn't want to do anything to give you the wrong impression that these two teams have not been linked at the hip from the day of the closing of the businesses and what we're doing with this rebranding is only drawing that even tighter and, actually, making it easier to continue down the path that we're already on by eliminating this process of trying to support two separate brands. So, we think this will only continue to add momentum to what we've already participated in thus far.

<A>: And I would just add to that. I think that the branding strategy that we're revealing today is following the internal coordination of activities not leading it. I do think it will lead some of the external activities but we are completely aligned from a strategic perspective. April and her team coordinate. We're one organization that have been functioning that way.

So, if we created any misperception regarding two separate organizations that only occasionally get together, then we apologize for that. But we had been functioning and we continue to function as one organization with two complementary business segments.

<Q>: That's great to hear and it may just a bit me, but I'm very glad to hear that clarification and couldn't be more pleased for the organization. One final more strategic question. So, as I look through your presentation and as I listen to what you're saying, you've got inpatient rehab having disposed of LTACHs in the past, you're not in [ph] Smith (33:10) and you are in Home Health.

And so, given that I think that HealthSouth has timed its entry into Home Health through the acquisition of Encompass pretty much perfectly that you've abandoned sectors that have or repositioned that sectors that are more challenged from a reimbursement perspective. Do you still think that it is enough to be in rehab and home health? Skipping over skilled nursing in between or to the side, or should we also think about this branding initiative as having strategic implications for what other business that you can get into.

<A>: Right now, we believe that this provides – our existing two business segments provide a significant growth platform. Moving forward, we do think it positions us well for this movement toward site neutrality that we have discussed relative to having [indiscernible] (34:17) versus the need to have a footprint or a toehold and on either LTACs or skilled nursing facilities. So we believe that we are well positioned, Sheryl, going forward for having growth platform necessary to drive our business.

<A>: And, Sheryl, it really gets back to the two slides. By now you're familiar with them. We've included them here in this deck to reiterate our strategy with slide 6 and 7 in the fundamental earnings, supplemental slides. And so, you can kind of put the two-goal post out there as the delivery system will go in one of two directions.

One is, if no change is ever made to the silos to define the post-acute inpatient settings, then we like our position by investing in the [indiscernible] (35:06). Because the demographic tailwind that is out there, and we think there are substantial growth opportunities. Starting with the fact that if you look across the country at the number of CMS [indiscernible] (35:16) eligible discharges that ultimately wind up in the rehab setting, nationwide is less than 20%. So, there's still a lot of room to grow, and again, the demographic cohort that we serve is growing at a rate faster than the national

average. So, we have to stay in our swim lane, we're perfectly comfortable continue to investment in herbs and complementing that business with a home health offering.

We believe, however, that we are going to move more towards site neutrality. And as slide 7 points out, we are a firm believer that as we progress towards site neutrality and herb setting is best positioned in terms of its physical contract and its current clinical staffing to be able to move upstream and downstream in terms of acuity to capture more of the addressable market. So, we believe it's the right place to continue to invest.

Operator: Our next question comes from A.J. Rice with UBS.

<A>: Good morning, A.J.

<A>: Good morning, A.J.

Operator: A.J., your line is open. Can you please unmute it on your end?

<Q – A.J. Rice – UBS Securities LLC>: Yes. Sorry about that. Hello, everyone.

<A>: That's all right.

<Q – A.J. Rice – UBS Securities LLC>: In describing the rationale for doing this, most of discussion has been around referral sources making sure they understand coordination of the fact that you're in two business lines and there's some cross fertilization that we had there. I know some other players whether it's payers or providers are talking about this move to consumers being more involved in the decision making wanting to have more of a brand recognition among consumers. I'd be interested to know. Did that have any impact on, I'm thinking about, the timing and one-brand approach, and any of this money going to be spent more directly targeting consumers and trying to raise your profile with them?

<A>: Yes to both of those comments. A.J. We do recognize that the choice, the patient choice is taking different areas and direction than it has in the past while certainly the physician referral is critical in influencing the patient choice. We now are seeing more and more family members that are influencing the patient choice because they have gone online because they have access other information that is out there and available that now influences those decisions.

So, yes, we are trying to respond to this changing marketplace as part of this rebranding initiative, and that was one of the motivating factors for moving forward in this direction.

<A>: And, A.J., I'd also add to that that those same factors apply to recruiting prospective employees.

<Q – A.J. Rice – UBS Securities LLC>: Interesting. Okay. And is any of the – any meaningful portion of $28 million sort of targeted at any way out of consumer outreach or is it – is that just sort of – that will come along with the overall rebranding?

<A>: No, a portion of that investment is definitely targeted towards more marketing. And I say more marketing because basically we've done none before.

<Q – A.J. Rice – UBS Securities LLC>: Right. Right. Okay. Interesting. All right. Thanks a lot.

<A>: Thank you.

Operator: At this time, there are no further questions. I will now return the call back over to Mark Tarr for his closing remarks.

Mark J. Tarr, President, Chief Executive Officer & Director, HealthSouth Corp.

Okay. Thanks again, everyone, for joining this morning's call. In closing, this important milestone represents a new chapter in our company's combined history. We are energized by the opportunities Encompass Health brand with create to communicate the strength of our business model, highlight our value proposition, and support our ongoing business growth.

We look forward to speaking with you again on August 1 for our Q2 earnings call. As a reminder, please reach out to Crissy Carlisle with any questions following the call. Thank you.

Operator: Ladies and gentlemen, this does concludes today's conference call. We thank you for your participation. Please disconnect your lines at this time.

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