Encompass Health®

2020 Investor Day

Encompass Health

Mark J. Tarr
President and Chief Executive Officer

Doug Coltharp
Executive Vice President and Chief Financial Officer

Barb Jacobsmeyer
Executive Vice President, President Inpatient Hospitals

April Anthony
Chief Executive Officer, Home Health and Hospice

Luke James
President, Home Health & Hospice

Rusty Yeager
Senior Vice President, Chief Information Officer

Encompass Health Investor Relations Team

Crissy Carlisle
Chief Investor Relations Officer

Amy Rayborn
Administrative Coordinator

Brittany Jager
Investor Relations Manager

Forward-looking statements

The information contained in this presentation includes certain estimates, projections and other forward-looking information that reflect Encompass Health's current outlook, views and plans with respect to future events, including legislative and regulatory developments, strategy, capital expenditures, acquisition and other development activities, cyber security, dividend strategies, repurchases of securities, effective tax rates, financial performance, financial assumptions, business model, balance sheet and cash flow plans, market share, development of new information tools and models, and shareholder value-enhancing transactions. These estimates, projections and other forward-looking information are based on assumptions the Company believes, as of the date hereof, are reasonable. Inevitably, there will be differences between such estimates and actual events or results, and those differences may be material.

There can be no assurance any estimates, projections or forward-looking information will be realized.

All such estimates, projections and forward-looking information speak only as of the date hereof. Encompass Health undertakes no duty to publicly update or revise the information contained herein.

You are cautioned not to place undue reliance on the estimates, projections and other forward-looking information in this presentation as they are based on current expectations and general assumptions and are subject to various risks, uncertainties and other factors, including those set forth in the Form 10-K for the year ended December 31, 2019 and in other documents Encompass Health previously filed with the SEC, many of which are beyond Encompass Health's control, that may cause actual events or results to differ materially from the views, beliefs, and estimates expressed herein.

Note regarding presentation of non-GAAP financial measures

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, including Adjusted EBITDA, leverage ratios and adjusted free cash flow. The Company's Form 8-K, dated March 4, 2020, to which the following presentation is attached as Exhibit 99.1, provides further explanation and disclosure regarding Encompass Health's use of non-GAAP financial measures and should be read in conjunction with this presentation.

Company Overview, Strategy and Outlook

Presented by Mark Tarr

Primary elements of our strategy

Quality
Enhance clinical expertise and deliver high-quality outcomes

Workforce
Serve as an engaged and productive workforce

Financial resources
Maintain a strong financial foundation

Sustained growth
Expand our footprint to reach more in need of our high-quality, connected care

Advanced technology
Implement technology to improve patient-centered care and efficiency

Post-acute innovation
Lead the nation in patient-focused, evidenced-based models that improve outcomes and efficiencies

Key takeaways

Our **integrated care model** produces the high-quality, cost-effective care desired by providers, payors, and patients.

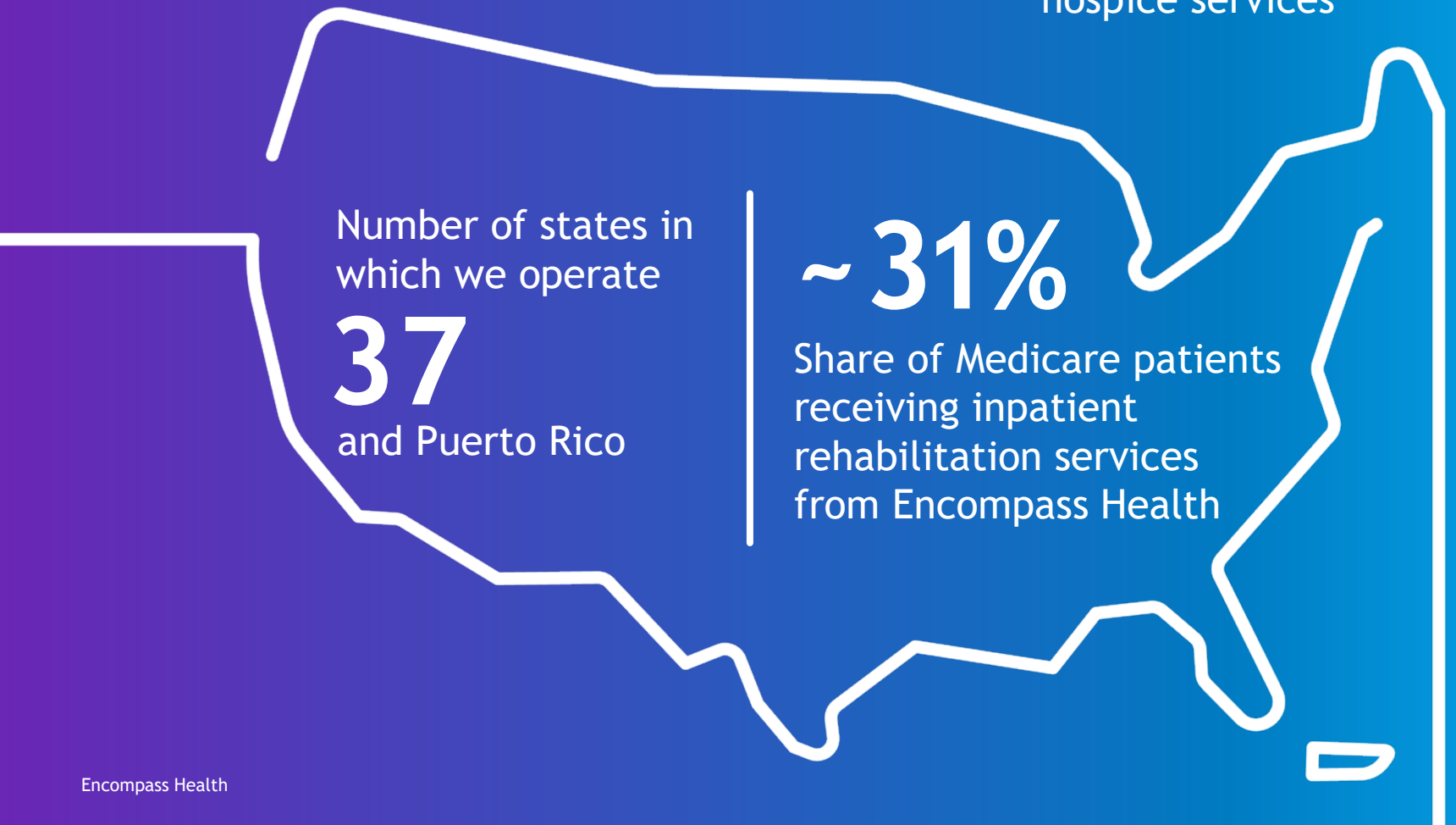
We use **technology** to leverage and enhance our clinical and business processes.

We are executing our **growth strategy** to meet the needs of an aging population.

#1 Owner and operator of inpatient rehabilitation hospitals in terms of patients treated and discharged, revenues and number of hospitals

4th Largest provider of Medicare-certified skilled home health services

11th Largest provider of Medicare-certified hospice services



Number of states in which we operate

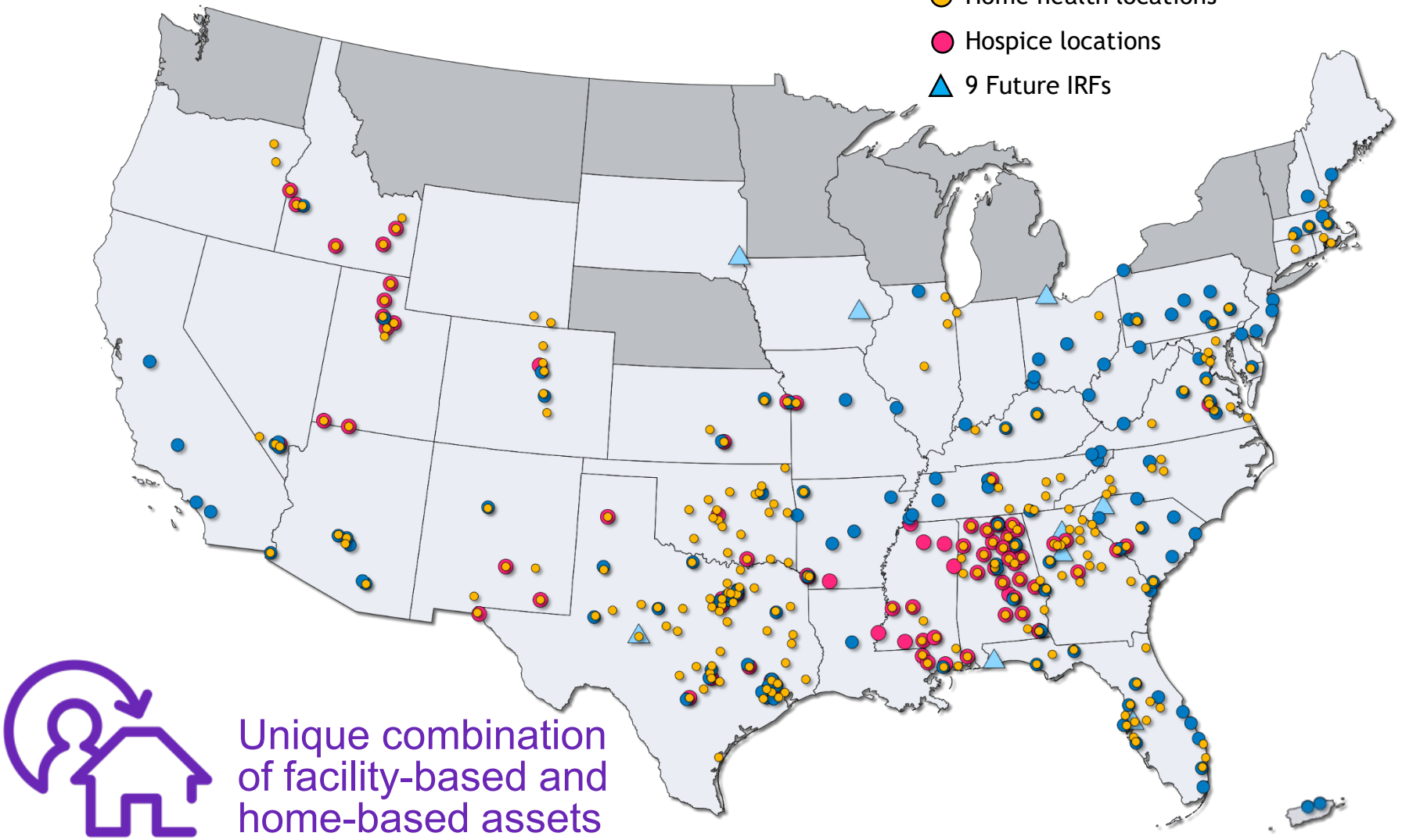
37

and Puerto Rico

~31%

Share of Medicare patients receiving inpatient rehabilitation services from Encompass Health

Strength in our unique position



Unique combination of facility-based and home-based assets

National scale across all service lines

EHC strategic plan - summary

Encompass Health®

STRATEGY	To be the leading integrated provider of post-acute services, providing facility-based and home-based services				
GOALS	Expand Network of Freestanding IRFs	Expand Network of HHAs	Build Scale in Hospice	Invest in Operational Excellence	Complementary Financial Strategy
KEY INITIATIVES	• Add new inpatient rehabilitation hospitals with a focus on de novos • Expand existing hospitals via bed additions	• Expand home health geography and density via acquisitions	• Continue to build hospice scale via acquisitions • Develop de novo strategy	• Increase clinical collaboration • Utilize data analytics • Develop post-acute care solutions • Build stroke market share	• Moderate leverage and excess liquidity • Prioritize free cash flow to growth • Augment with shareholder distributions
TREND ASSUMPTIONS	• Demographic and utilization trends will drive continued demand for post-acute services • The progression to value-based and episodic payments will continue and accelerate • The patient criteria and requirements specific to each PAC facility will erode, allowing for a broader spectrum of conditions to be treated in PAC facilities • Value-based payments will require financial risk arrangements				

Our competitive strengths

Unique combination of assets

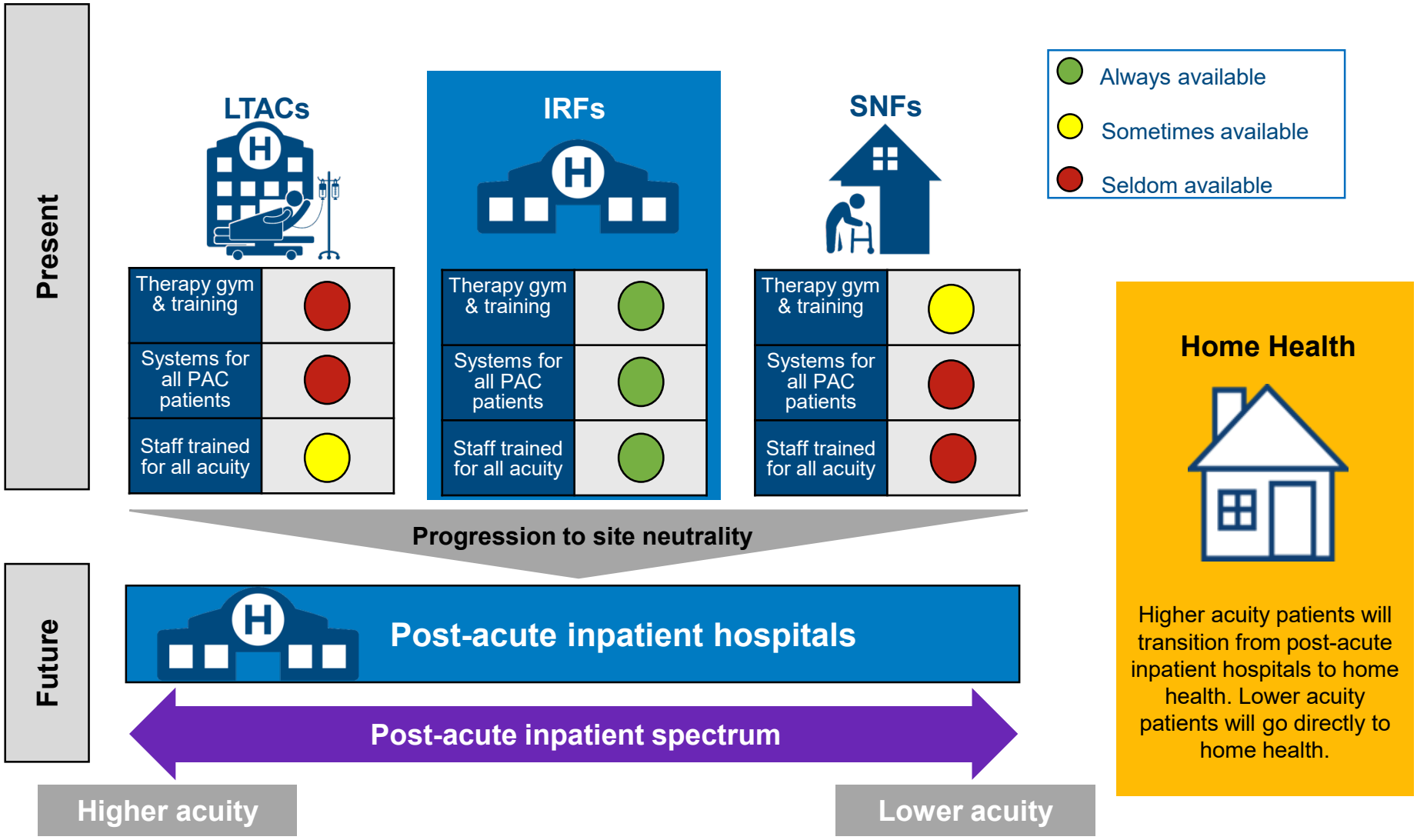
Quality of our clinical outcomes

Cost effectiveness

Extensive application of technology

Financial strength

The Company's IRFs have the physical construct, clinical staffing, and operating expertise to address the full spectrum of inpatient post-acute needs in a site neutral environment.



Demographic tailwind

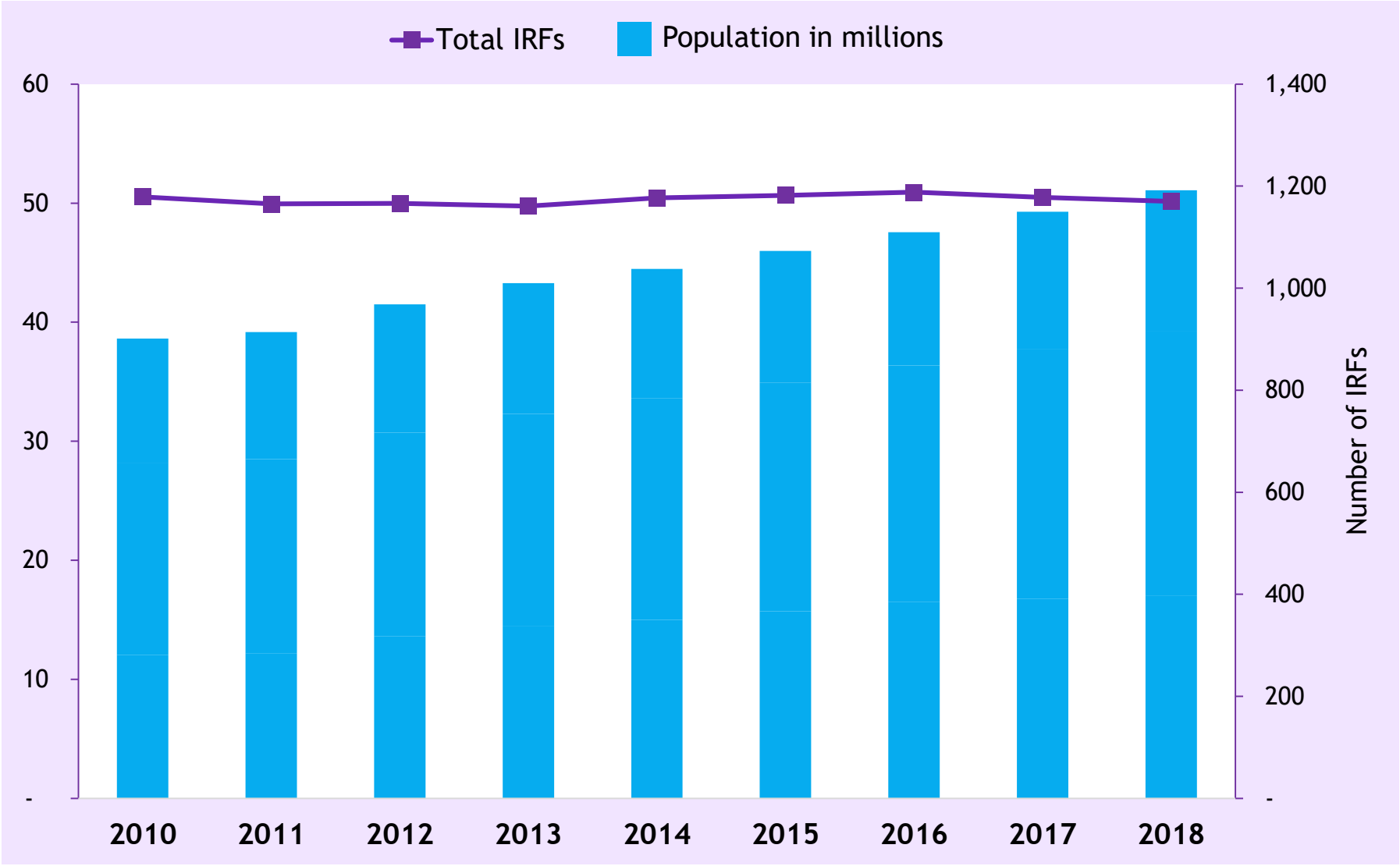
CAGR (population growth by age)				
Age	2014 to 2018	2018 to 2022	2022 to 2026	2026 to 2030
65-69	2.8%	2.6%	1.6%	(0.1)%
70-74	4.9%	3.7%	2.5%	2.1%
75-79	4.0%	5.0%	4.9%	2.0%
80+	1.5%	2.4%	3.6%	5.2%
Total	**3.2%**	**3.3%**	**2.9%**	**2.2%**

The average age of our Medicare patients:

Inpatient rehabilitation = 76 | home health = 77 | hospice = 83

Sustained growth

Supply of IRFs remains relatively stable while the age 65+ population continues to grow



Source: MedPAC, Medicare Payment Policy, March 2019 – page 262, March 2014 – page 247; U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018

Proven ability to enter new markets and boost returns with subsequent bed additions

Location	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Mesa, AZ	40	40	**60**	60	60	60	60	60	60	60	**70**	70
Aldie, VA		40	40	40	40	**55**	55	**60**	60	60	60	60
Bristol, VA		25	25	25	25	25	25	25	25	25	25	25
Houston, TX			40	40	40	**60**	60	60	60	60	60	60
Ocala, FL				40	40	**50**	50	**60**	60	60	**70**	**80**
Littleton, CO					40	40	40	40	40	40	40	**60**
Stuart, FL					34	34	**44**	44	**54**	54	**64**	**80**
Altamonte Springs, FL						50	50	50	50	**60**	60	**80**
Newnan, GA						50	50	50	50	50	50	**60**
Middletown, DE						34	34	34	**37**	37	37	37
Franklin, TN							40	40	40	40	40	40
Modesto, CA								50	50	50	50	50
Westerville, OH									60	60	60	60
Pearland, TX									40	40	40	**60**
Pelham, AL										34	34	34
Bluffton, SC										38	38	38
Murrells Inlet, SC										29	29	29
Winston- Salem, NC										68	68	68

We have built **18** hospitals since 2009.

By the end of 2020, we will have **added beds to 56%** of these hospitals.

By the end of 2020, we will have added beds to **28%** of these hospitals **more than once**.

Encompass Health has more joint ventures than competitors have freestanding IRFs

47* IRF joint venture hospitals in place with major healthcare systems such as:

Barnes-Jewish

Cleveland Clinic Martin Health

Mercy Health System

Geisinger Health System

Maine Health System

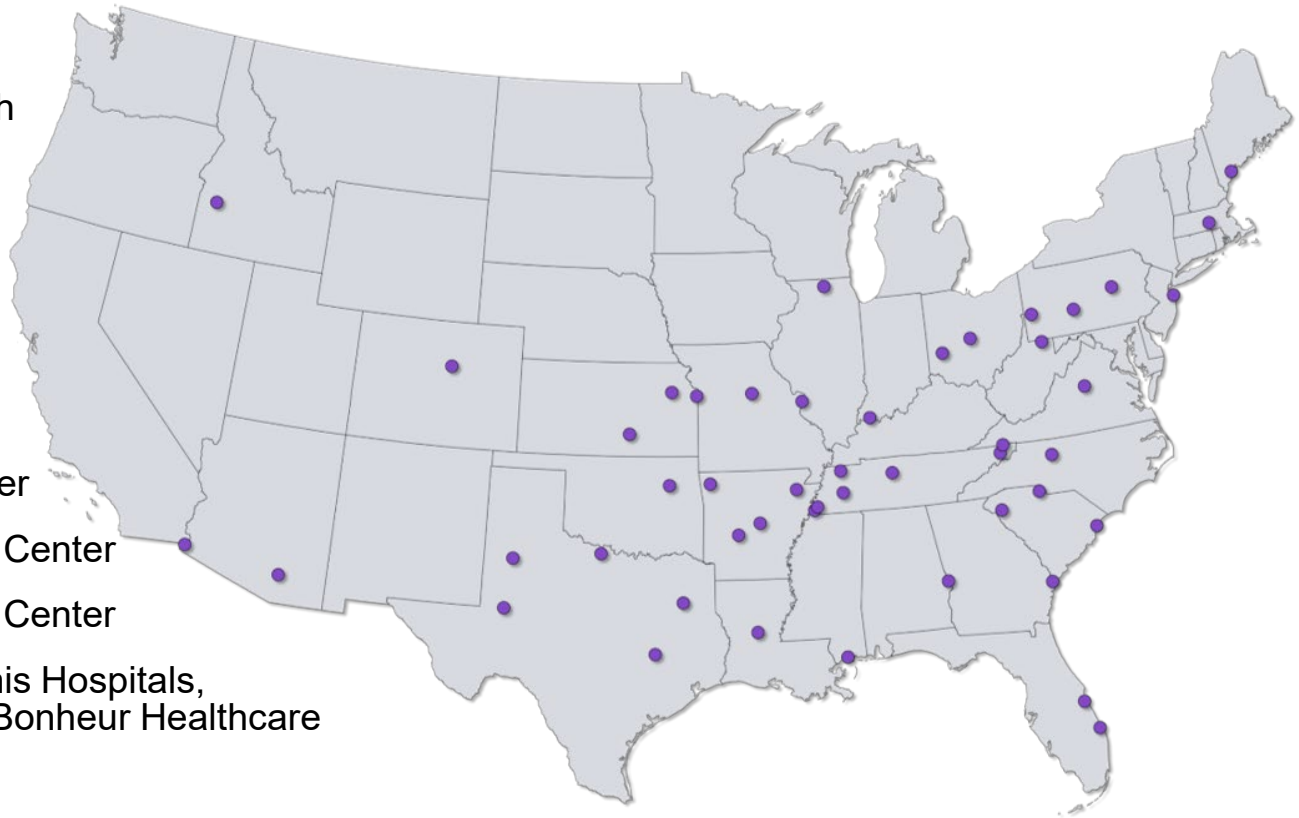
Monmouth Medical Center
(RWJBarnabas Health)

Yuma Regional Medical Center

University of Virginia Medical Center

Vanderbilt University Medical Center

Methodist Healthcare-Memphis Hospitals,
a subsidiary of Methodist Le Bonheur Healthcare



Joint ventures with acute care hospitals establish a solid foundation for integrated delivery and alternative payment models.

