PARTICIPANTS

Corporate Participants

Mark J. Tarr – President, Chief Executive Officer & Director, Encompass Health Corp.

Other Participants

A.J. Rice – Analyst, Credit Suisse

MANAGEMENT DISCUSSION SECTION

A.J. Rice, Analyst, Credit Suisse

Hi, everyone. Thanks for participating in the Credit Suisse Healthcare Conference again this year. And we're very happy to have with us Encompass Health. Encompass is going to walk through a few slides and then we'll go to Q&A. I'm going to turn it over to President and CEO, Mark Tarr. He's got his whole team there.

I will remind people before they start that if you do want to email me a question, it's aj.rice@credit-suisse.com, and I could ask it on your behalf. That's the mechanism with this virtual conference, and I have plenty of questions as well.

But, Mark, thanks again for participating and I'll turn it over to you.

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

Thanks, A.J. We're delighted to be here today. With me in the room here in Birmingham is Doug Coltharp, our Chief Financial Officer; and Mark Miller, our new Chief Investment Officer (sic) [Chief Investor Relations Officer] (00:01:03), who is very happy to be here in Birmingham today. So it's great to have you all here and thank you for joining us for the Encompass Health presentation. Before I move on to the company overview, I will direct your attention first to the forward-looking statements, the disclosure statements here. And if you get a chance to read that, appreciate it.

Let's move on to the company overview. And many of you may not be familiar with the Encompass Health story, but we are a leading provider in the post-acute sector. We provide the services in two different settings. One is the facility setting with 145 inpatient rehabilitation facilities, and then we have the home base setting with 249 home health locations and 95 hospice locations. We have the wide geographic dispersion coverage in 42 states and we enjoy the reputation as being a high-quality, cost-effective provider in the marketplace, which we take great pride in.

We separate our two service lines or three service lines into two different segments [ph] managed through (00:02:25). Our first segment is the inpatient rehabilitation segment which accounts for about 80% of the company revenues. Typical patients that we would see in an inpatient rehabilitation hospital, the largest patient categories are stroke and neuro, which account for almost 40% of our discharges.

Along with the neuro base, we have hip fractures; we have brain injuries, spinal cord; we have lower extremity joint replacements. Those would all be the typical amputees. Those would be the typical patients that you would see in any of our hospitals.

 Copyright © 2001-2021 CallStreet

From a market share standpoint, we account for 24% of the licensed beds that are in the sector and close to one out of every three Medicare patients that will be treated in an inpatient rehabilitation hospital this year will be treated in an Encompass Health hospital. Mentioned earlier, we have 145 hospitals. 53 of these hospitals operate as a joint venture. It's a business model that we've had a lot of success in.

Our first joint venture started over 30 years ago with Vanderbilt University Medical Center, and it is made up of a wide variety of different acute hospital systems, some faith based, some community based, some large, some small. But, like I said, it's been a business model that has been very successful for us. The typical origin of these partnerships is where you have an acute hospital system that has a rehabilitation unit that they know they haven't fully maximized in terms of growth opportunities and operational expertise. And would reach out to Encompass Health to partner where they would apply the value of their unit to the percentage ownership in a new freestanding rehabilitation hospital. So, like I said, it's been a big part of our business model historically. We're very proud that we've never had one of these partnerships unwind. So we know how to be a good partner.

We also take great pride in the clinical programs we have in our hospitals. And one way that we differentiate ourselves from the marketplace is by having the joint commission come in and survey hospitals for disease-specific certifications. We have 125 of our hospitals hold one or more disease-specific certifications, which is a way to separate us from the pack and the other competitors in the marketplace given the high quality outcomes that we have and the success that we have in providing these high quality services for patients.

The second operating segment is the home-based care for home health as well as hospice. Similar to the hospitals, we have highly developed programs, programs that are most likely to be seen in the home or post-operative patients with patients that are under the fall prevention program as well as chronic disease programs. We have a reputation for our ability to take a higher acuity patient than what you would typically see in the industry. We are also very proud of our outcomes that we are able to achieve in home health. We have 98% of our hospitals – agencies rather – have three stars or higher and in both the quality and the patient satisfaction category.

So that makes up the second segment which accounts for the remainder or about 20% of our revenues. And that is both the home health as well as the growing hospice business line we have, which puts us as a top 8 provider of hospice services in addition to the fourth largest provider of Medicare certified home health services.

We have an ongoing growing demand for our services that is largely driven by the demographic tailwind. It's just a fact that, as we all age and the population ages, the likelihood that they will need rehabilitative services and either an inpatient setting or a home setting increase. And as you can see from the first on the graph on the left, you can see that we have an average age patient of 76.