* Excludes IRF joint venture hospitals that have been announced but were not operational as of December 31, 2019: San Angelo, TX; Coralville, IA; and Dayton, OH (current wholly owned 50-bed IRF that will become a joint venture with Premier Health upon completion of a new 60-bed hospital).

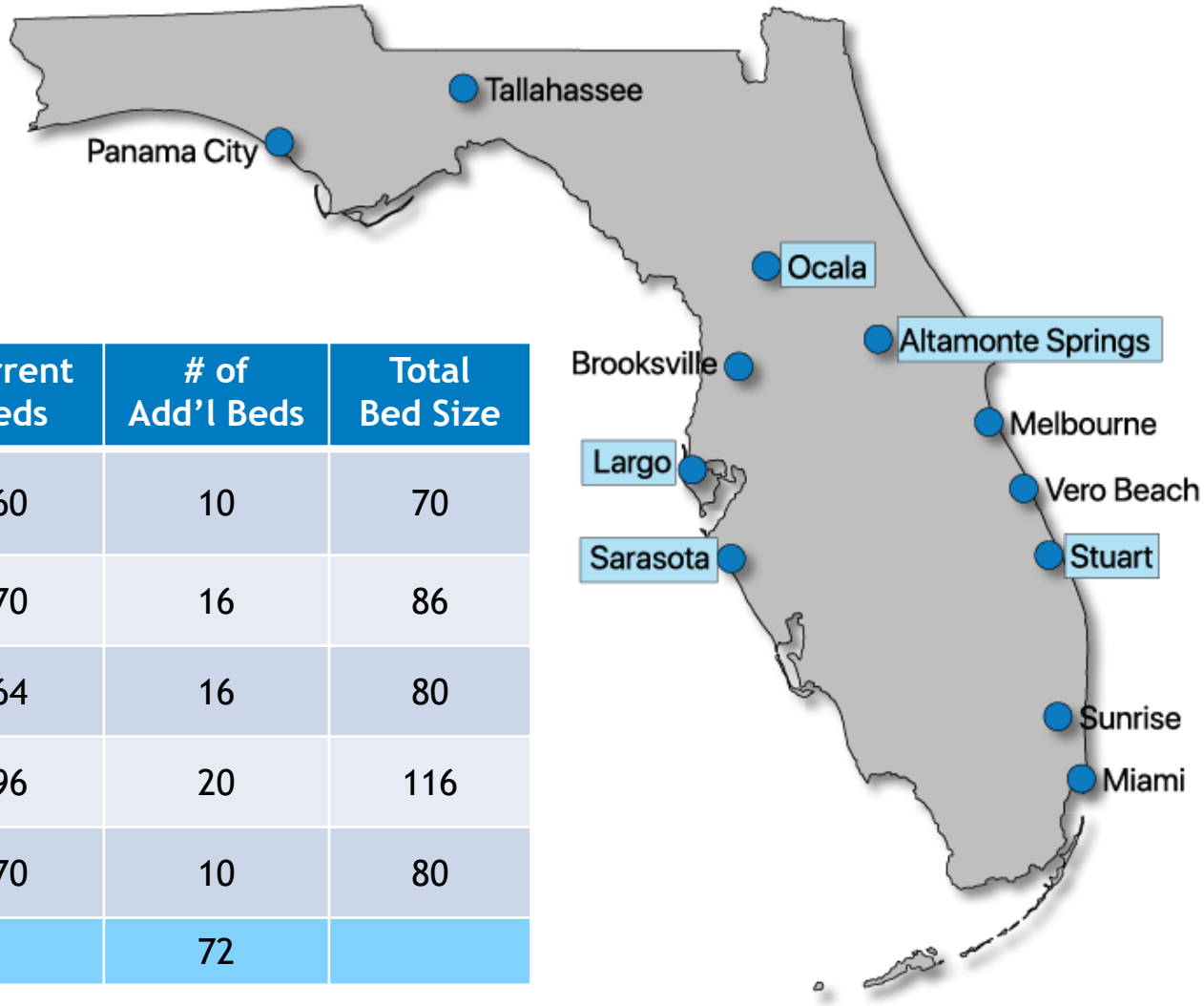
Encompass Health has more certificate of need beds and IRFs than any single competitor has total beds or locations

	Total Licensed Beds	Total Provider Numbers
Ernest	726	18
Kindred	1,080	21
Post Acute Medical	786	18
HCA Healthcare	1,643	62
Select Medical	1,821	30
Vibra	445	9
Grand Total	**6,501**	**158**
	CON Beds	**CON Provider Numbers**
Encompass Health	4,750	68

Source: Provider websites and Definitive Healthcare

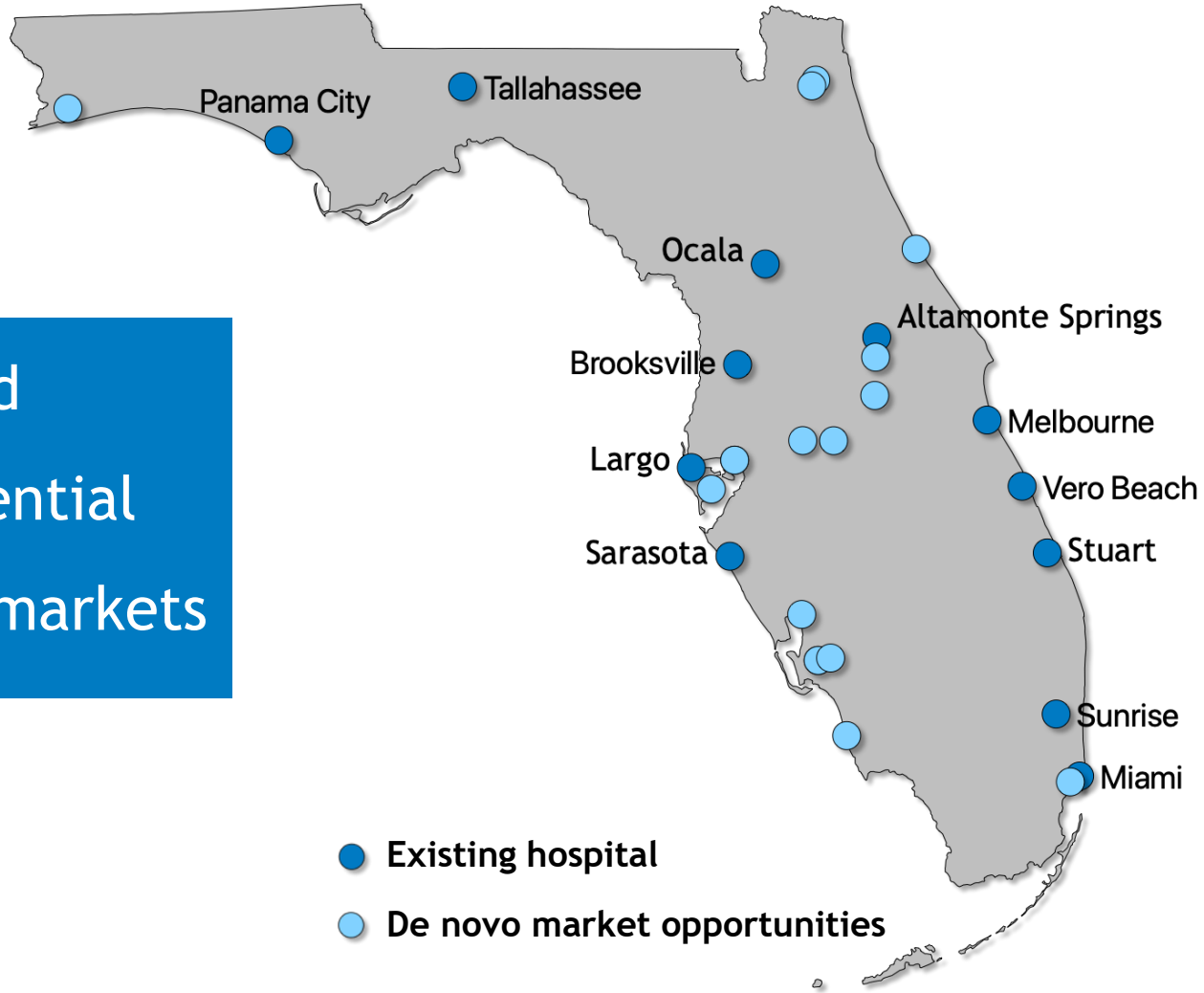
Repeal of CON laws creates accelerated growth opportunity in Florida – bed additions

Location	Est. Completion	Current Beds	# of Add'l Beds	Total Bed Size
Altamonte Springs	Q3 2020	60	10	70
Largo	TBD	70	16	86
Stuart	Q4 2020	64	16	80
Sarasota	Q1 2021	96	20	116
Ocala	Q3 2020	70	10	80
Total			72	



Repeal of CON laws creates accelerated growth opportunity in Florida – new markets

15 Identified high potential de novo markets



Inpatient Rehabilitation growth targets

Sustained growth

BEGINNING IN 2021

De novos per year

6 to 10

(25% JVs)

BEGINNING IN 2021

Bed additions per year

100 to 150

Discharge CAGR

4% to 6%

for 2020 through 2025

Home-Based Care: Demand is growing / efficacy is undeniable

Patient Preference for Home Health Care

9 in **10** American seniors want to age at home

Cost Efficiency of Home Health Care

Post-Acute Service Sector	Annual Medicare Spending	Medicare Cost Per Day
Skilled Nursing Facilities (SNF)	$28.4 billion	$490
Hospice	$17.9 billion	$168
Home Health	$17.7 billion	$47

Source: AginginPlacee.org

Multi-faceted home health growth strategy

Average organic admissions growth of 8.2% over the last 12 quarters

Organic Growth

- Geographic coverage for 70% of total Medicare home care spend
- Cost effective solution for a growing number of patients with multiple chronic conditions
- Focused specialty programs (heart and vascular; ortho; community care)
- Diversified referral sources
- Strong sales structure to support continued growth and expansion
- Use of Care Transition Coordinators
- Plan of care coordination with EHC's IRFs

Acquisitions and de novos

Focused acquisition strategy

- Increase IRF overlap markets
- Increase hospice overlap markets
- Build scale and density across markets

Proven success

- Proven ability to acquire and integrate
- Dedicated integration team
- Strong technology enable process
- Sustainable and replicable culture

Hospice growth drivers

11th largest provider of Medicare-certified hospice services

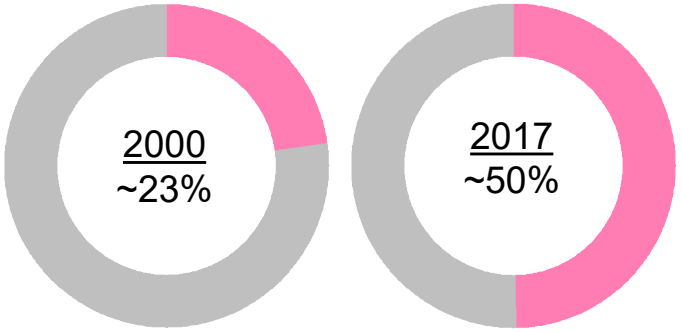
83
Hospice locations

18
States

Hospice acquisitions and de novos

- Medicare focused
- Located in markets with significant Medicare spend
- Growing societal preference
- Build scale in existing markets
- Increase overlap with home health locations
- Leverage infrastructure and reputation

% of Medicare decedents using hospice



Home Health and Hospice growth targets

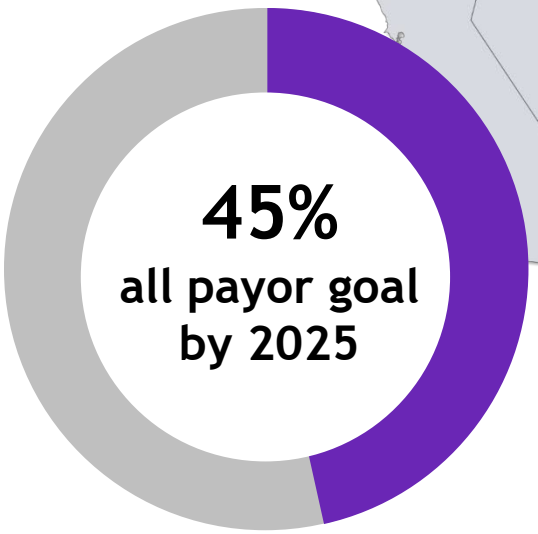
Sustained growth

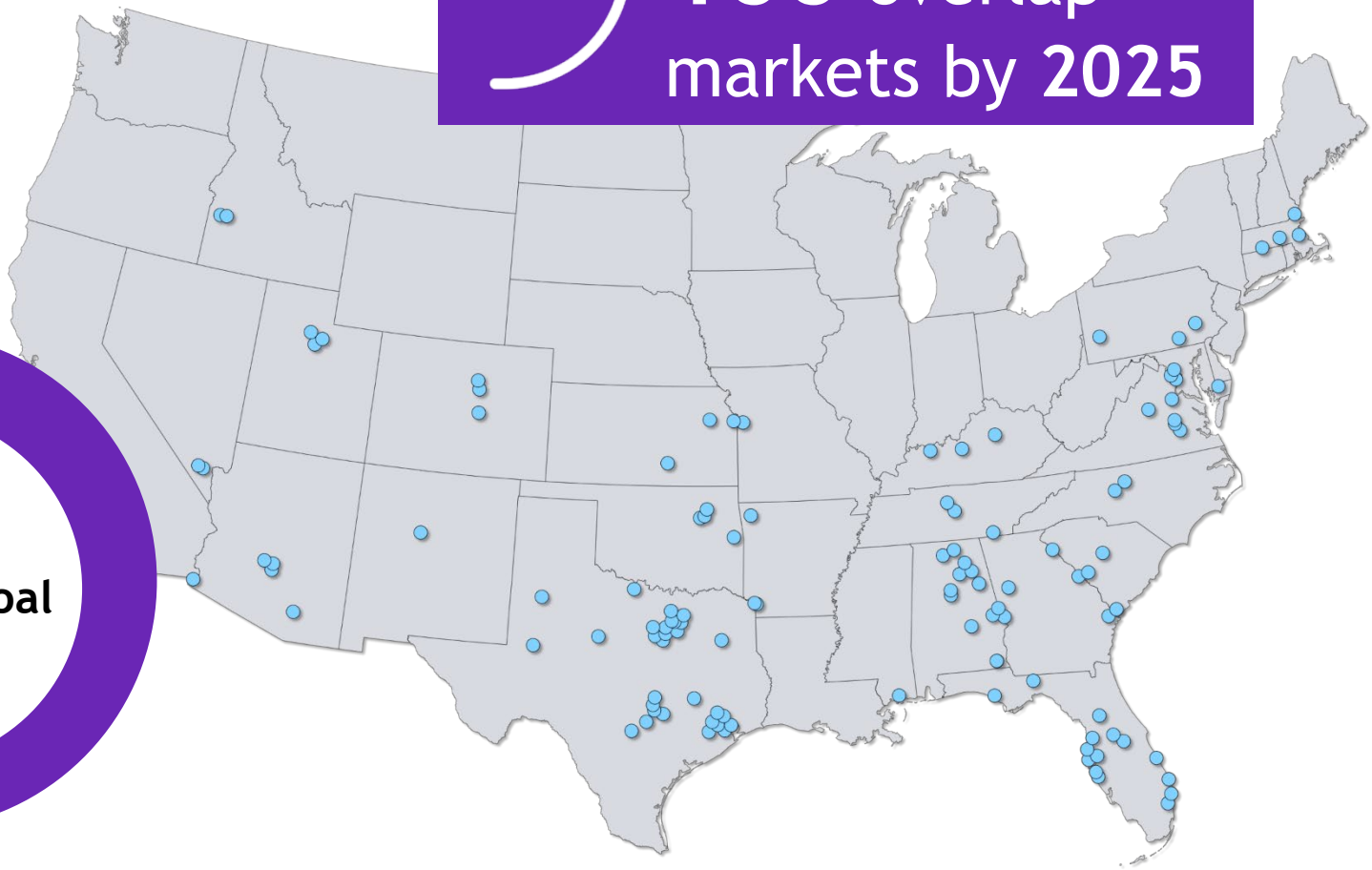
Home Health admissions CAGR	Hospice admissions CAGR	Acquisitions
10%+	**10% to 15%**	**$50 million to $100 million**
for 2020 through 2025	for 2020 through 2025	per year

Not inclusive of larger scale acquisitions

Clinical collaboration growth targets

100 overlap markets by **2025**



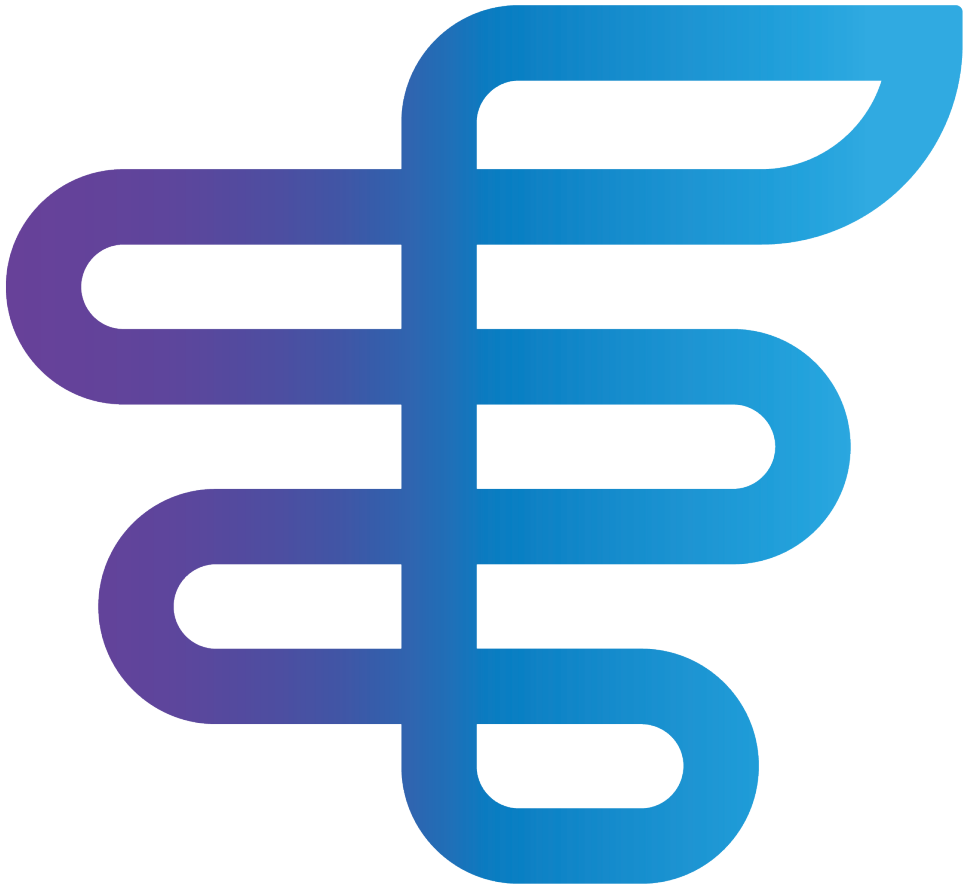


Consolidated CAGR targets

Sustained growth

Consolidated net operating revenues	Consolidated adjusted EBITDA	Adjusted free cash flow
7% to 9%	**7% to 9%**	**8% to 10%**

2020 through 2025



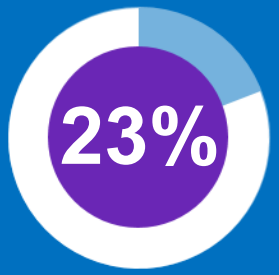
Patient Journey Video

Inpatient Rehabilitation

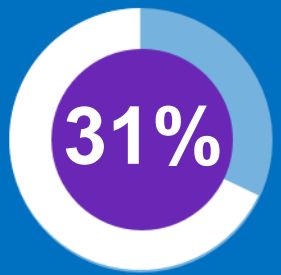
Presented by Barb Jacobsmeyer

Overview - Inpatient Rehabilitation

Largest owner and operator of IRFs



of Licensed beds



of Medicare patients served

33
States & Puerto Rico

134
Inpatient Rehabilitation Hospitals

47
Operate as joint ventures with acute care hospitals

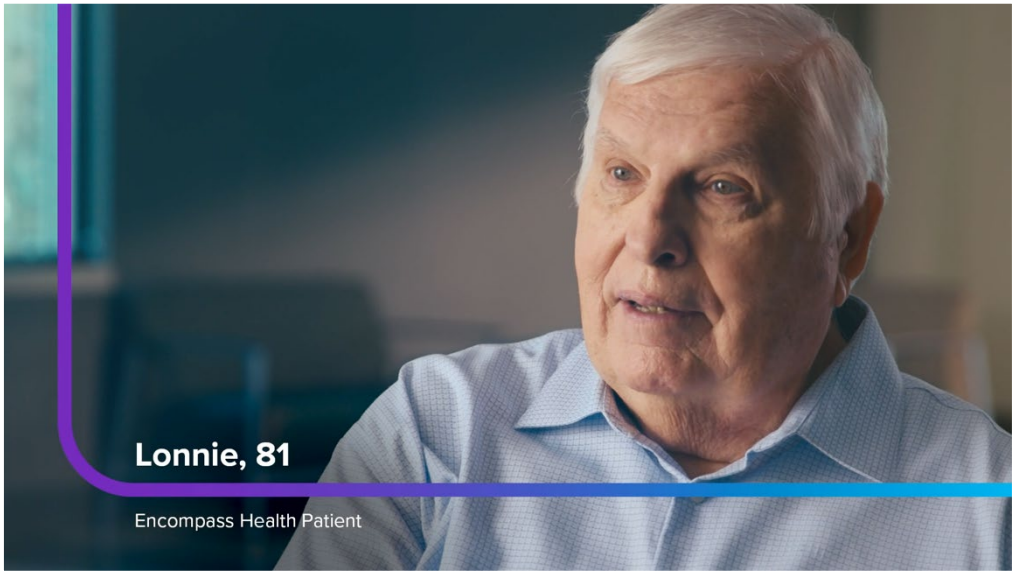
123
Hospitals hold one or more disease-specific certifications

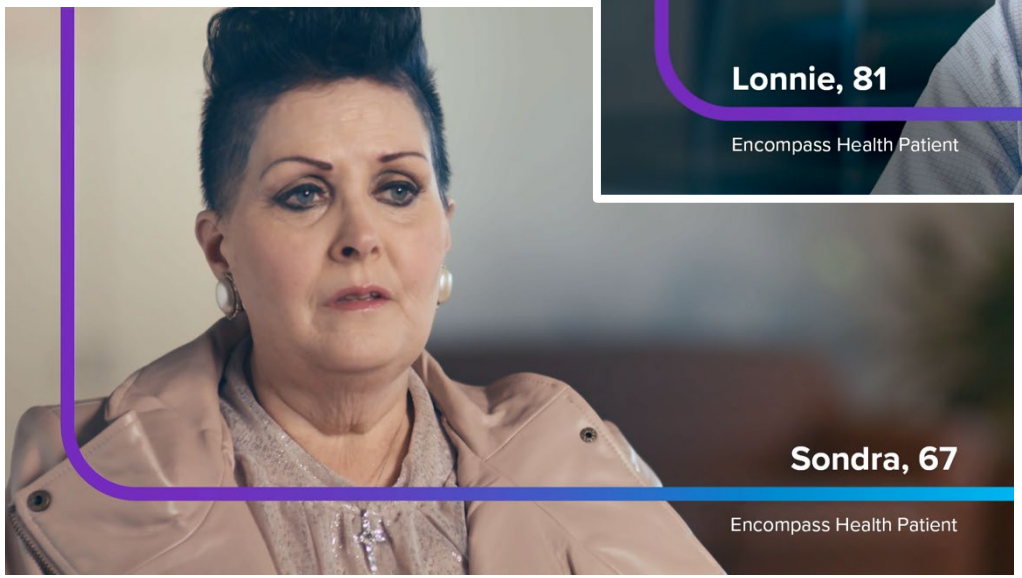
~31,600
employees

~186,800
patients

~$3.5 billion
revenues

Who are these patients, and why did they come our way?





Hospital level care

Physician Engagement

Full Care Team

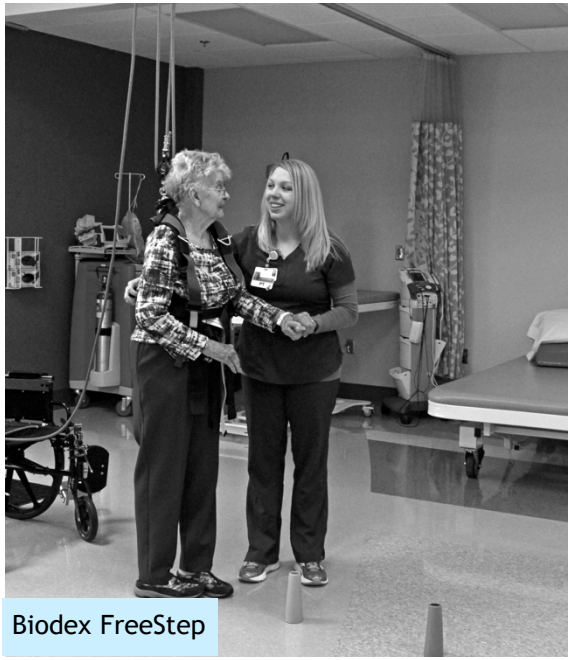
On-Site Pharmacy

Specialized and Intensive Therapy


Minimum of
3 hours of therapy
5 days a week

We invest significantly in rehabilitation technologies to further improve patient outcomes


Burt

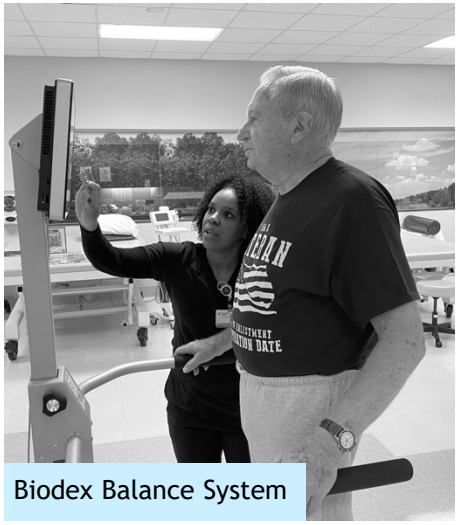

Biodex FreeStep

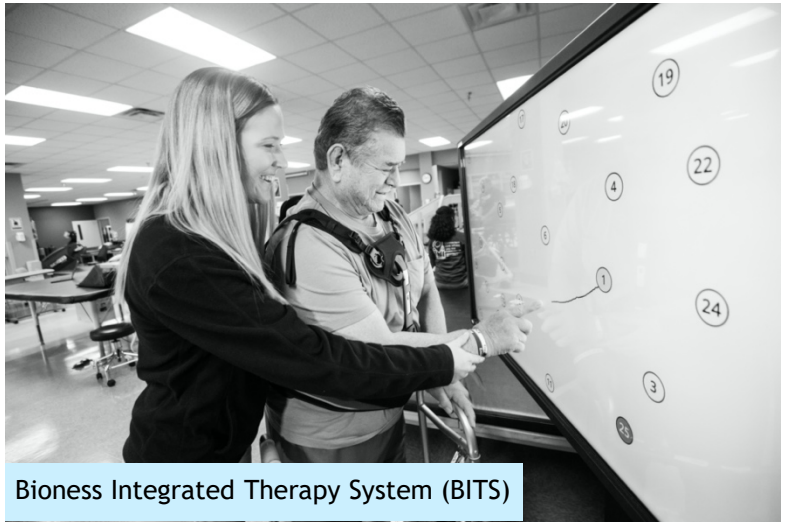

VitalStim


ReoGO


Bioness H200


DynaVision

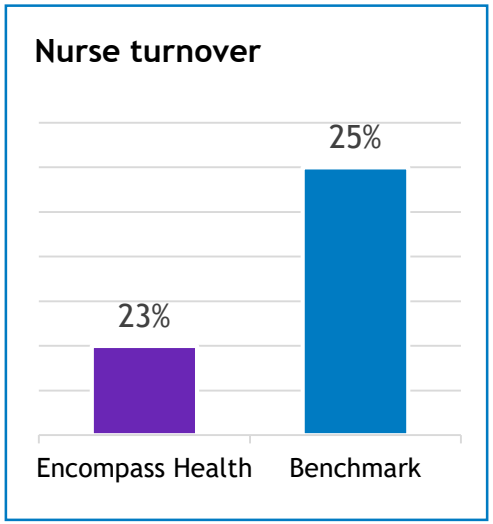

Biodex Balance System

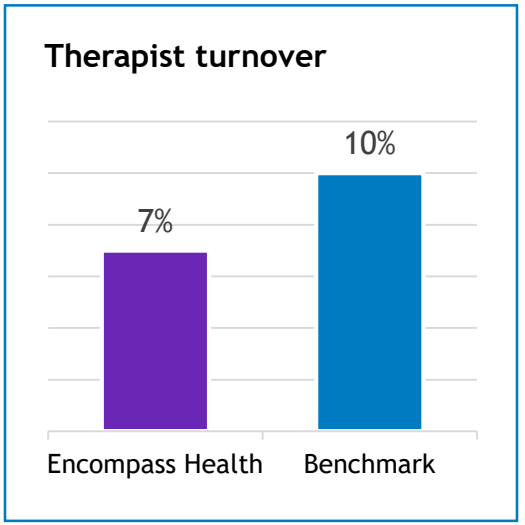

Bioness Integrated Therapy System (BITS)

Activities of Daily Living Suite

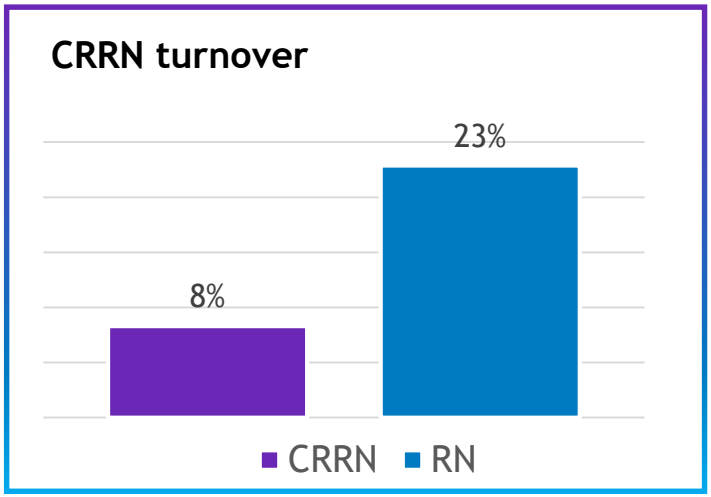
Who provides this great care?

Clinical teams of nurses, physical therapists, occupational therapists, speech language pathologists, respiratory therapists, physicians, case managers, pharmacists, and dieticians





Therapy clinical career ladders

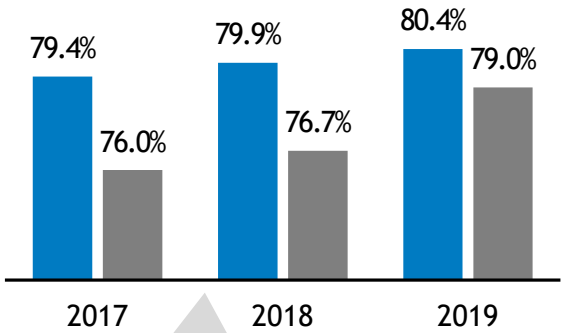


Leadership Development
Developing Future CEOs
ENCOMPASS HEALTH

CRRN
CERTIFIED REHABILITATION REGISTERED NURSE
EARN IT. USE IT. KEEP IT.

Encompass Health's patient-focused approach leads to quality clinical results

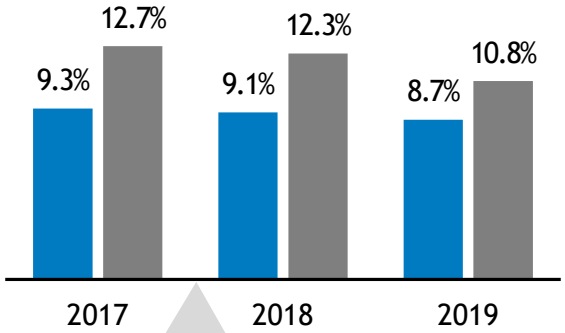
Discharge to Community



Higher is better

Percent of patients discharged to the community, including home or home with home health.

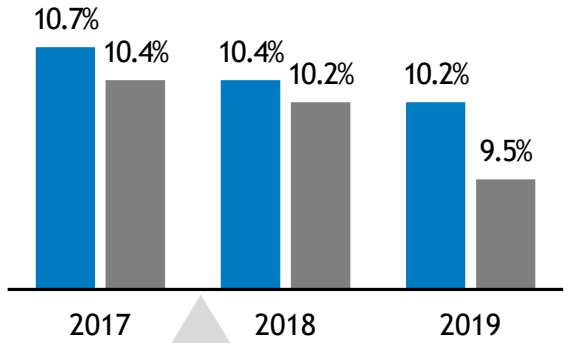
Discharge to SNF



Lower is better

Percent of patients discharged to a skilled nursing facility.

Discharge to Acute



Lower is better

Percent of patients discharged to an acute care hospital.

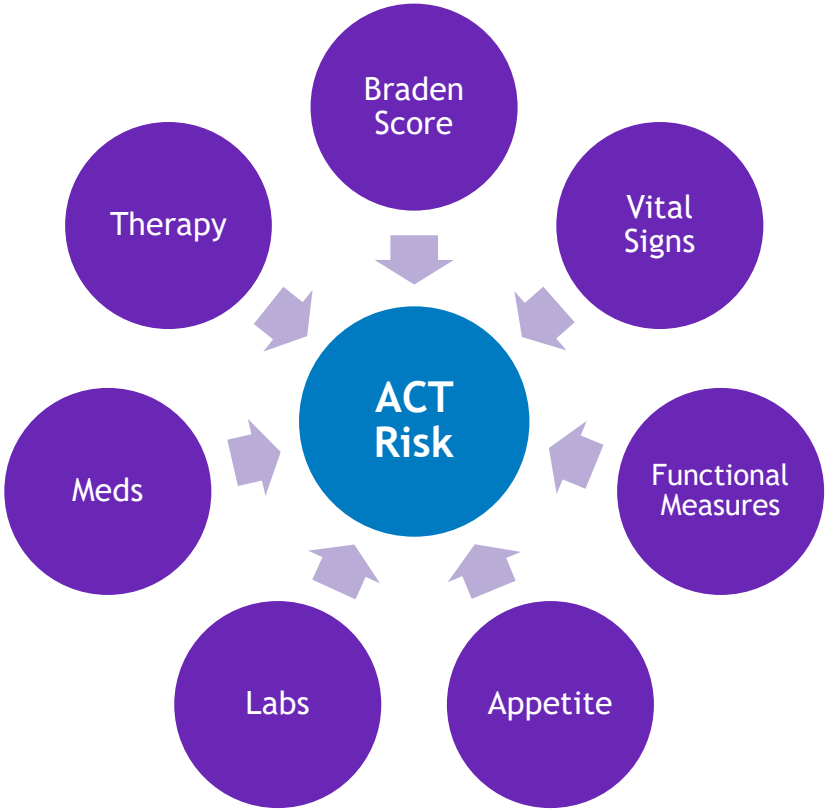
Encompass Health
UDSMR Expected

Technology Supports Our Staff

EHC's readmission program, ReACT, is integrated into the clinicians workflow to identify risk of acute care transfer (ACT) and promote early intervention

BACKGROUND

- Clinical tool designed in EHC's proprietary EMR to identify a patient's risk of acute care transfer
- Initial model formulated from **90,000+ encounters** over two years of EHC data
- **28 clinical variables** selected based on significance criteria, clinical relevance and proactive feasibility
- Partnered with Cerner to build

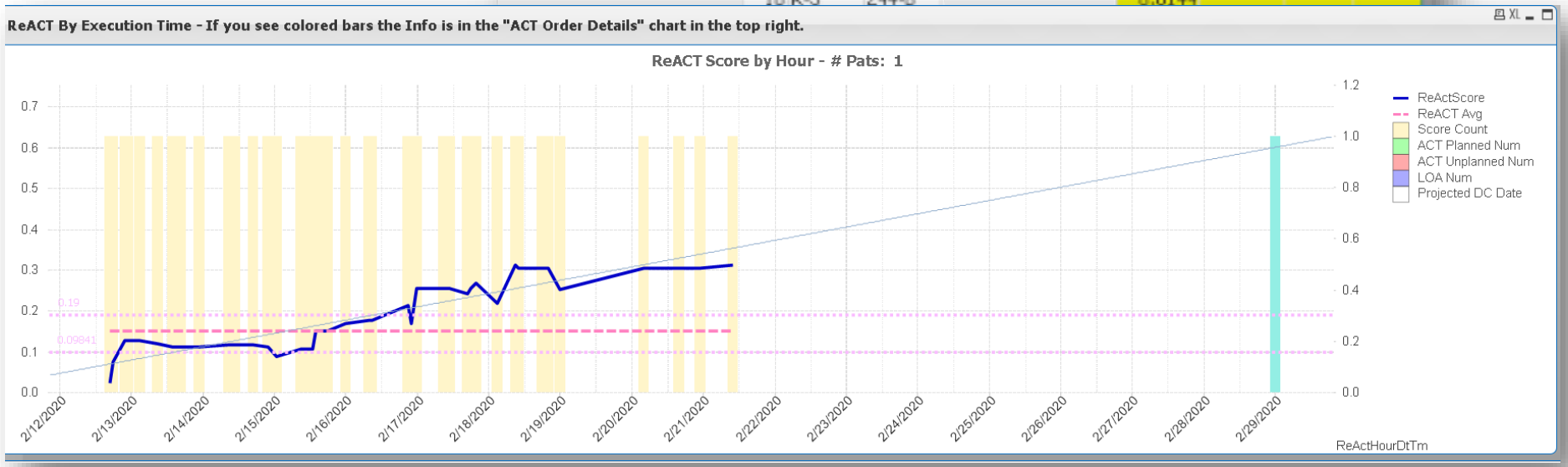


ReACT

Details on the variables contributing to the risk throughout the stay

Patient Selection

ncNameFinNbr	LOS	N Station	Room Bed	AttendPhysician	Curr ReACT	12 Hr Trend	24 Hr Trend	48 Hr Trend
	8	R-1	201-A		0.4224			
	25	R-1	212-A		0.3411	-		
	6	R-3	245-B		0.2043			
	16	R-3	237-B		0.1688			
	3	R-2	214-A		0.1181			
	10	R-3	235-A		0.0877			
	7	R-3	230-B		0.0760			
	10	R-3	248-A		0.0692			
	3	R-3	242-B		0.0656			
	10	R-1	205-A		0.0523	-		
	14	R-3	244-A		0.0480			
	14	R-1	209-B		0.0478			
	7	R-3	243-A		0.0404			
	6	R-2	218-B		0.0360			
	3	R-1	204-B		0.0347			
	11	R-1	206-B		0.0300			
	3	R-1	210-A		0.0300			
	8	R-3	246-B		0.0299			
	6	R-2	219-A		0.0287			
	10	R-3	244-B		0.0144			



What is the Encompass Health Readmission Prevention Program?

The Readmission Prevention Program is an established, proven set of tools and standards to mitigate the risk a patient will readmit to an acute hospital within 30 days

PREDICTIVE MODEL

- Co-developed with Cerner through the Innovation Center
- Initial model built on 400,000+ patients moving through IRF and Home Health over a 90-day period
- Currently monitors and reports on over 40 *clinical features* (case managers assess non-clinical risk factors)
- Model utilizes artificial intelligence to continue to "learn" and improve over time
- Readmission risk updates daily and is viewable in ACE IT and Clinical Collaboration Beacon Application

Our IRF value proposition

Encompass Health developed the proprietary Post-Acute Care Strategic Assessment (PACSA) tool to identify specific areas of opportunity for EHC with an acute care hospital.

Encompass Health PACSA Post-Acute Care Strategic Assessment

60%+
of stroke rehabilitation disease-specific certifications belong to Encompass Health IRFs

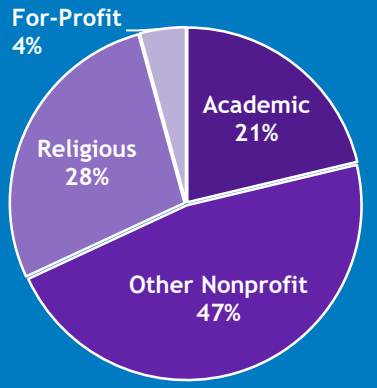
Encompass Health. American Heart Association | American Stroke Association

Leveraging our:

- Strategic sponsorship of the AHA/ASA
- Clinical collaboration
- Joint commission certifications

Joint ventures began in 1991

- 47 IRFs are joint ventures



- Joint ventures are an important aspect of Encompass Health's strategy and the Company is actively establishing new partnerships across the country
- Joint venture partners own equity that ranges from 2.5% to 50%

The picture may look different when you examine the data at the diagnosis level

First Post-Acute 30-Day Readmission

Total Post-Acute 30-Day Readmission

Post Acute Provider	Type	First PAC 30 day readmission rate
EHC Albuquerque	IRF	19.8%
Lovelace (#1 based on volume)	IRF	19.6%
Advanced (#2 based on volume)	SNF	17.4%
Avamere (#3 based on volume)	SNF	21.8%

Stroke Post-Acute 30-Day Readmission

Post Acute Provider	Type	Fist PAC 30 day readmission rate
EHC Albuquerque	IRF	16.5%
Lovelace (#1 based on volume)	IRF	26.6%
Advanced (#2 based on volume)	SNF	26.1%
Spanish Trails (#3 based on volume)	SNF	41.7%

Source: Dixon Hughes Group 2018

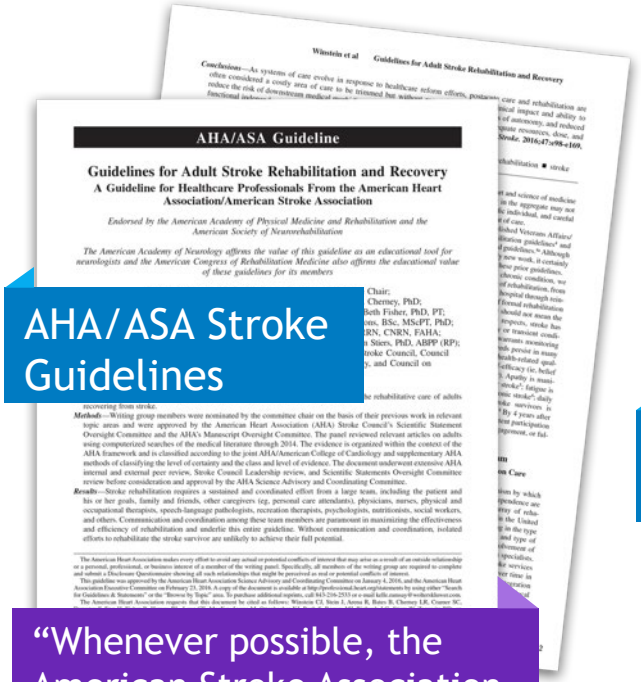
Readmissions add significant costs to the 90-day average spend

When analyzed by DRG for the right patient, IRF is the right setting for quality outcomes and cost

DRG	90-Day Avg. Total Spend EHC IRF	90-Day Avg. Total Spend SNF	EHC Spend vs. SNF
61 Acute ischemic stroke w MCC	$59,086	$93,449	**-37%**
62 Acute ischemic stroke w CC	$40,981	$55,512	**-26%**
65 Intracranial hemorrhage or cerebral infarction w CC	$24,854	$48,569	**-49%**
220 Cardiac Valve w CC	$72,903	$100,180	**-27%**
470 Major Joint Replacement of Lower Extremity w/o MCC	$34,737	$41,894	**-17%**
871 Sepsis or Septicemia w/ MCC	$34,304	$43,749	**-22%**

Source: Dixon Hughes Group; CY 2017 CMS public data sets; Example using one acute care system

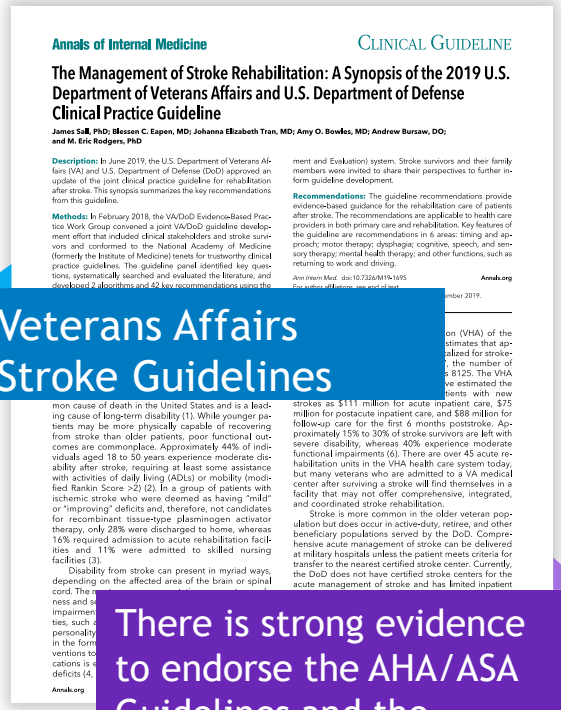
Independent research concludes IRFs are a better rehabilitation option for stroke patients than SNFs


AHA/ASA Guideline

Guidelines for Adult Stroke Rehabilitation and Recovery

A Guideline for Healthcare Professionals From the American Heart Association/American Stroke Association

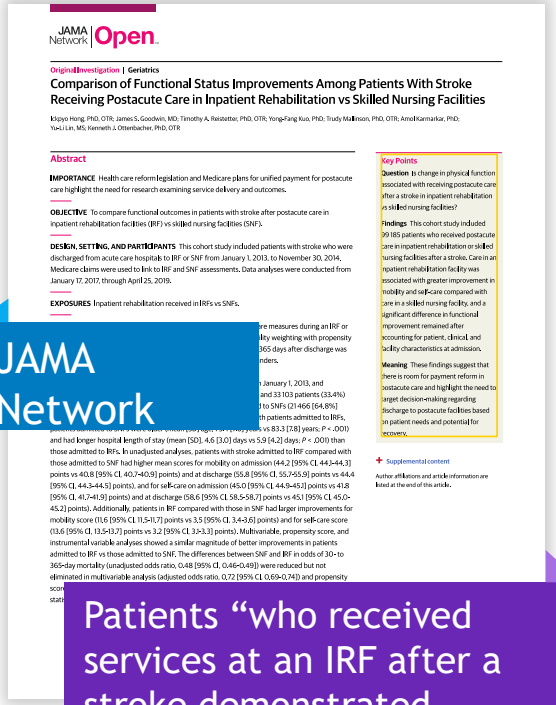
AHA/ASA Stroke Guidelines


Annals of Internal Medicine

CLINICAL GUIDELINE

The Management of Stroke Rehabilitation: A Synopsis of the 2019 U.S. Department of Veterans Affairs and U.S. Department of Defense Clinical Practice Guideline

Veterans Affairs Stroke Guidelines


JAMA Network Open

Comparison of Functional Status Improvements Among Patients With Stroke Receiving Postacute Care in Inpatient Rehabilitation vs Skilled Nursing Facilities

JAMA Network

"Whenever possible, the American Stroke Association strongly recommends that stroke patients be treated at an inpatient rehabilitation facility rather than a skilled nursing facility."*

There is strong evidence to endorse the AHA/ASA Guidelines and the need for an organized, multidisciplinary approach found at an Inpatient Rehabilitation Facility.