And you can see the age cohort of which in the table on the right hand side, and you can see the CAGRs for that 75 to 79 age group that is at or right at 5% CAGR for the upcoming years going through 2026. You can also see that every day there are 10,000 additional baby boomers enter Medicare beneficiary age. So this aging population is a large tailwind and increases the ongoing demand for our services as these baby boomers age out.

On December 9 at the end of 2020, the company announced it's exploring strategic alternatives for its home health and hospice business. Seven years ago, we acquired Encompass Home Health and Hospice; and in those seven years, we saw significant growth in those service lines. But, yet, we felt that the investment community was not giving us the benefit of the valuations that we felt applied to that segment.

So the board agreed that we need to look at strategic alternatives. We have been doing that since December of last year. We have reviewed a wide array of options, all with the goal of maximizing shareholder value. We went into this process unbiased with no true thoughts in terms of which direction ultimately we would go.

As part of our recent Q3 earnings call, we did announce that we would be pursuing a full or part separation of our home health and hospice business into an independent public company via a carve-out IPO, spin-off or split-off. We are targeting from a timeframe for this transaction the first half of 2022. It is our goal and we plan for the Q4 earnings call where we would be providing a more precise timing and the form of that separation. So we look forward to being able to provide additional details in the future when we give our Q4 earnings call.

Also on October 27, we announced our Q3 earnings of which in spite of having the COVID surge come up in Q3, we had very solid consolidated financial results. You can see we had 9.4% in a consolidated net offering revenue growth. We had 6.7% consolidated adjusted EBITDA. And the light blue and yellow, there you can see the breakout of our segments, the IRF segment having very strong revenue increase of 12.4% over prior year as well as EBITDA growth of 10.7% growth. Home health and hospice was disproportionately impacted by COVID, which I'll go in a little bit more details [ph] by there (00:11:08).

But as you see here, I think the important takeaway was that we had strong demand in both of our operating segments, including home health. And you can see for the IRFs, we were able to seize the opportunity for that increased demand. We had 8.7% overall discharge growth with 6.7% of that being same-store. So, we think that we benefited from 2020 when we separated ourselves out from other post-acute providers in the marketplace, showing our ability to handle COVID patients and the higher acuity that came with the COVID patients that endeared ourselves to referral sources and to our strong outcomes that we're able to achieve.

And it really kind of became part of the normal business [ph] then (00:12:11) in 2021 when we saw the surge, we never hesitated to be there, whether acute care or referral systems, look to us to take these COVID patients and be able to handle the higher acuity. So, we felt like that drove a lot of this discharge growth that we experienced in the third quarter. We also had strong pricing when you look at the growth in net patient revenue per discharge of 2.4%. That was both due to the increased reimbursement as well as the higher patient acuity.

Now, in addition to home health, the hospitals were not – we weren't able to exempt ourselves from some of the impact on the salary side and the wage inflation side. So, we too had to respond in the marketplace and the shortage of nurses that were out there and some of the support staff that we have to run our hospitals. You can see why our salaries and benefits as a percent revenue increased by 30 bps. And that was primarily due to just higher sign-on shift bonuses. We had higher use of contract labor, particularly within nurses, to meet this patient volume. And then we brought on additional de novo hospitals in the quarter. So, we had pre-opening and ramp-up costs that were associated with the new hospitals that we brought on in Q3.

We were a little more disproportionately impacted on the home health and hospice side. I will point out that we did have a strong increase in the number of referrals. You see that we had 7.3% increase in the Q3 quarter 2021 over 2020. But yet we were – we had staffing constraints due to staff that were out on quarantine. We had experienced a lower occupancy levels in senior living facilities that we have become accustomed to treating patients, as well as we're impacted by the elective procedures that declined significantly due to the surge in COVID.

We estimate that we had lost approximately 2,500 admissions due to the restraints that we had with staffing challenges. And you can see that we also had impacts in other areas of the growth there with acute care hospitals in both episodic as well as the decrease in elective procedures coming out of acute care hospitals. We also saw the cost per visit increased 9.3% due similar to what we

saw in the hospitals. We had higher cost of contract labor and other sign-on bonuses and such to get nurses out there to care for these patients.

So, we've taken aggressive actions to address the needs of the labor and to be able to provide the services to the patients are referred to. As you can see here, we saw some very strong gains in our ability to hire nurses during the quarter. We're very pleased we had a 42% increase from the third quarter of 2020 in our ability to hire nurses. We hired 435 nurses in the third quarter. I'll remind you that on average it takes about 60 days to orient the nurses and get them accustomed to our policies and procedures and really to get them up to the point of full productivity in terms of caring for the patients out in the marketplace.

We also saw that we had 793 employees that had been with us for 60 days or less. So, while we are very pleased that we saw some progress made in our hiring ability, we would certainly think that it will take us a little while to get productivity up to full standards that we would expect after that 60-day time period. But we are very encouraged by where we are in terms of overall talent acquisition. We've recently hired a new director of talent acquisition for our home health offices out in Dallas, and they're making a large impact on this and think it'll better position us going forward than what we've experienced recently.