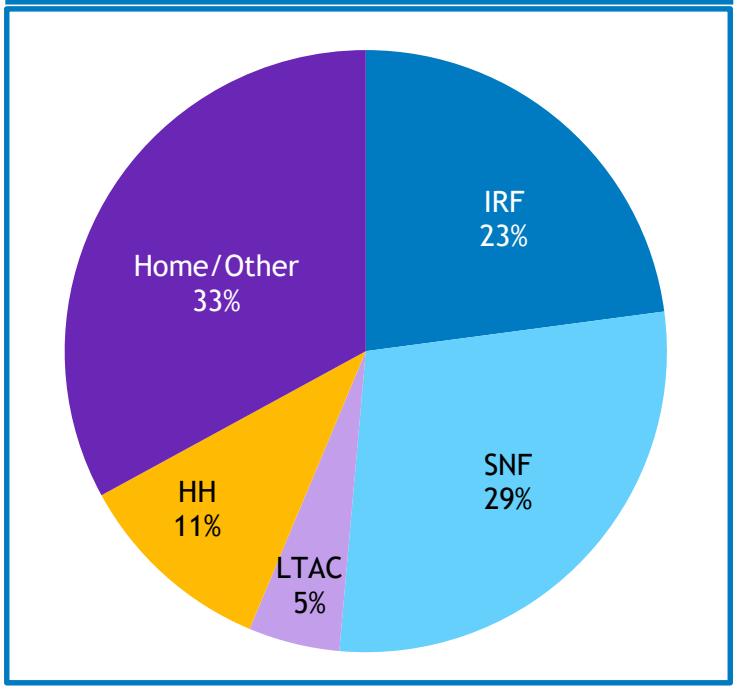
Patients "who received services at an IRF after a stroke demonstrated greater improvement in mobility and self care compared with patients who received inpatient rehabilitation at a SNF."**

* "Guidelines for Adult Stroke Rehabilitation and Recovery," issued May 2016 (stroke.ahajournals.org)

** "Comparison of Functional Status Improvements Among Patients With Stroke Receiving Postacute Care in Inpatient Rehabilitation vs Skilled Nursing Facilities," issued December 2019 (jamanetwork.com)

For this acute care hospital's stroke patients, outcomes are superior and acute length of stay is shorter when discharged to an EHC hospital

Stroke Patients' Discharge Destination



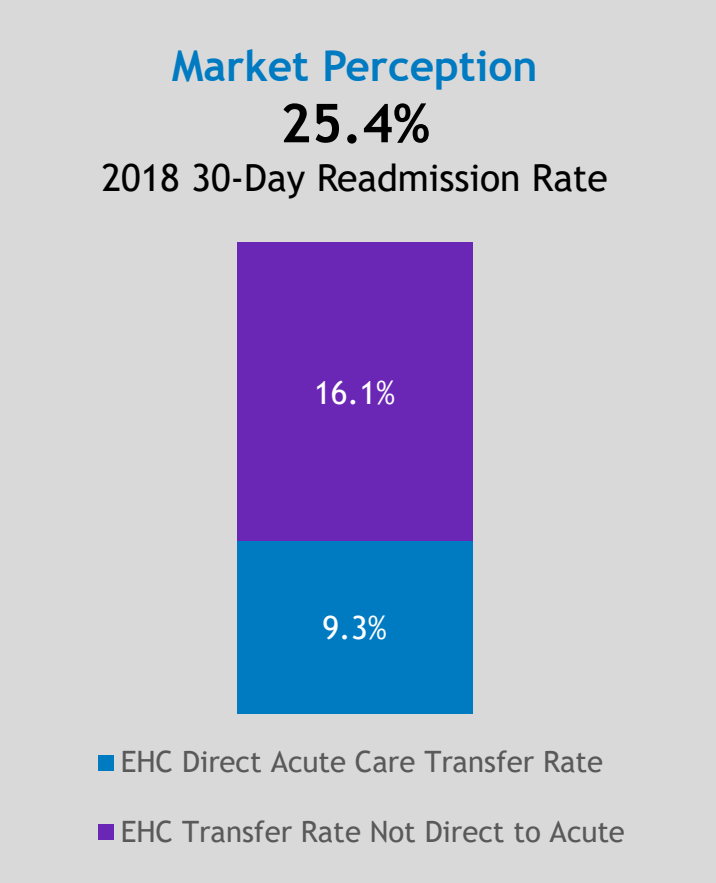
Source: Dixon Hughes Group Q2 2017 – Q1 2018 Medicare FFS claims, analyzed for stroke patients most likely to be candidates for rehab level of care

Stroke Results

	# (%) of Discharges	Acute Avg. Length of Stay	Readmission Rate 30-Days Post-Discharge PAC
SNF	122 (29%)	7.2	20.5%
Home/ Other	141 (33%)	4.4	21.3%
EHC	95 (22%)	5.0	16.8%

Source: Dixon Hughes Group CY 2017 Medicare FFS claims, analyzed for stroke patients most likely to be candidates for rehab level of care

Encompass Health developed the proprietary Post Acute Care Strategic Assessment (PACSA) to address opportunities with a specific acute care hospital

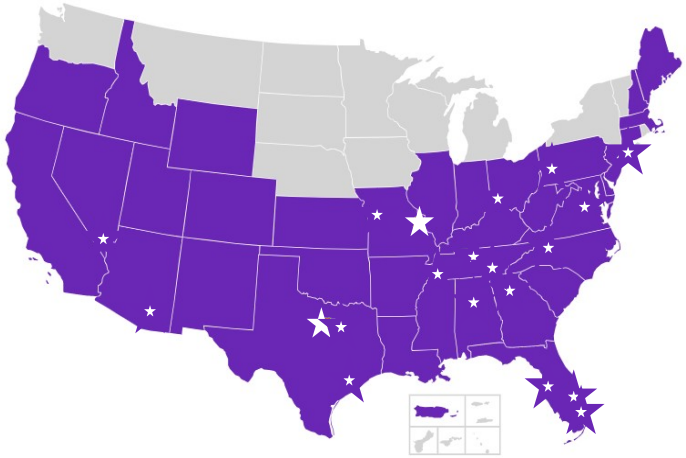


- 31% of patients referred to home health did not receive care within 3 days
- 24% of patients referred to home health never received care

Readmission Rate: Discharged from IRF and readmitted within 30 days (PEPPER method)

AHA/ASA strategic sponsorship – by the numbers

9,460 Life After Stroke guide downloads from the AHA/ASA website



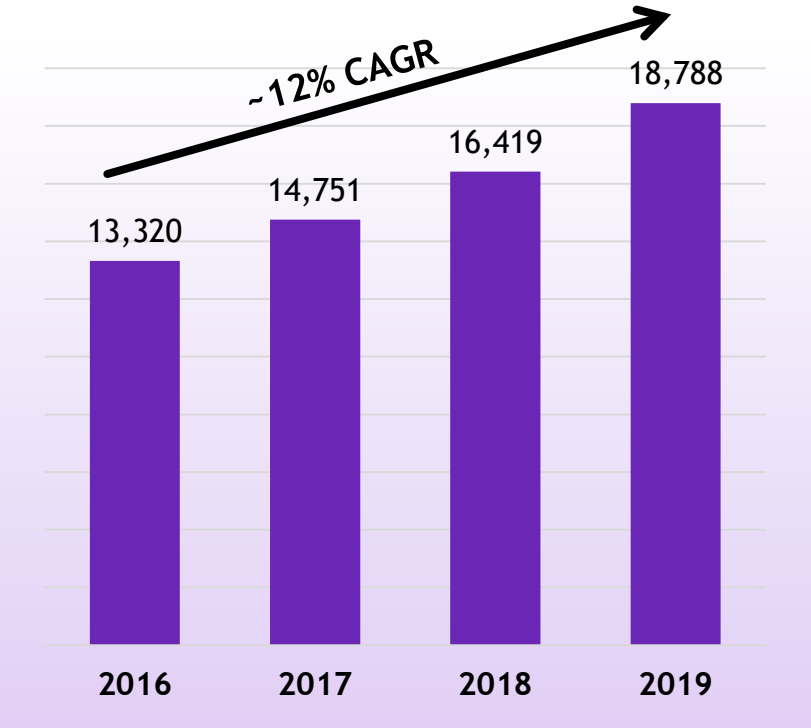
42 hospitals included in the 20 Go Red sponsored luncheons

11,000
Number of guests reached through 20 Go Red for Women Luncheons

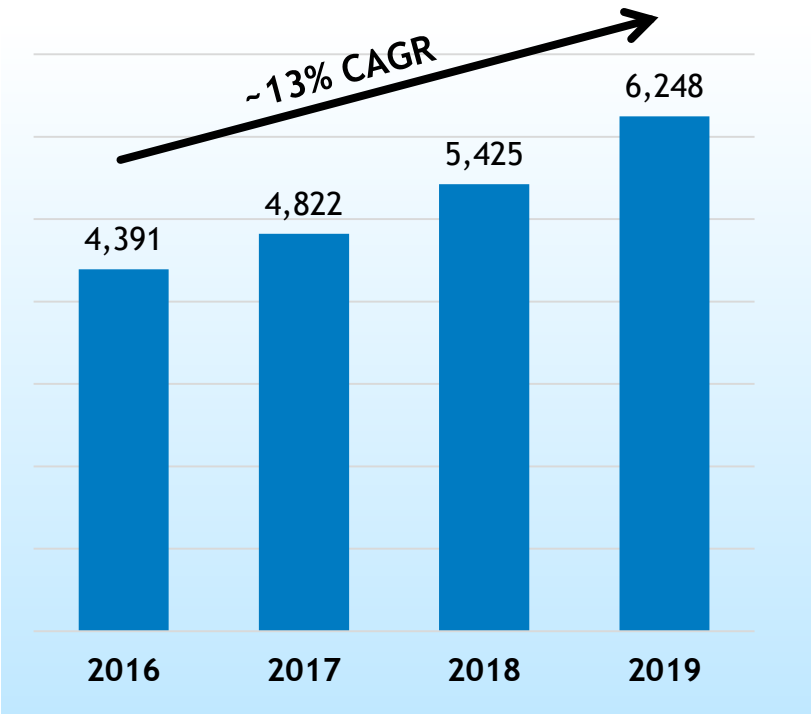
11.2M+
Reach on AHA/ASA-owned channels (e.g. blog, e-newsletters, AHA home page)

51,777
Life After Stroke guides distributed by Encompass Health hospitals

Encompass Health's hospital volume trends in Medicare Advantage are outpacing beneficiary enrollment



Total Medicare Advantage Discharges



Medicare Advantage Stroke Discharges

From 2016 thru 2019, the Medicare Advantage enrollment CAGR was ~7% for Medicare eligibles in counties where Encompass Health has inpatient rehabilitation hospitals.

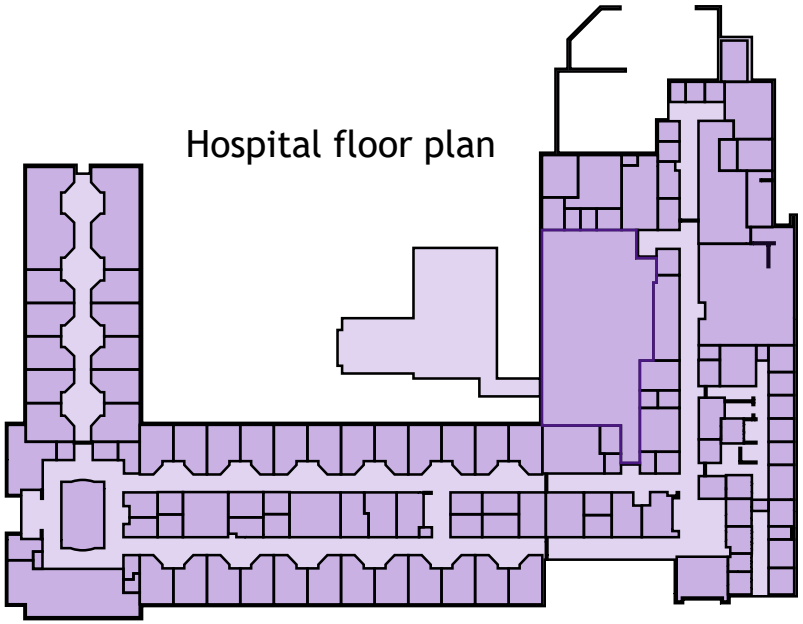
Includes only those hospitals considered same store from 2016 thru 2019

Stuart, Florida IRF – opened June 2013 with 34 beds

50/50 Joint Venture with Cleveland Clinic Martin Health

365 acute care beds in the market

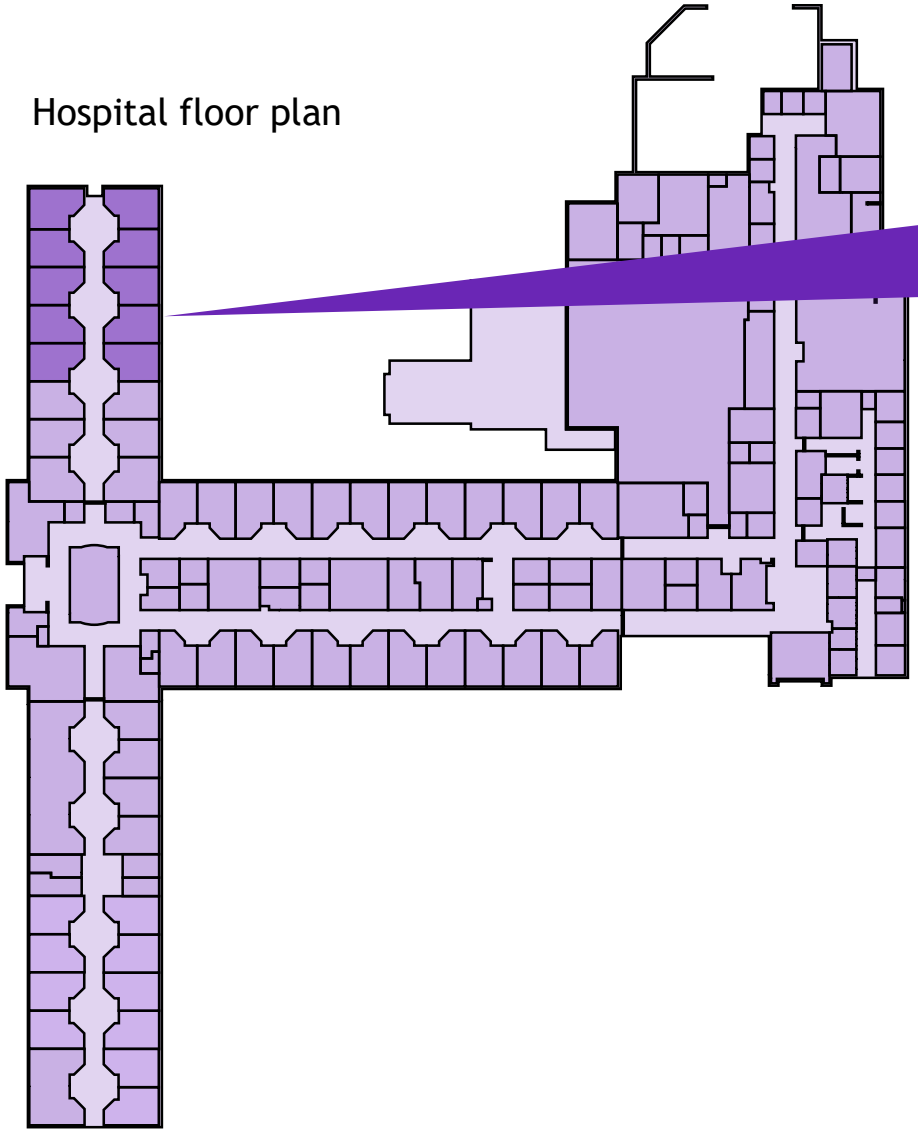
193,000 65+ population in primary and secondary service area



	2013	2014
Licensed Beds	34	34
Avg. Daily Census	16	33
Occupancy	46.9%	96.0%
Revenue (millions)	$7.1	$16.1
EBITDA (millions)	$0.5	$3.7
FTEs	68	110

Stuart, Florida IRF – expanded in August 2015

Hospital floor plan



AUGUST 2015

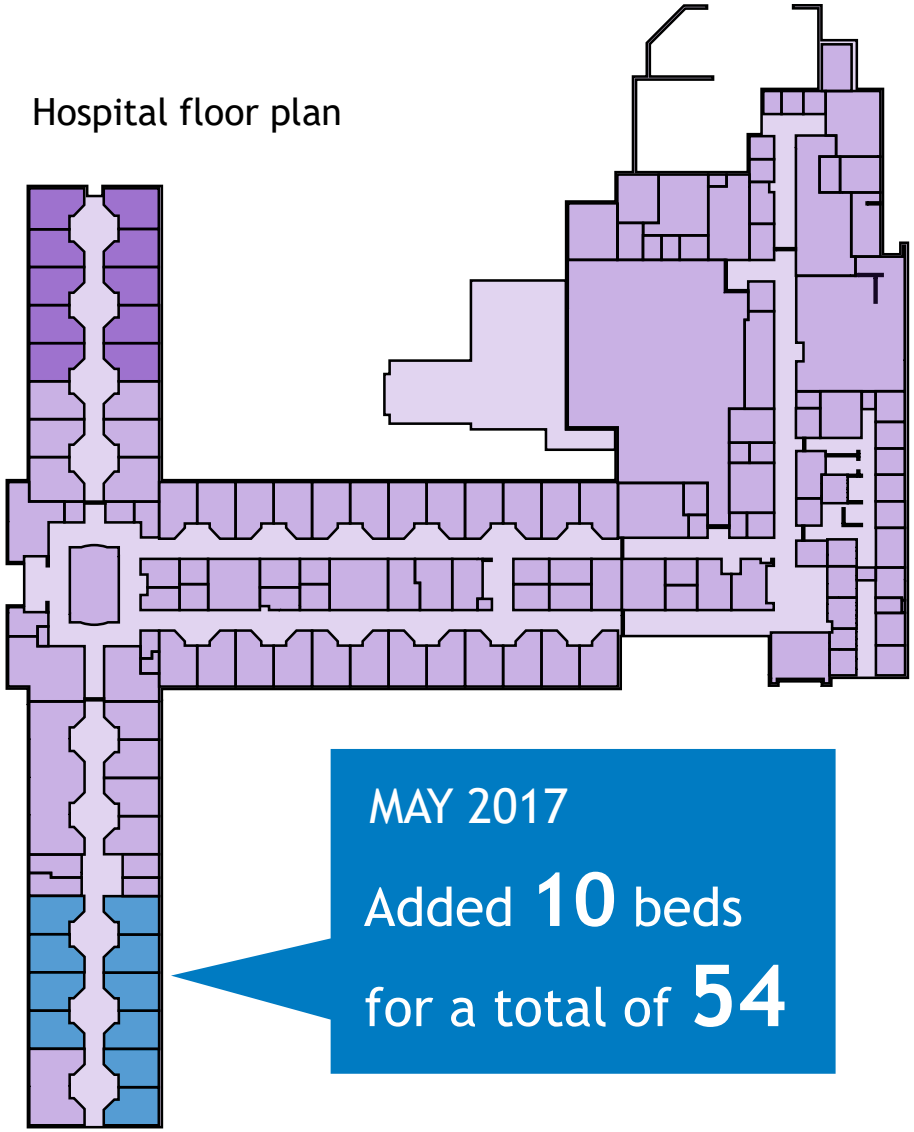
Added **10** beds

for a total of **44**

	2015	2016
Licensed Beds	44	44
Avg. Daily Census	37	43
Occupancy	84.8%	98.5%
Revenue (millions)	$20.5	$23.5
EBITDA (millions)	$5.2	$6.0
FTEs	121	140

Stuart, Florida IRF – further expanded in May 2017

Hospital floor plan



	2017	2018
Licensed Beds	54	54
Avg. Daily Census	48	53
Occupancy	89.7%	97.3%
Revenue (millions)	$26.5	$29.7
EBITDA (millions)	$6.7	$7.6
FTEs	152	166

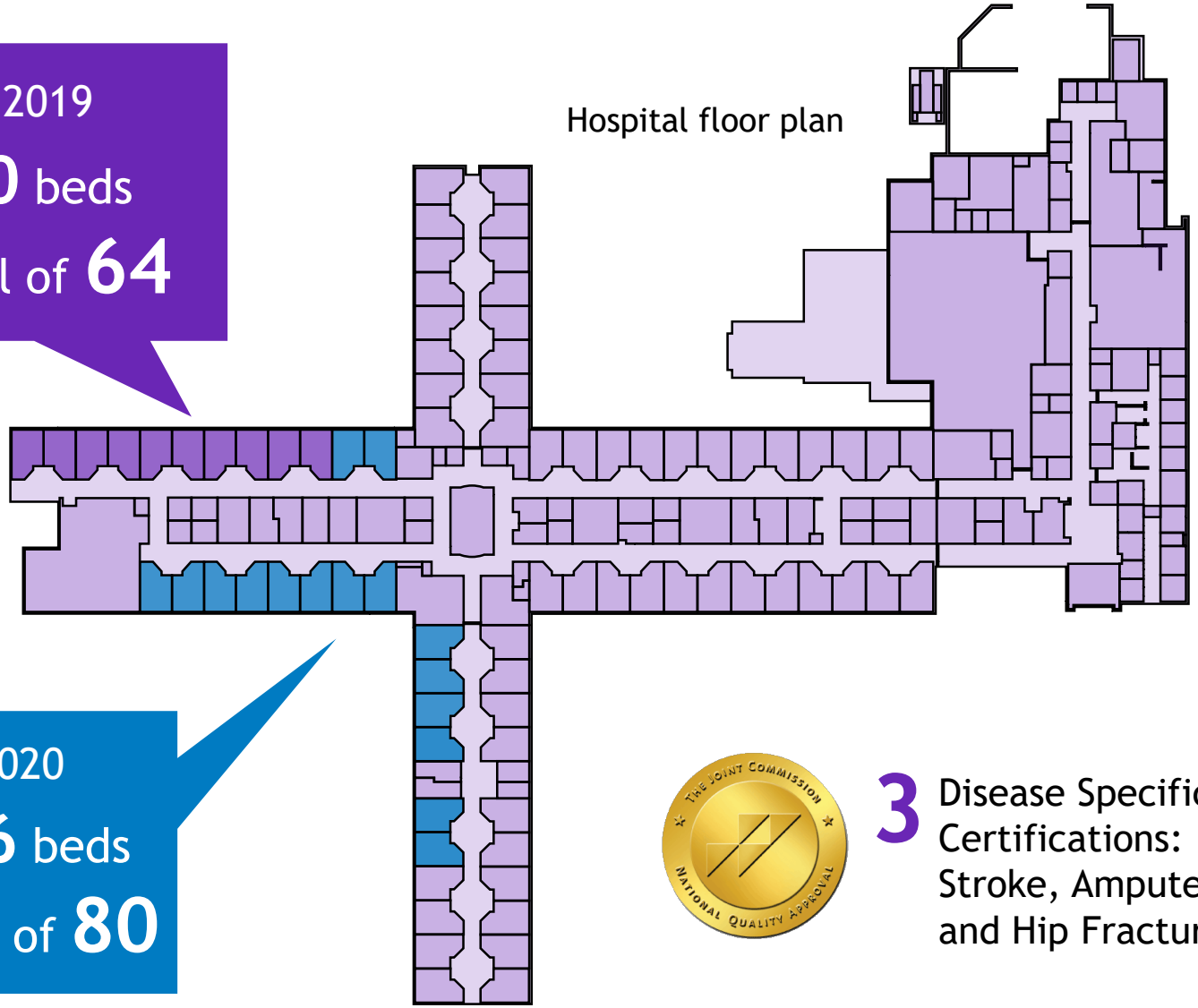
Stuart, Florida IRF – further expanded in 2019 and 2020

DECEMBER 2019

Added **10** beds

for a total of **64**

Hospital floor plan



OCTOBER 2020

Adding **16** beds

for a total of **80**

3 Disease Specific Certifications: Stroke, Amputee, and Hip Fracture

Leading position in cost effectiveness

	#	Avg. beds per IRF	Avg. Medicare discharges per IRF	Case mix index	Avg. est. total cost per discharge for FY 2019	Avg. est. total payment per discharge for FY 2019
Encompass Health=	**126**	**67**	**951**	**1.28**	**$13,622**	**$20,315**
Free-standing = (Non-Encompass Health)	**154**	**58**	**589**	**1.27**	**$18,107**	**$21,400**
Hospital units =	**846**	**24**	**228**	**1.22**	**$21,483**	**$21,569**
Total	**1,126**	**34**	**358**	**1.25**	**$18,388**	**$21,159**

Medicare pays Encompass Health less per discharge, on average, and Encompass Health treats a higher acuity patient.

The average estimated total payment per discharge, as stated, does not reflect a 2% reduction for sequestration.

Patient-centered technology allows for benchmarking and continual improvement

Standardize the process, then automate it

Enterprise scalability + **Proprietary large patient datasets** + **Clinical and business knowledge** = **Continuous improvement**

Proprietary Management System

BEACON

- Proprietary operations management system that provides real-time data
- Benchmarking to promote best practices
- Capabilities include:
  - Clinical collaboration
  - Physician quality reporting
  - Readmission risk
  - Therapy outcomes
  - Quality and patient satisfaction reporting
  - Workforce and labor productivity
  - Sales and marketing analysis
  - Care management
  - Food and drug spend analysis
  - Market-by-market analysis
  - Claims analysis

Labor productivity

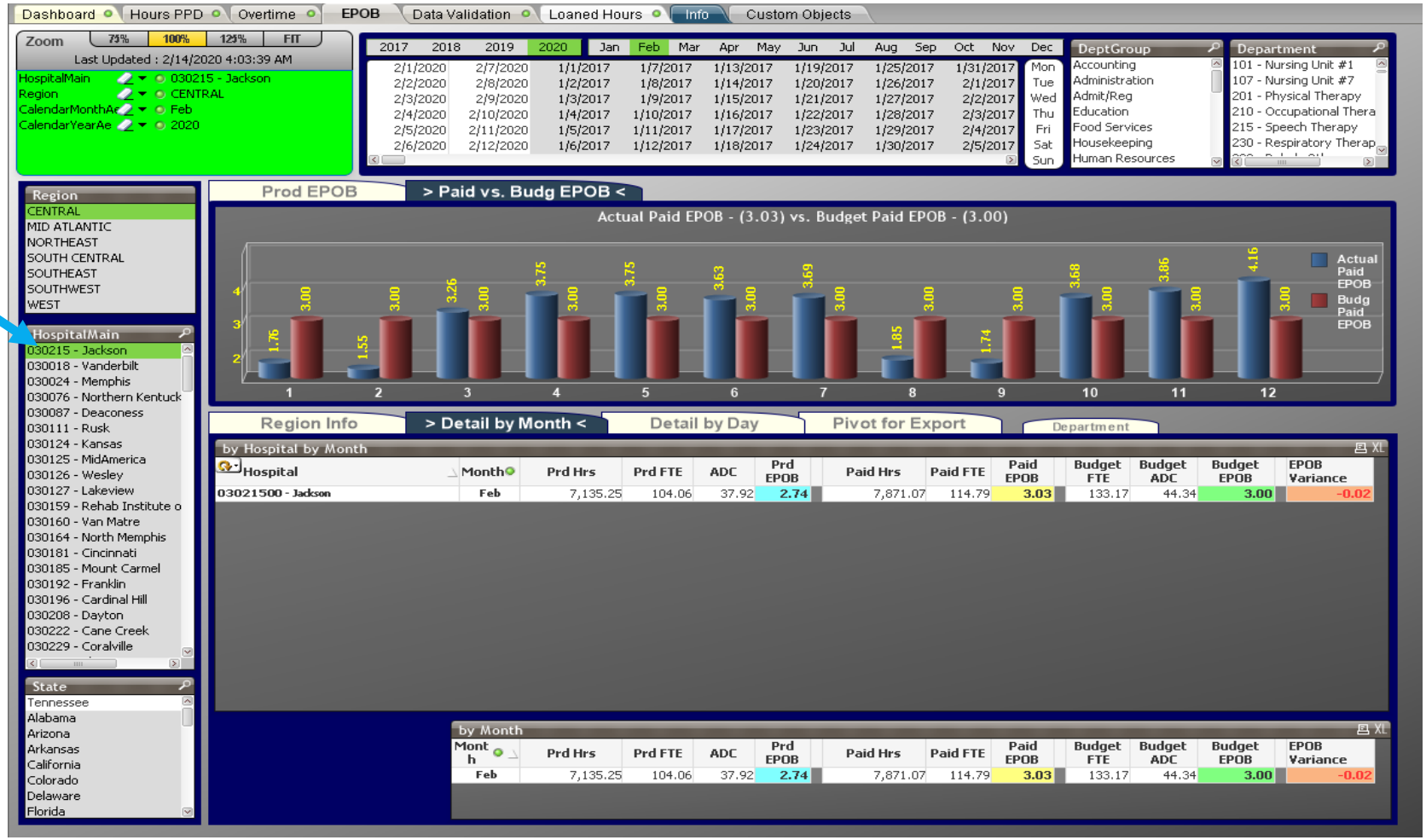
Select date range

Select by region

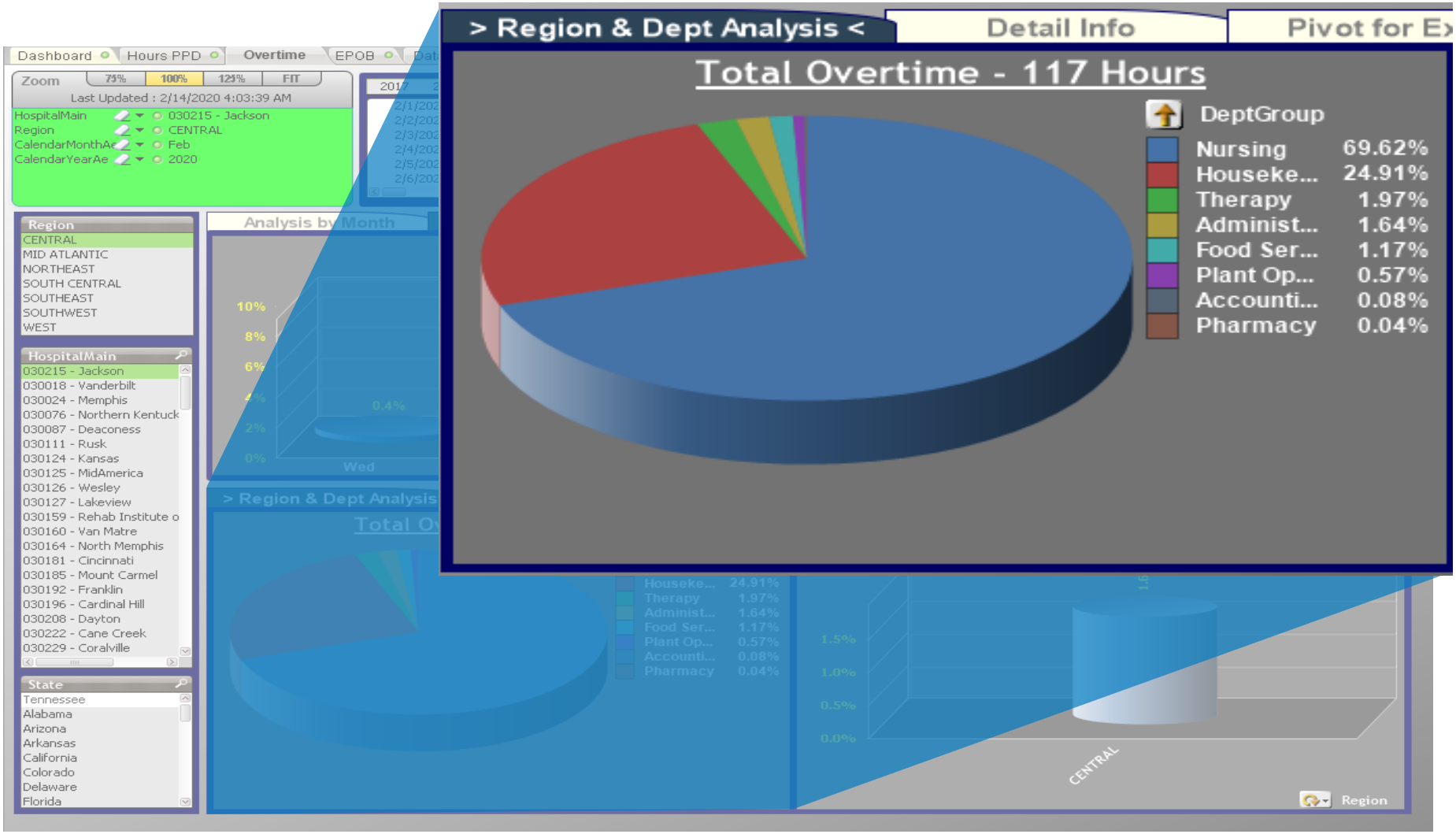
Combines time & attendance system with patient accounting system to show labor metrics

Labor productivity

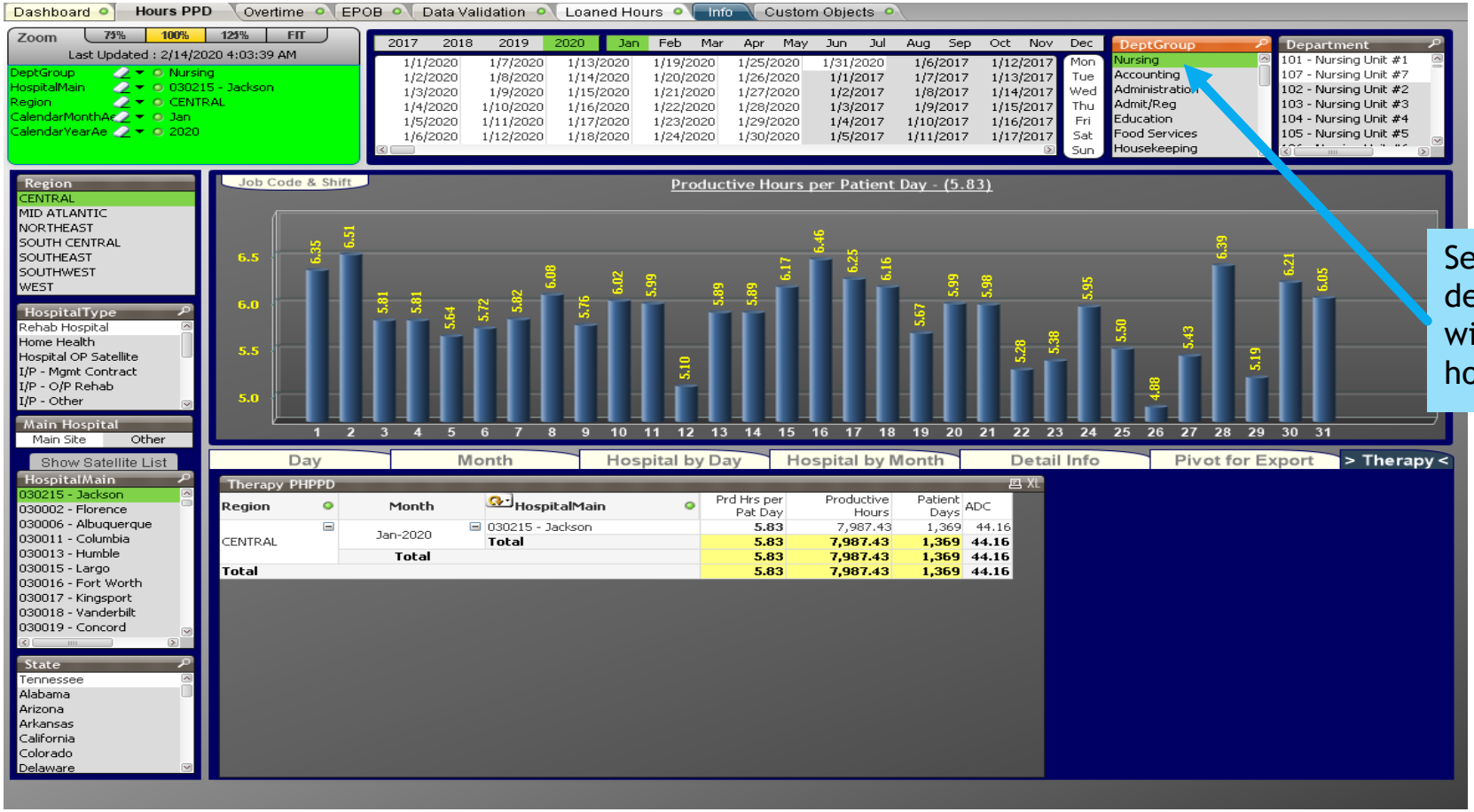
Select by hospital within a region



Labor productivity



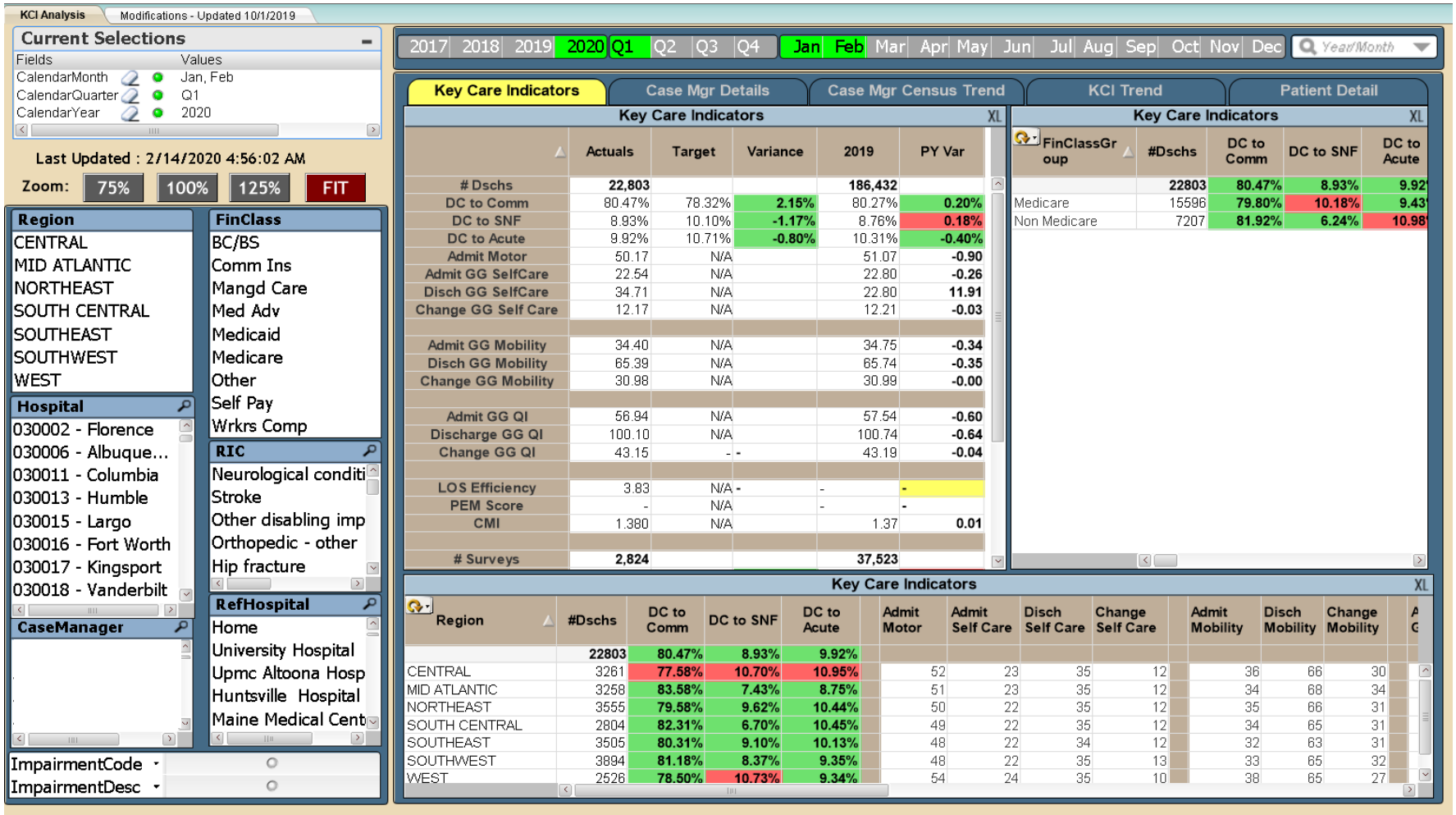
Labor productivity



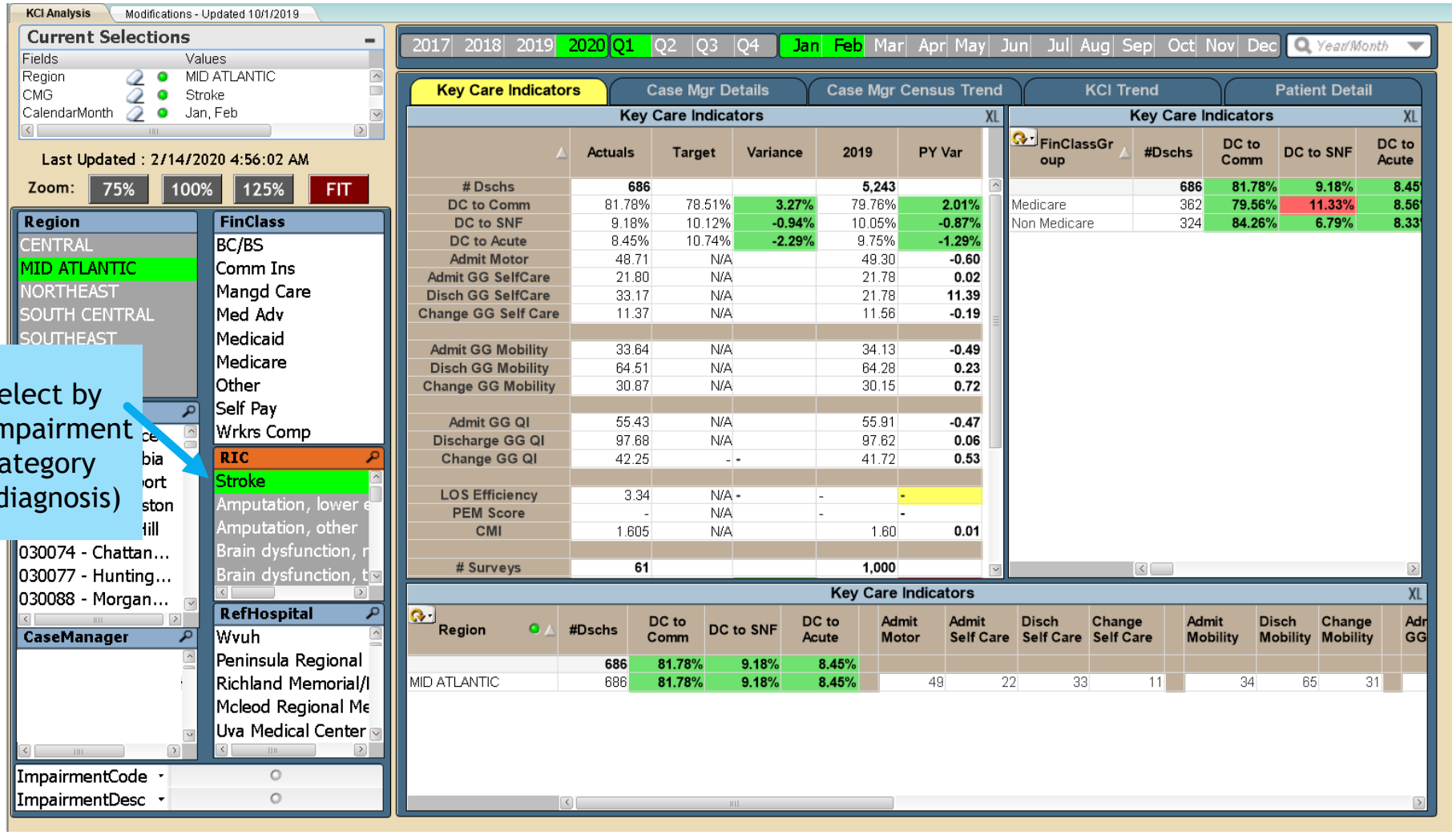
Select by department within a hospital

Care management

Patient level outcomes combined into one report for easy of comparison by hospital

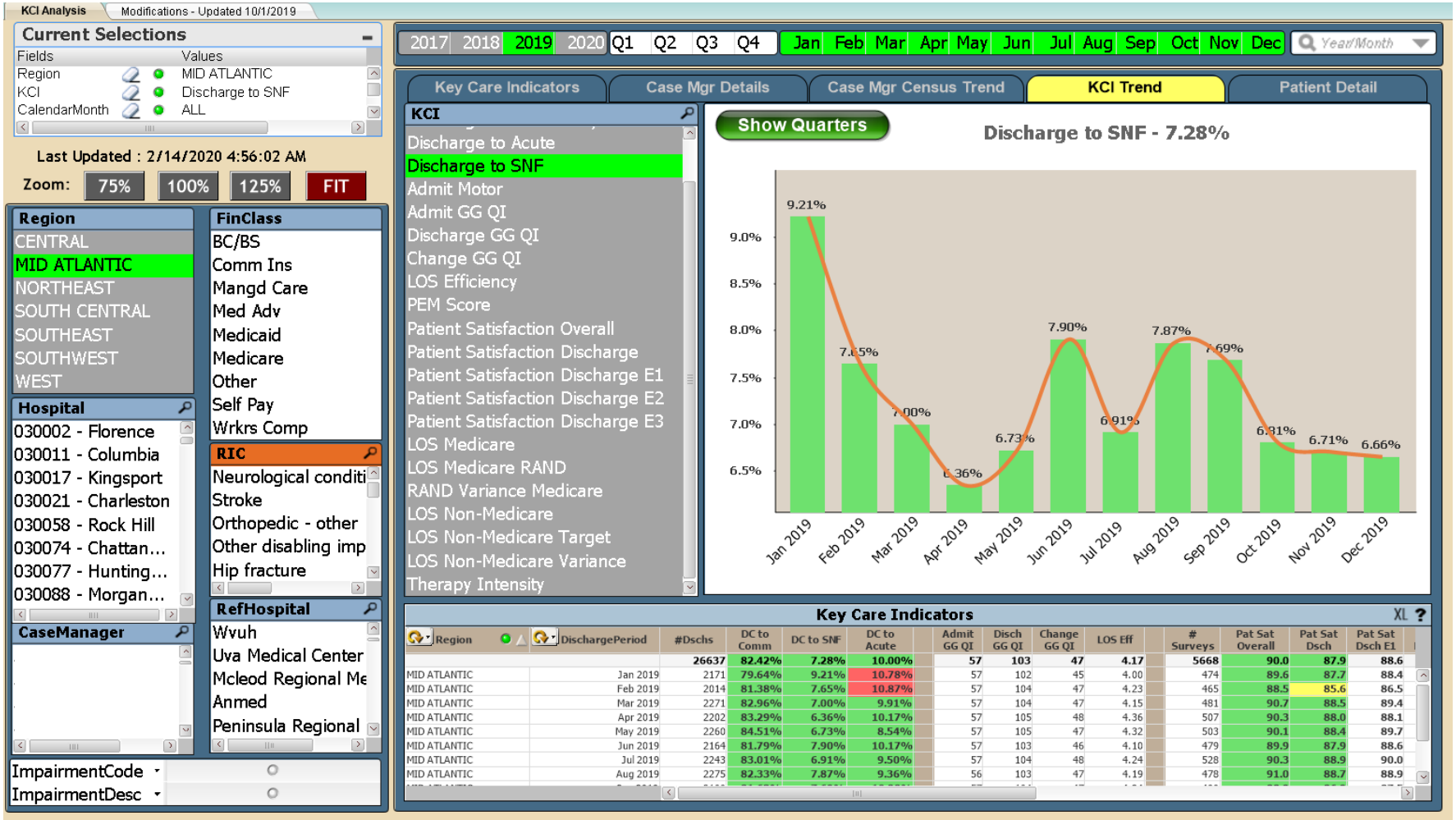


Care management

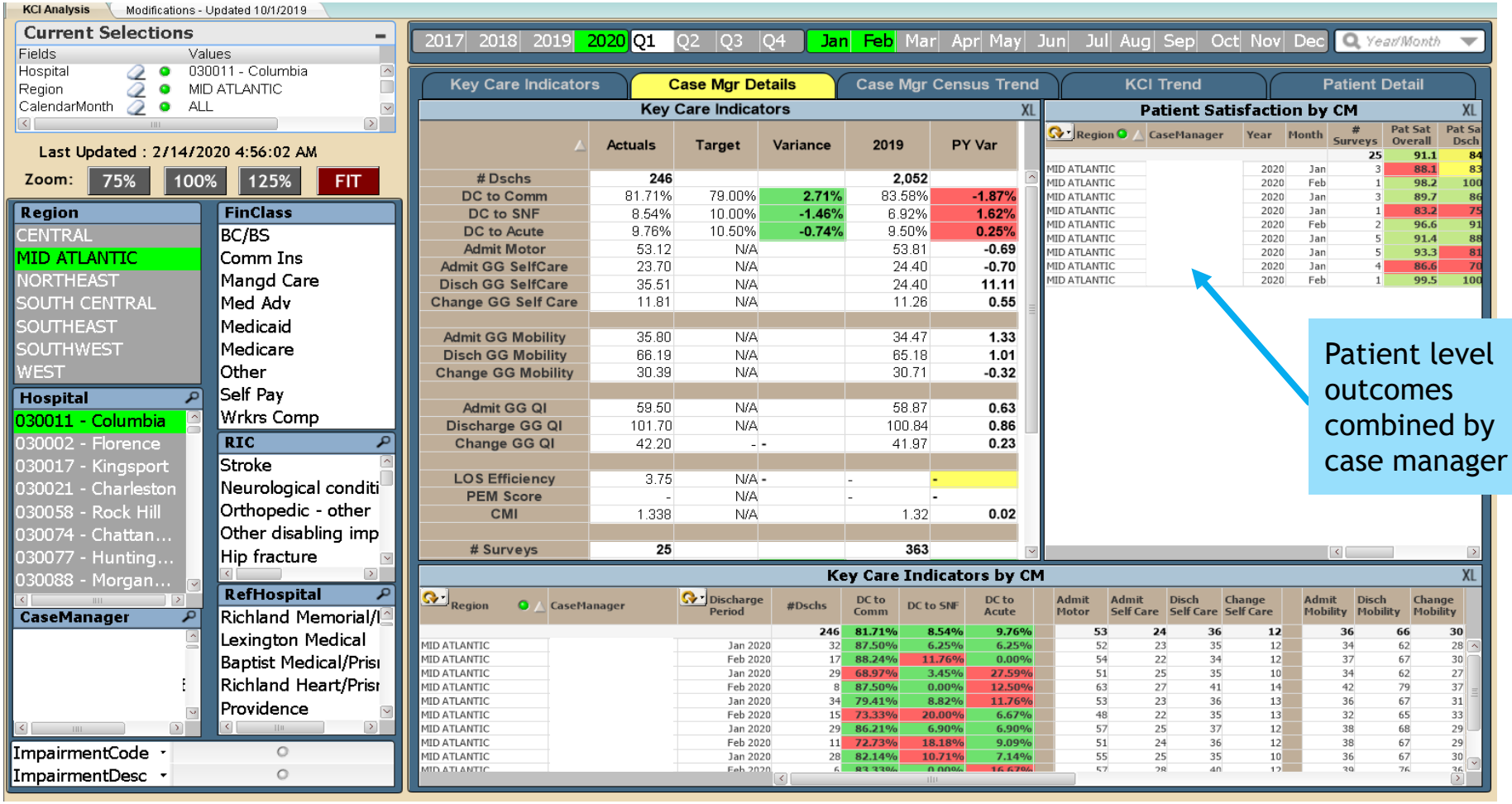


Care management

Trend individual quality metrics by month or quarter

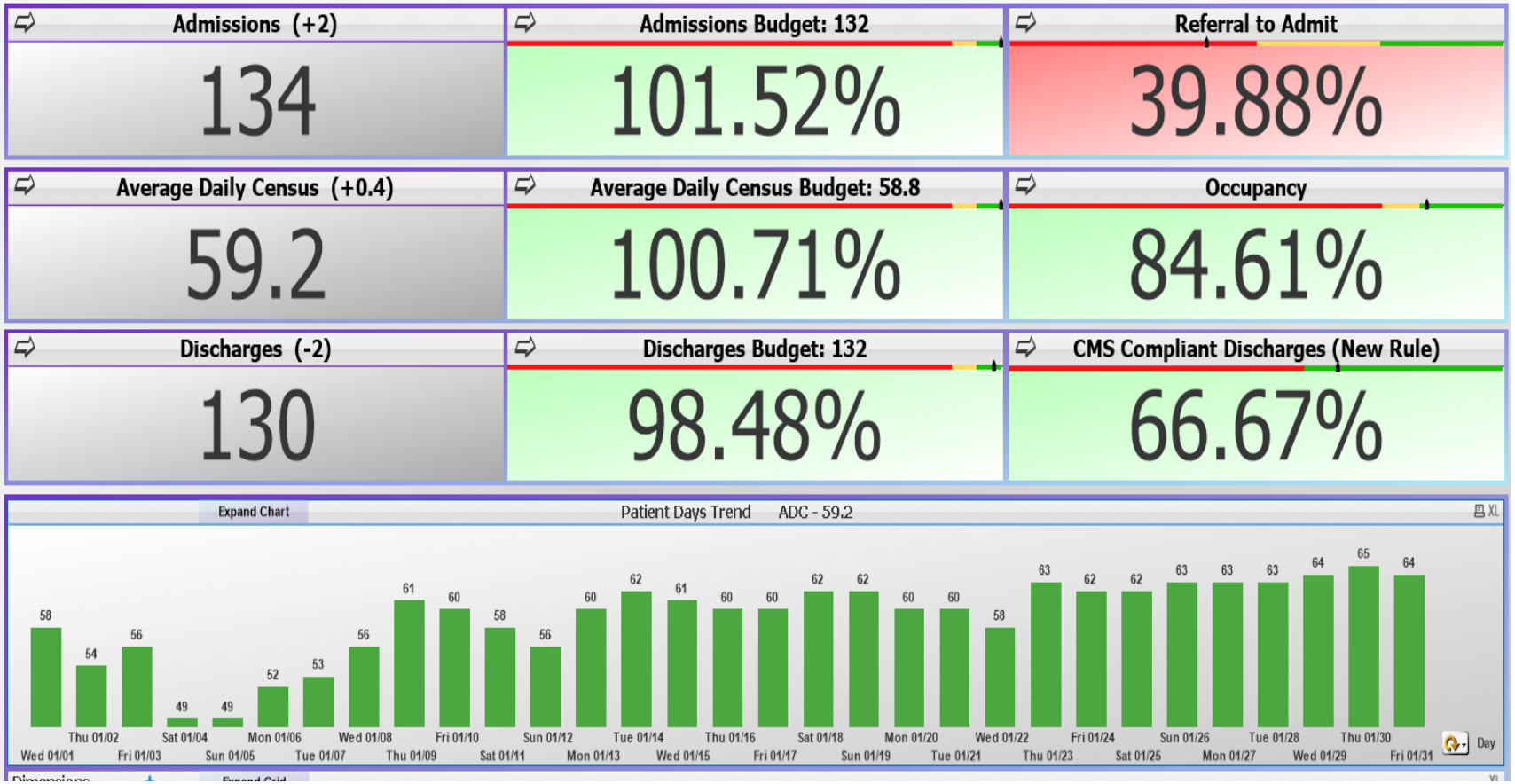


Care management



Hospital business development (volume analysis)

High level overview of hospital level volume performance versus budget



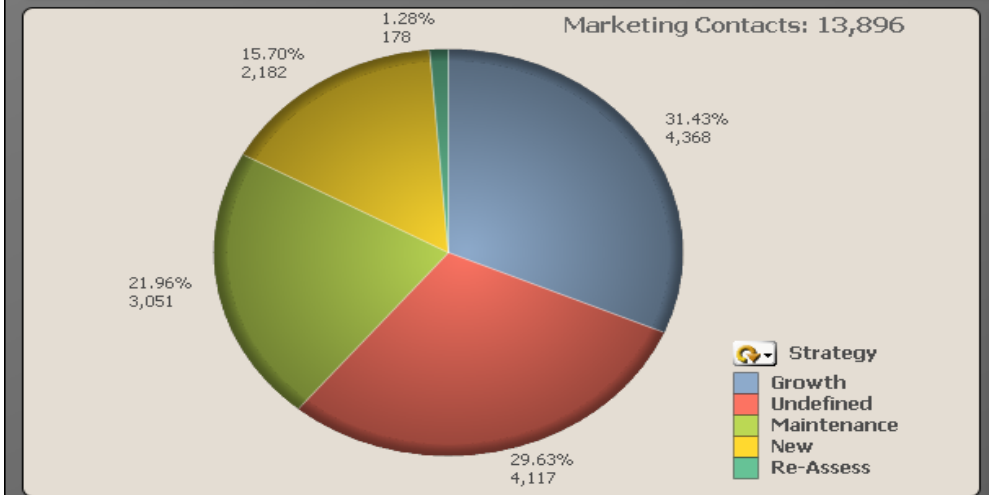
Hospital business development (sales and marketing)

Demonstrates how contacts are impacting referrals and admissions

Summary | Activity | Opportunity | Open Ref

Conversion Rates Summary

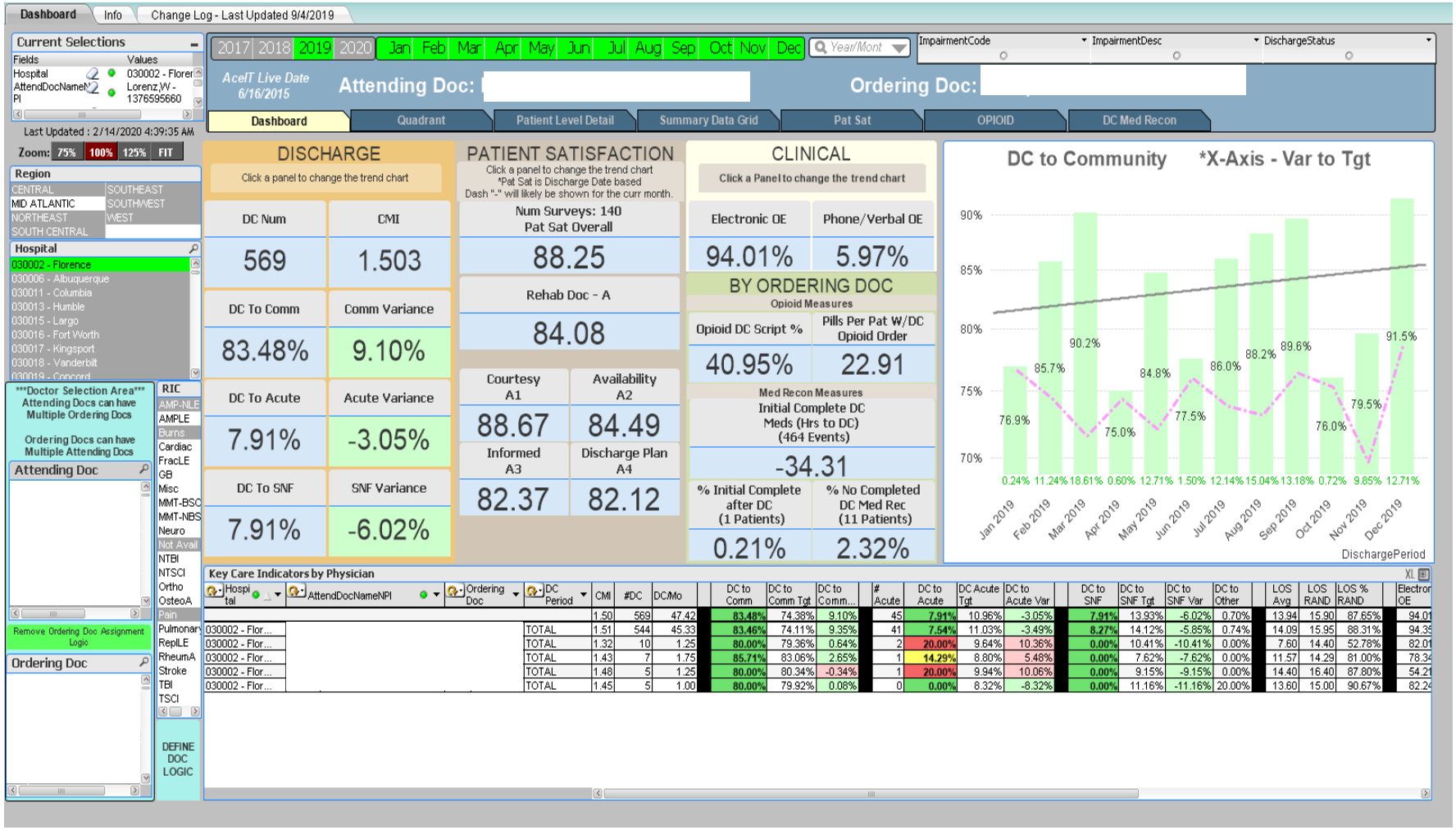
Region	Hospital	Referral to Admit %	Contact per Referral	Total Contacts	90 Sec Call	Cold Call	Decision Maker	Office Call	Total Referrals	MCR Referrals	Non MCR Referrals	Admits
		47.15%	**2.91**	**13,896**	**8,101**	**1,379**	**3,823**	**593**	**4,768**	**1,972**	**2,796**	**2,248**
MID_ATLANTIC	030002 - Florence	47.66%	2.15	460	267	11	144	38	214	84	130	102
MID_ATLANTIC	030011 - Columbia	45.62%	2.16	816	607	0	209	0	377	84	293	172
MID_ATLANTIC	030017 - Kingsport	37.63%	2.25	418	271	20	124	3	186	39	147	70
MID_ATLANTIC	030021 - Charleston	48.57%	5.10	714	470	135	109	0	140	57	83	68
MID_ATLANTIC	030058 - Rock Hill	48.95%	3.46	827	617	34	144	32	239	4	235	117
MID_ATLANTIC	030074 - Chattanooga	33.78%	2.41	714	505	2	205	2	296	99	197	100
MID_ATLANTIC	030077 - Huntington	55.60%	3.13	811	478	115	200	18	259	77	182	144
MID_ATLANTIC	030088 - Morgantown	54.40%	1.96	602	162	181	256	3	307	135	172	167
MID_ATLANTIC	030091 - Salisbury	44.11%	1.24	410	214	20	165	11	331	157	174	146
MID_ATLANTIC	030093 - Richmond	43.33%	4.53	543	421	28	86	8	120	55	65	52
MID_ATLANTIC	030096 - Parkersburg	63.46%	5.28	824	429	125	237	33	156	76	80	99
MID_ATLANTIC	030097 - Princeton	60.00%	4.21	736	317	280	139	0	175	104	71	105



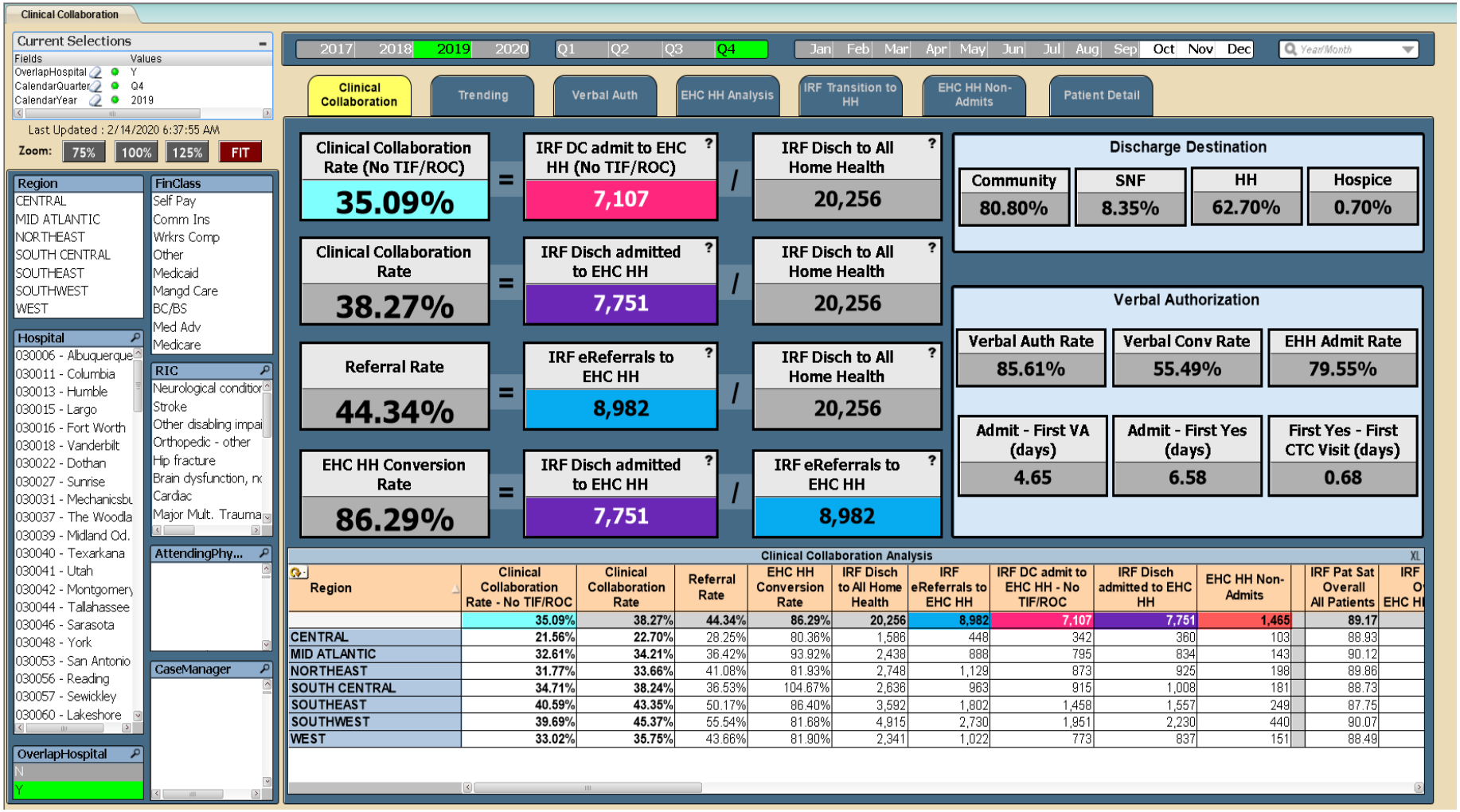
Contact Opportunity Summary

Region	Strategy	Good	Needs Sched	Overdue Opp	Total
MID_ATLANTIC	Growth	2,682	308	4,860	8,414
	Maintenance	1,494	139	1,845	4,004
	New	1,499	170	3,530	5,915
	Re-Assess	150	6	263	506
	Undefined	254	51	941	2,249
	Total	**6,079**	**674**	**11,439**	**21,088**
Total		**6,079**	**674**	**11,439**	**21,088**

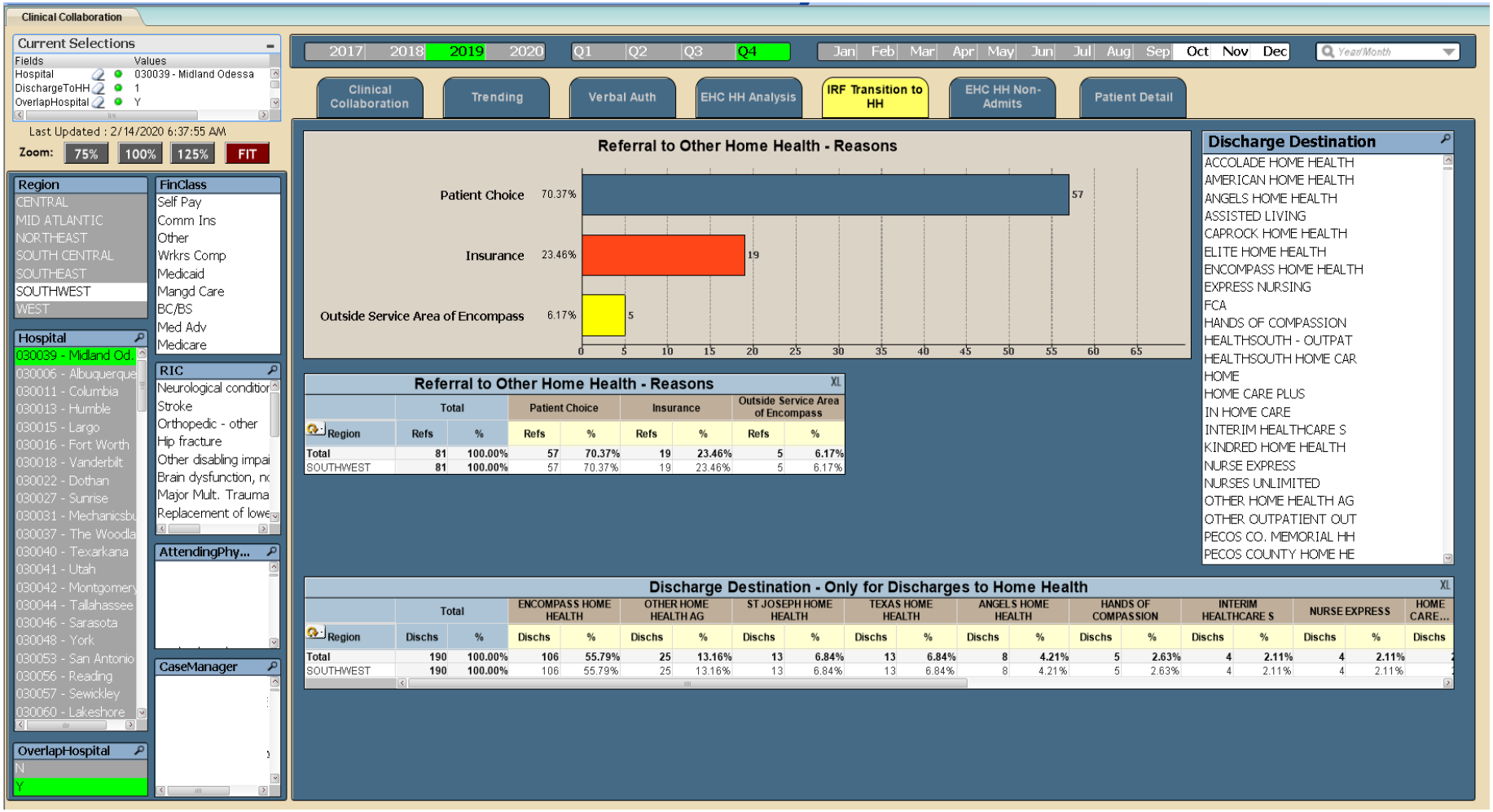
Physician dashboard



Clinical collaboration



Clinical collaboration



Clinical collaboration - integrated care drives quality metrics

Of the **89** overlap markets, **34** are at collaboration rates of **40%** or higher.

Score increases			
	Overall satisfaction	Discharge satisfaction	Discharge to community
Overlap	2.27 pts	2.26 pts	110 bps
Non overlap	0.71 pts	0.67 pts	80 bps

Clinical Collaboration

Home Health

Presented by April Anthony
and Luke James

Overview – Home Health

4th largest provider of Medicare-certified skilled home health services

245
Home Health locations

31
States

89
overlap markets with Encompass Health Rehabilitation Hospitals

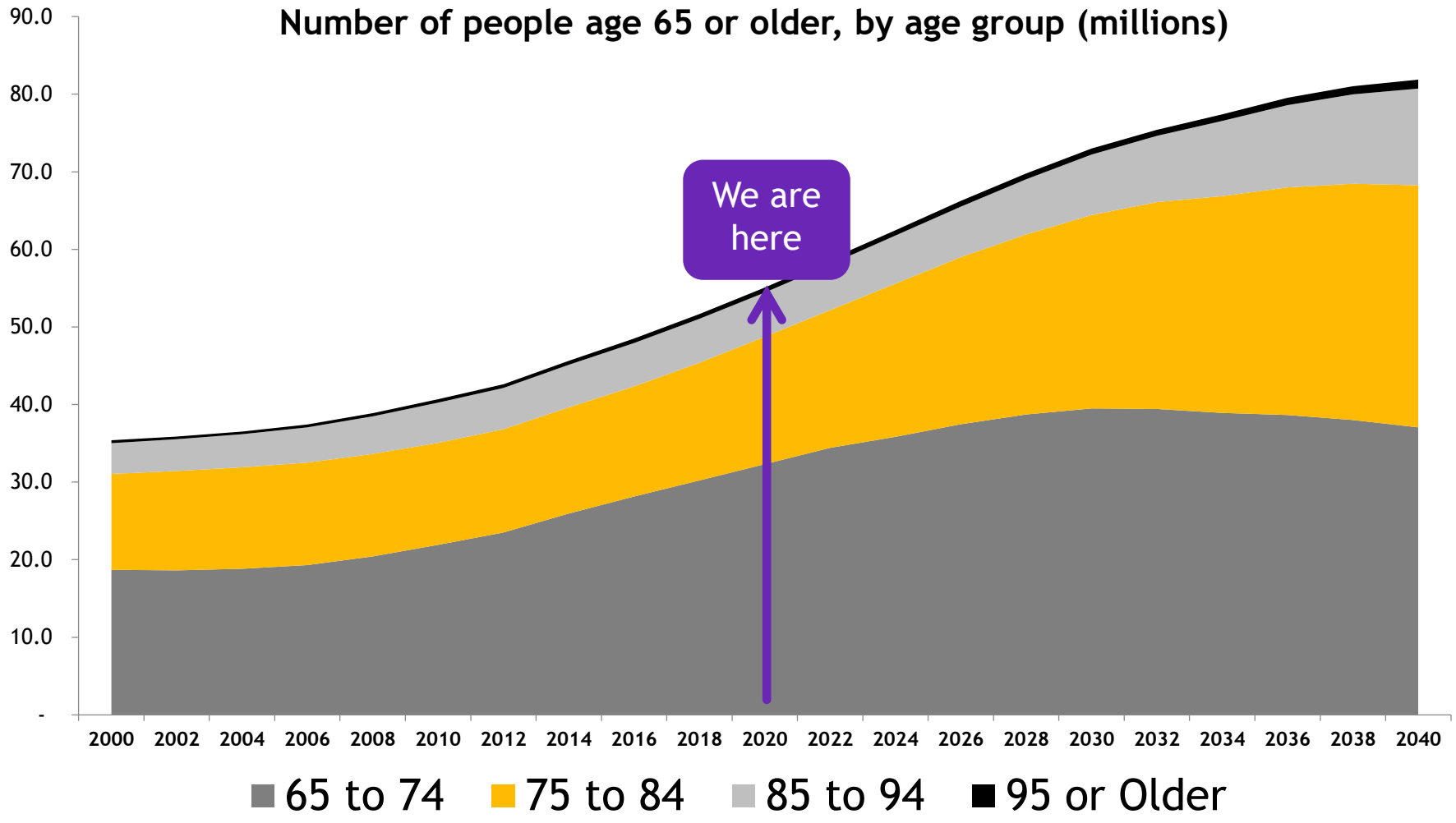
82%
of revenue is Medicare

~9,900
employees

~159,700
home health admissions

~$900 million
revenues

Why we are excited about Home Health



Source: Congressional Budget Office

Why we are excited about Home Health

Growing % of seniors are experiencing chronic conditions

Currently, **36%** of Medicare beneficiaries have **4+** chronic conditions and consume **75%** of Medicare spending.

Source: American Hospital Association, 2014

Why we are excited about Home Health

Cost Efficiency of Home Health Care

Post-Acute Service Sector	Annual Medicare Spending	Medicare Cost Per Day
Skilled Nursing Facilities (SNF)	$28.4 billion	$490
Hospice	$17.9 billion	$168
Home Health	$17.7 billion	$47

Source: MedPAC; kff.org

Why we are excited about Home Health

Patient Preference for Home Health Care

9 in **10** American seniors want to age at home

Source: AginginPlace.org

How we grow

Clinical Collaboration

14% of admits

- Clinical collaboration rate for Medicare is 43%

Care Transitions

34% of admits

- Care Transitions Coordinators
- High-quality outcomes, low re-hospitalization rates

Specialty Programs

32% of admits

- Heart & Vascular
- Joint & Ortho
- Community Care

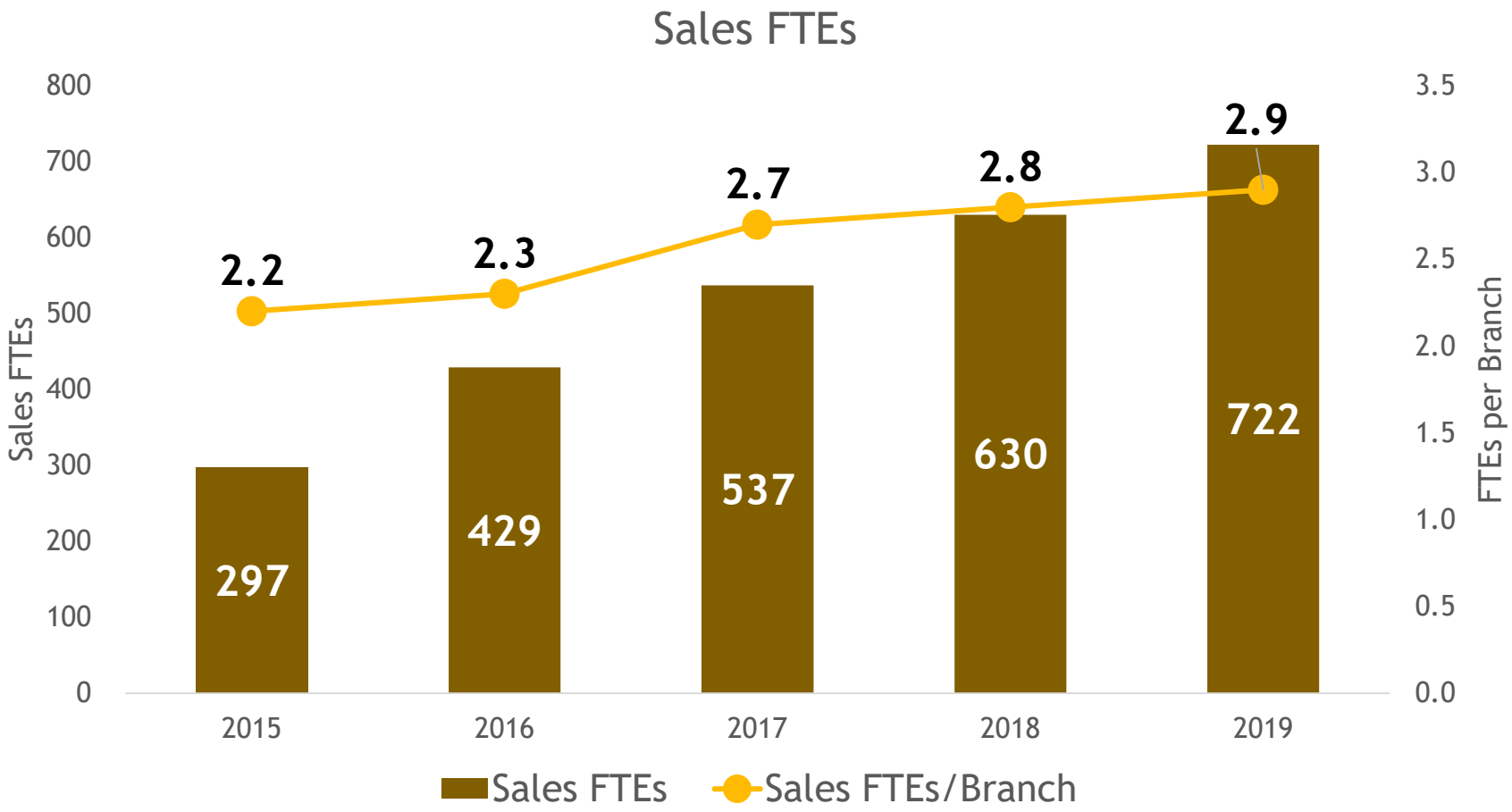
Traditional Referrals

20% of admits

- Internal Medicine
- Family practice
- Gerontology

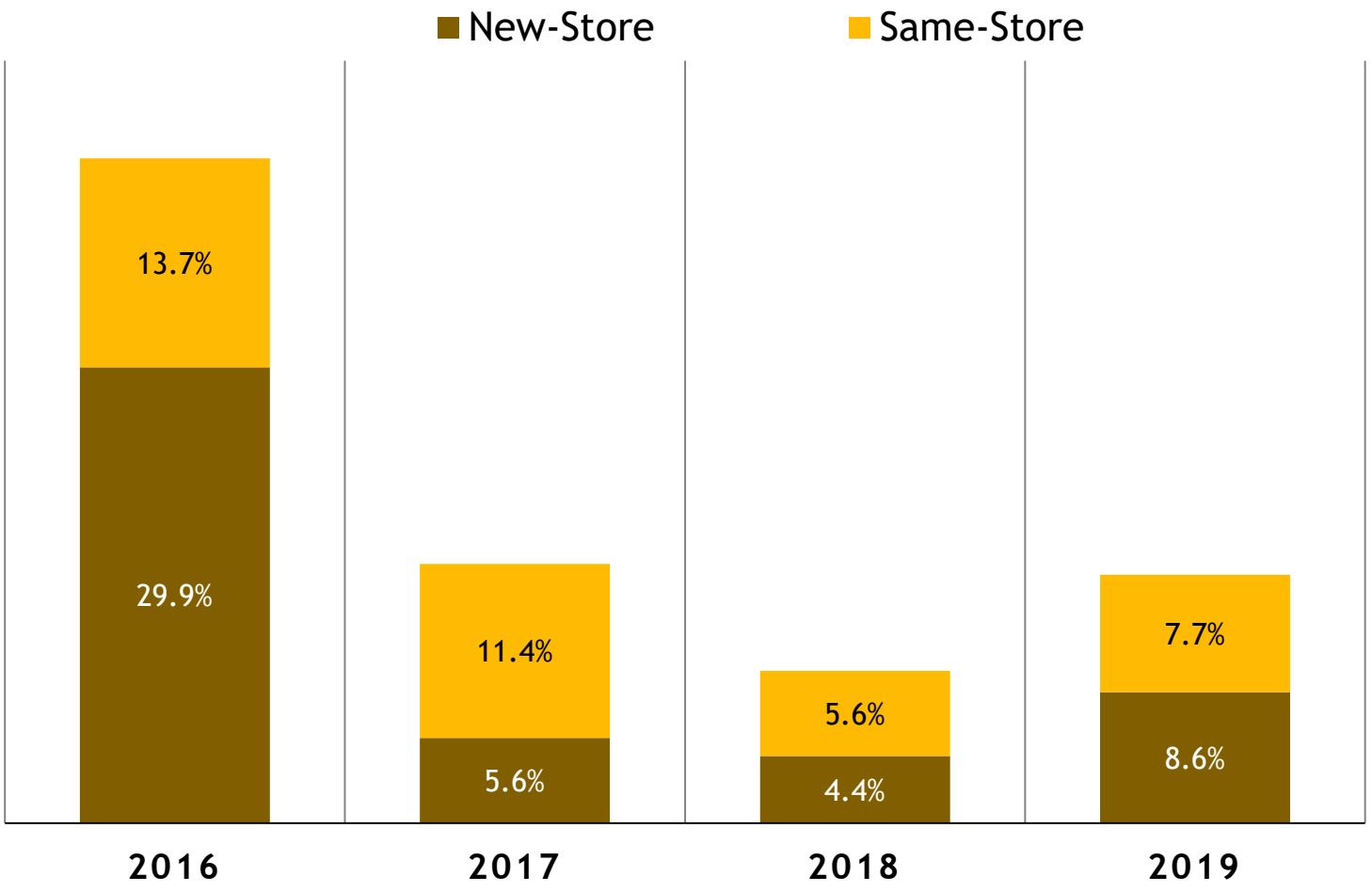
How we grow

Total EHC Home Health Sales Personnel



The results of our efforts

New-Store/Same-Store Growth*



*Acquired CareSouth (44 locations in 7 states) in November 2015; acquired Camellia (14 locations in 3 states) in May 2018; acquired Alacare (23 locations in Alabama) in July 2019

How we expand

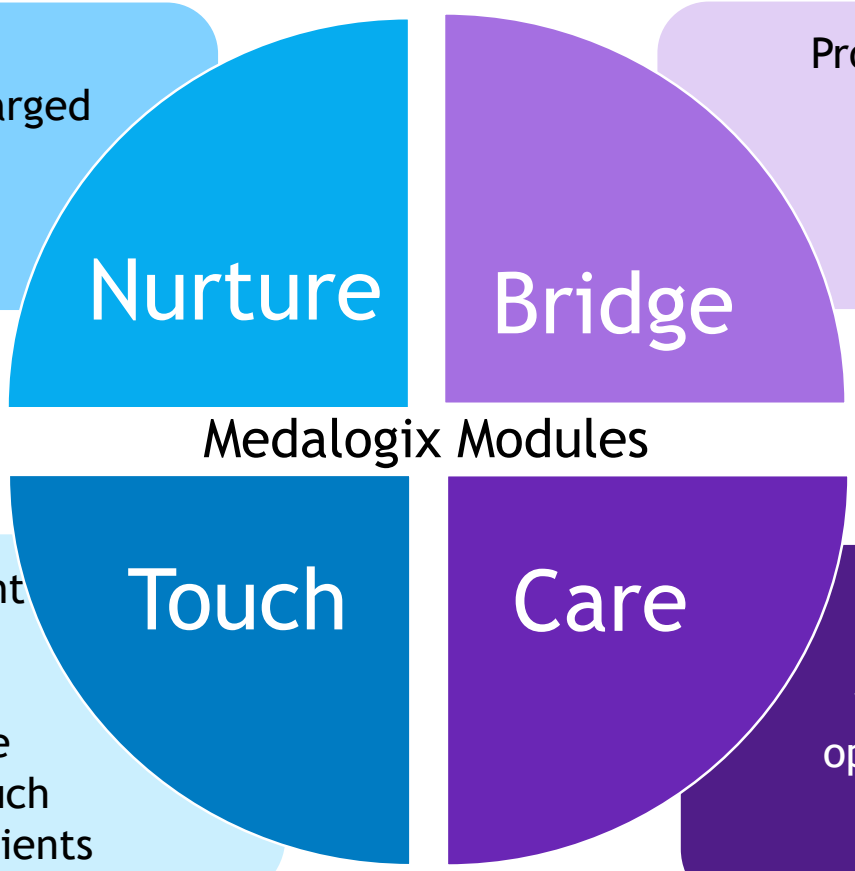
Proven Track Record of Successful Acquisitions and Integrations

	As of Date of Acquisition			As of Q4 2019	
Year of Acquisition	Purchase Price (millions)	Annual Revenue (millions)	EBITDA Multiple	Annual Revenue (millions)	EBITDA Multiple
2015	$200.7	$145.9	7.9	$186.7	4.5
2016	$48.5	$42.6	6.2	$52.7	3.3
2017	$24.5	$24.6	6.4	$25.5	4.3
2018	$147.6	$87.2	10.0	$85.7	9.3
Total	$421.3	$300.3	8.1	$350.6	5.2

Expanding sophistication in care management

Clinical decision support tools that ensure better and more consistent outcomes

Prompts continued touch points with discharged patients to identify and prevent post-discharge hospitalizations



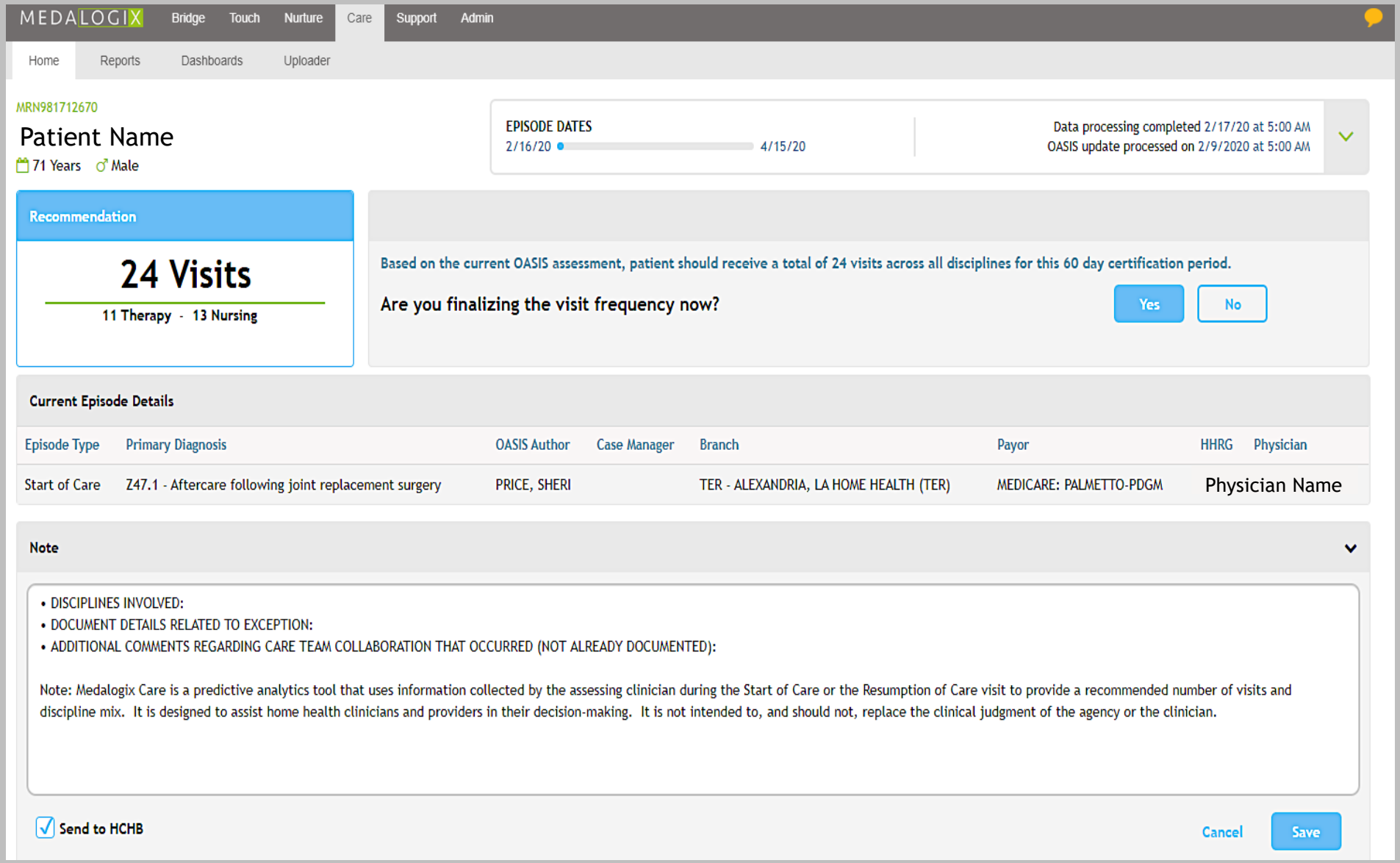
Proactively identifies home health patients who are potentially better suited and eligible for the hospice benefit

Risk stratifies the patient population based on hospitalization risk and utilizes interactive voice response to increase touch points with high risk patients

Recommends a patient-centered visit utilization plan that optimizes care to promote discharge to community without hospitalization

Dedicated Care Management Team provides support via non-visit based interventions

Medalogix Care



How therapy changes at home

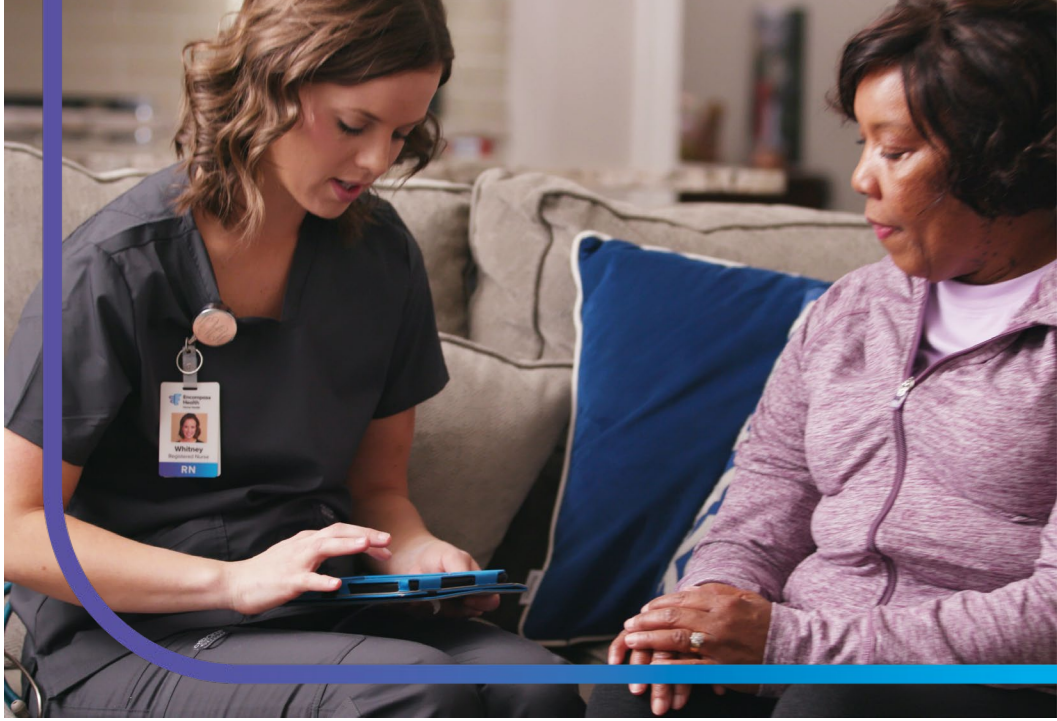
Medicine reconciliation allows us to see what the patient is really taking and train them to take the correct medicines

Therapy is no longer about high-tech equipment but rather about navigating the patient's home and surrounding environment

Teaching and training extends to the caregiver and patient support network

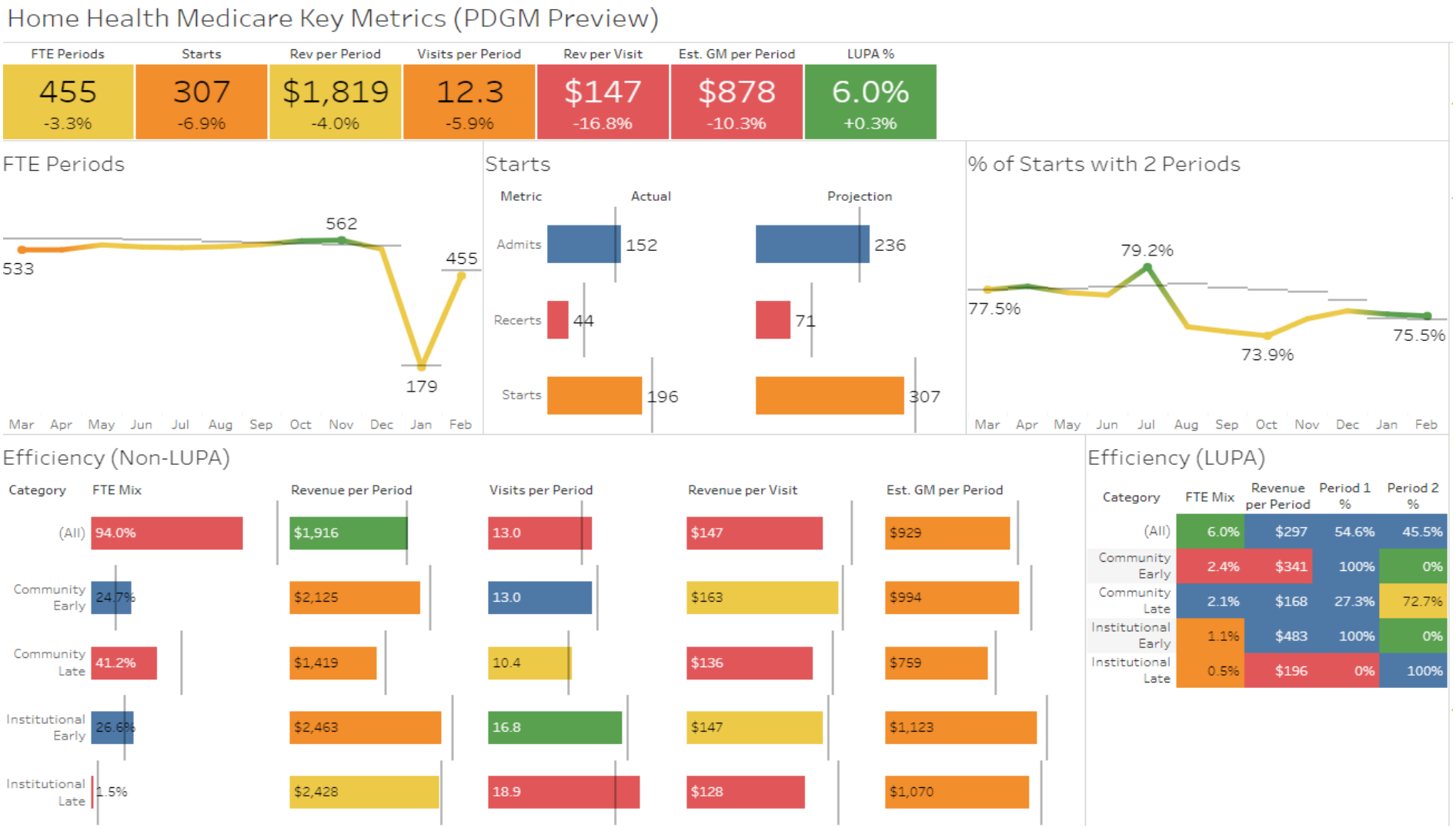
Technology-enabled outcomes

Homecare Homebase is an exceptional tool. We make it more effective by our disciplined use and response to the guidance and information it provides.

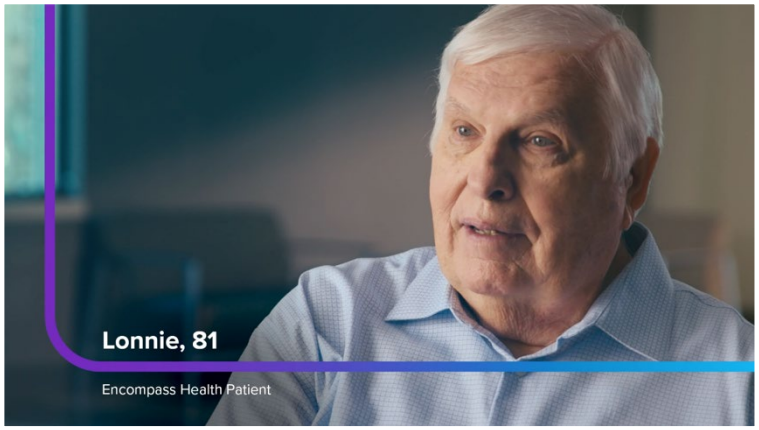


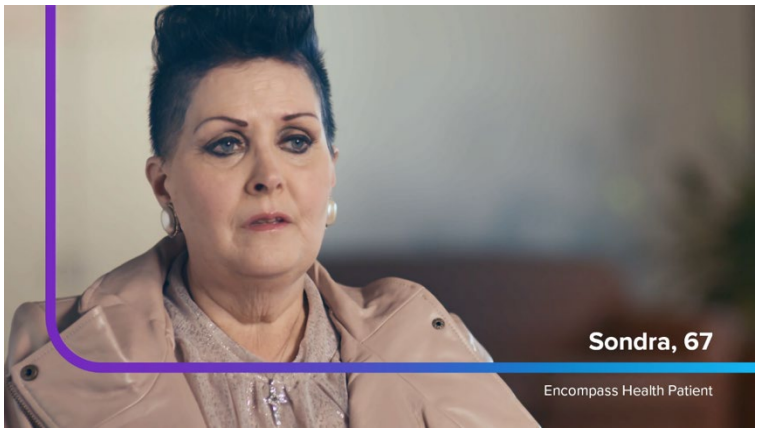
- Produces operational efficiency
- Promotes clinical consistency
- Ensures compliant processes
- Enhances financial opportunity

Real-time dashboard tools in Homecare Homebase



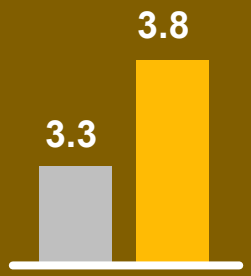
Outcomes





HOME HEALTH QUALITY

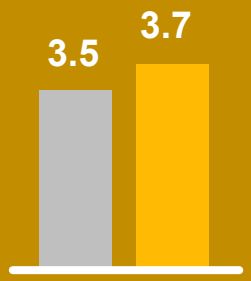
Quality of Care Star Ratings



99% of our home health agencies are **3** Stars or higher;

47% are **4** Stars or higher

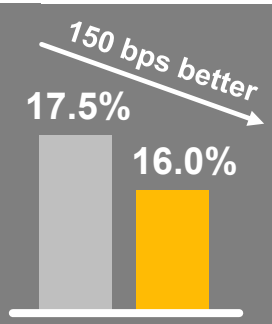
Patient Satisfaction Star Ratings



95% of our home health agencies are **3** Stars or higher;

62% are **4** Stars or higher

30-Day Readmission Rate



Percent of patients readmitted to an acute care hospital.

Lower is better.

National average Encompass Health

Best place to work culture

2020+: Evolving payment models and payor relationships

PDGM requires the combination of accurate coding and assessment, efficient care planning and effective care delivery

RCD will require thorough upfront processes including timely face-to-face and timely document signatures

Expansion in non-Medicare payor relationships

Evolving payment models will benefit providers like EHC and we are already leading the way

Keys to success in Patient-Driven Groupings Model (PDGM)

Focus Area	Need	Result
Referral Documentation	Complete referral information from every referral source	'Whole picture' information for better coding & care planning
Coding & Assessment	Precise information collected in the home	Enhanced ability to care plan and bill for correct reimbursement
Care Planning	Proven evidence-based tools in the hands of clinicians	Individualized care plans for every patient, every episode
Care Delivery	Equipped, passionate caregivers	Best-in-class clinical and patient satisfaction outcomes

2020+ Review Claim Demonstration (RCD)

RCD Changes

Potential delays in cash flow as information is collected and submitted

Significantly reduced risk of post-payment audits on affirmed episodes

Strategies for Success

1

Gather robust, timely referral information (face-to-face documentation)

2

Prompt correction of errors in claims and resubmission for full payment

3

Automated workflow ensuring consistency while minimizing administrative burden

2020+ Growth in non-Medicare payor mix

Our Approach

included **value-based** arrangement concepts since 2019

achieve **desired growth rates** with current payors

acceptable rates & **terms** with all applicable payors

Examples of differentiators

Largest home health participant in the initial BPCI Model 3 & produced **significant savings** in that program

For over 5 years, we have been paid a capitated rate for home health services across multiple markets covering **~70,000 MA lives**

Leading the way in **hospitalization rates** positions us to bring the most value to MA payors by keeping their members safely in their homes.

Hospice

Presented by April Anthony

Overview - Hospice

11th largest provider of Medicare-certified hospice services

77
overlap markets with Encompass Health Home Health

83
Hospice locations

18
States

98%
of revenue is Medicare

~1,900
employees

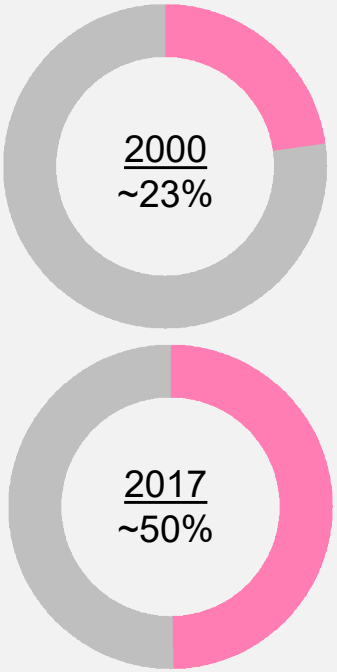
~10,500
admissions

~$200 million
revenues

How we grow

- Demographics and cost efficiency
- Increasing patient and family preference
- Opportunity to serve a larger percentage of Medicare beneficiaries and begin treatment earlier in their end of life process
- Grow the scale of our currently small hospice branches (average branch census ~45)
- Open more de novo locations in our non-overlap markets and leverage infrastructure and reputation
- Continue to participate in industry consolidation

% of Medicare beneficiaries using hospice



Of the 50% who utilized hospice services in 2017, approximately 28% died in the first seven days of care.

Source: MedPAC; www.kff.org

Financial Strategy

Presented by Doug Coltharp

Growth requires investment.

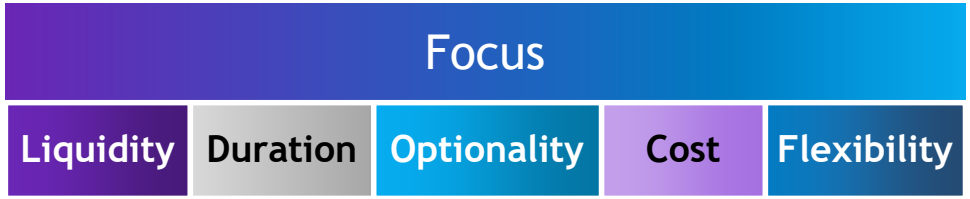
Investment requires funding.

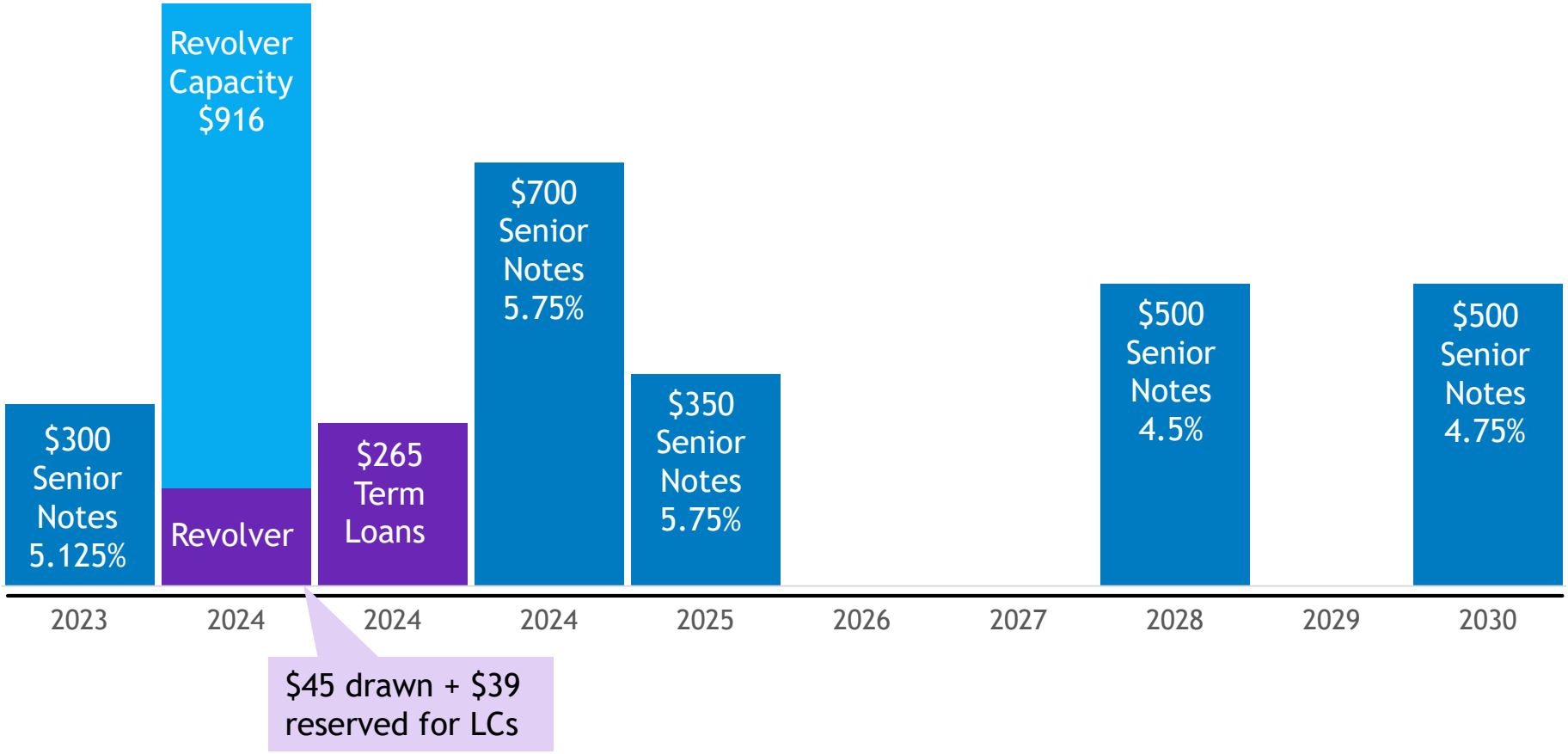
Managing the balance sheet to support our growth

As of December 31, 2019*

Leverage Ratio: 3.2x
Total Liquidity: $1.0 billion

($ in millions)





* This chart does not include ~$384 million of finance lease obligations or ~$45 million of other notes payable.

Managing the balance sheet to support our growth

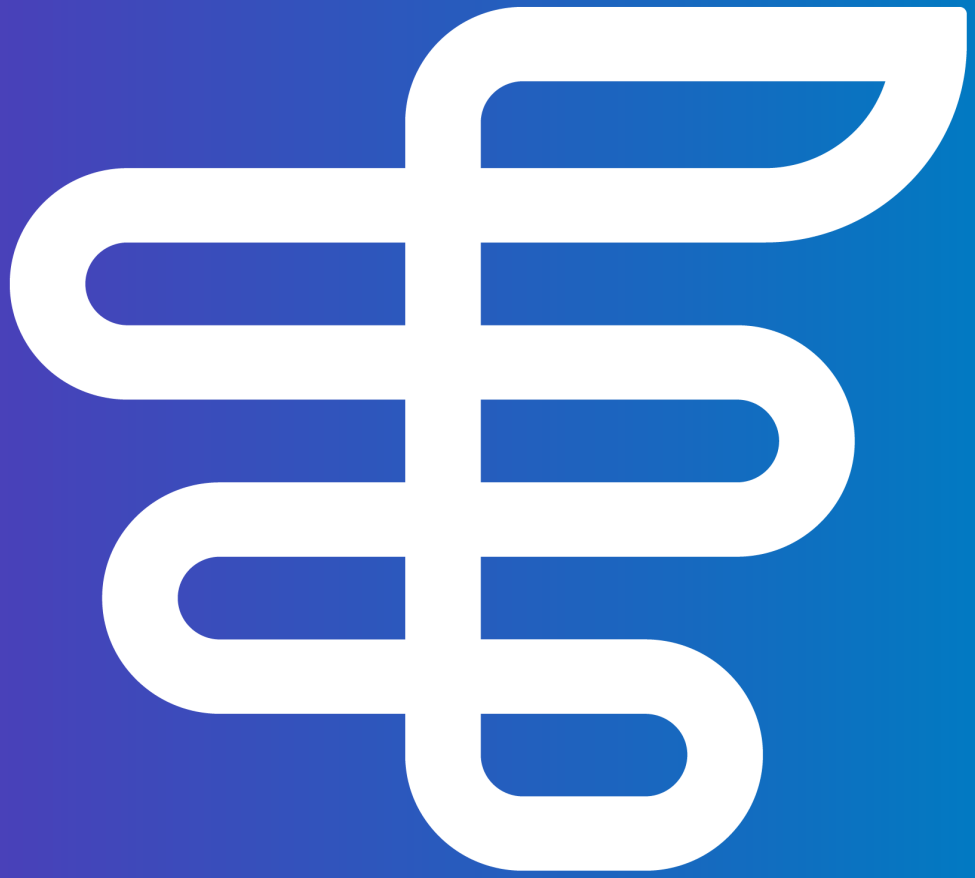
Financial resources

Comparison of YE 2018 to YE 2019

Liquidity	• Increased revolving credit facility from $700M to ~$1.0B
Duration	• Bank credit facilities extended 2+ years • Average remaining maturity of senior notes extended from ~6 years to ~7 years
Optionality	• Exercised call on 2024 senior notes to reduce refinancing risk
Cost	• Both tranches of new senior notes priced below 5.00% • Favorable rate arbitrage on call of 2024 notes
Flexibility	• Enhanced flexibility of bank credit facility covenants

Summary

Presented by Mark Tarr



Key takeaways

Our **integrated care model** produces the high-quality, cost-effective care desired by providers, payors, and patients.

We use **technology** to leverage and enhance our clinical and business processes.

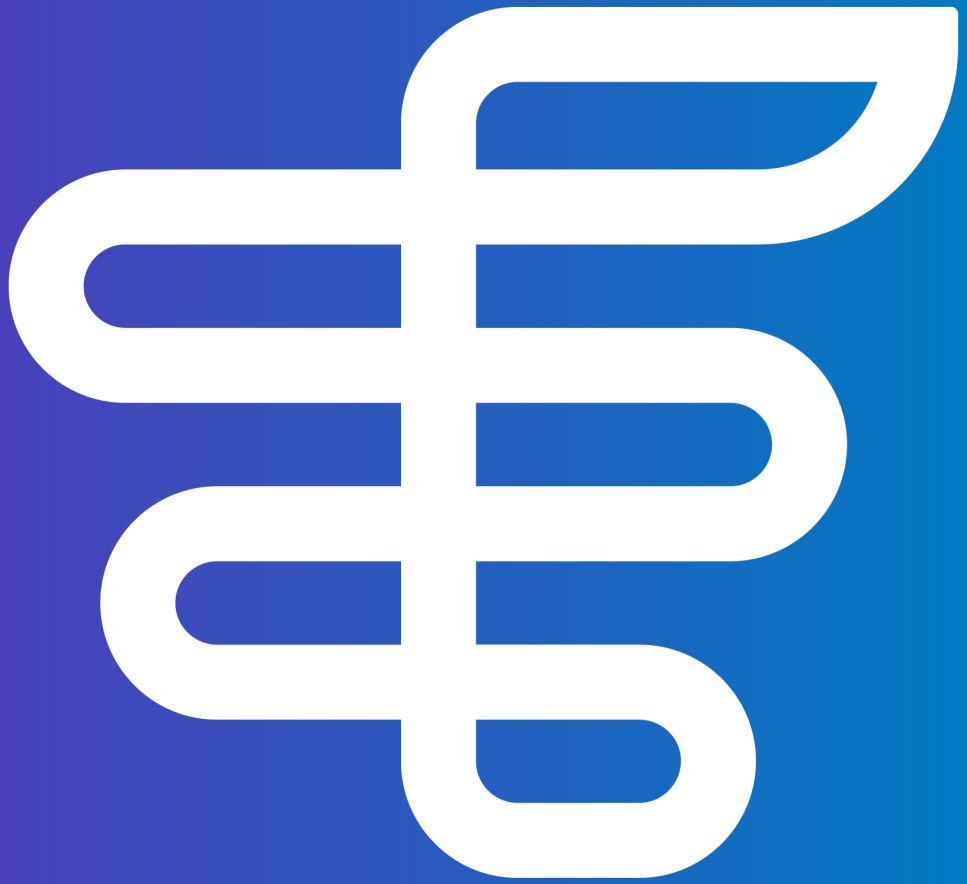
We are executing our **growth strategy** to meet the needs of an aging population.

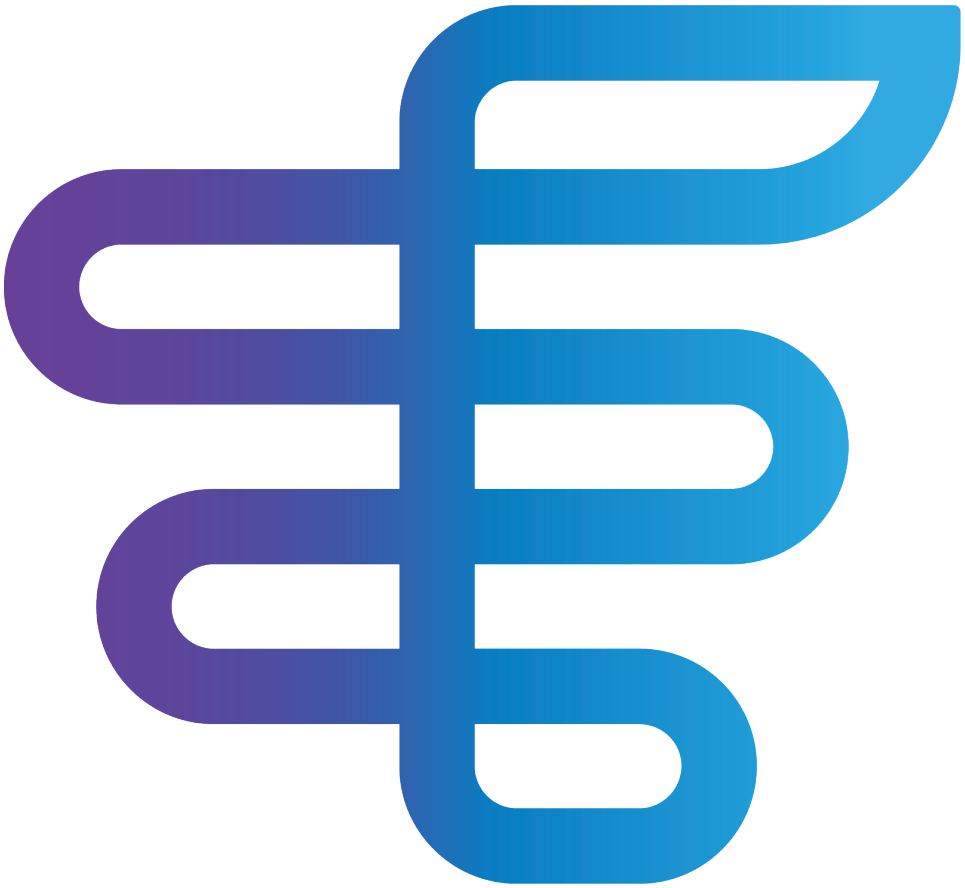
Q&A

Moderated by Crissy Carlisle

Closing Remarks

Presented by Crissy Carlisle





Video

Committed to delivering integrated high-quality, cost-effective care across the healthcare continuum