We've looked at everything, from the schedules that we have for our workers and adopted a more flexible approach to that. We have increased the bonus incentives and also we've taken a look at all the markets that we're in and reviewed where we are on salaries and therefore implement a number of market adjustments well, which will certainly have an impact on our overall cost, but we think [ph] in long run (00:17:48), it's going to help us from a volume perspective.

We did see – here you can see listed at the bottom of the slide, we did see some improving October trends that we noted in our Q3 call. We had the number of quarantined staff continued to decrease from the high of 179 in August down to where we ended up in October. You can see that during Q3, we also saw a number of agencies that we had as high as 85 that had restrictions on volume due to staff limitations, that went down to 50 by October. So, we are starting to see some positive trends that are out there as COVID begins to decline in the marketplace.

And then, we saw the average home health admissions per day up by 14, or 4%, in October compared to September. So, overall, as we saw COVID start to decline, we saw the number of staff that were out on quarantine declined. We started to see the acute care hospitals began to increase their willingness to have elective procedures. And we're proud of the fact – of the progress we've made on hiring nurses.

This slide shows the progression that we've had this year of our overall guidance and you can see where we start out in January on the far left and where we ended up with the revised guidance here in the third quarter on far right. But I'll draw your attention to the first updated guidance in April 27. We got off to a very strong start in the first quarter of business and we increased our guidance in April. We did the same after the second quarter where we felt like we brought a lot of momentum out of Q1 into Q2, increased our guidance in Q2 again.

And then, you can see our revised guidance for most recent on the far right hand side that reflects what we've seen in the marketplace, the impact from COVID, the increased labor costs, and brings in our revised net operating revenue guidance to $5.080 billion to $5.130 billion on the range; adjusted EBITDA of $1.025 billion to $1.045 billion; and then, our EP – adjusted earnings per share of $4.23 to $4.38. So, that's where we ended up for revised guidance, but you can see from the progression here, we had a significant amount of momentum built up in both segments of our business prior to the impact from COVID in Q3.

As you think about the guidance considerations, we've listed them here as well. Won't read through all of these, but you can see that we've listed here what we consider to be the major considerations

relative to pricing, relative to where we see overall cost estimated on the cost per visit as well as overall labor cost.

So, with that, A.J., my closing comments would be that we have a proven track record of ability to operate in challenging operating circumstances. And we think that we have positioned our company well to come through on the other side stronger as we pursue what we consider to be very strong fundamentals – long-term fundamentals in both of our operating segments.

A.J., I'm happy to take some Q&A now.

QUESTION AND ANSWER SECTION

<Q – A.J. Rice – Credit Suisse>: All right. Well, thanks, Mark, and thanks to the team. I guess, as you reiterated at the beginning of the presentation, you guys traditionally don't guide for the next year until you release your fourth quarter results. But at this early date, do you have a sense of what the biggest unknowns, the biggest swing factors and thinking about that outlook for next year are?

<A – Mark Tarr – Encompass Health Corp.>: Well, we look forward to providing additional detail in Q4 relative to guidance for next year. I think we've noted a number of them here relative to considerations that we'll fine tune and think through in greater detail. But clearly, we would believe that the labor wage inflation would be with us for a while. While I think that a number of the factors and drivers on labor costs are transient and will start to improve next year, they're going to be with us for a while. It's very difficult really to pinpoint the timeframe, but we would expect to see some improvement in overall contract labor. We expect to see having the ability to not have so many staff out on quarantine. I pointed out a number of the opportunities and trends that we have on our ability to hire nurses in both segment. So, we would continue to think that the labor would be under pressure a bit.

But on the other side of that, having the decreased impact from COVID certainly the promising front on various trends that we saw in Q3 relative to the COVID surge [ph] our hope (00:23:56) that are behind us and wouldn't be something we would have to face in 2022. So, we think that the long-term fundamentals of our business lines, both operating segments are very strong and have a bright future.

<Q – A.J. Rice – Credit Suisse>: Yeah. No, that's helpful. One of the things now that we've had virtually [ph] most of the – all of (00:24:19) the companies report in the home health space, there seems to be more of an emphasis on talking about nurses out on quarantine as a factor that drove for you was 9.3% revenue per visit increase, as opposed to just the underlying tightness of the market, which may persist for a while. It's really hard given the commentary from the different companies to parse out how much is this nurses out on quarantine a factor in the 9.3% versus the other things which may persist for a while even as the COVID surge abates. Any possibility of getting parse that out a little bit, the 9.3% that you saw in the quarter, how much can you attribute to the quarantine issue versus broader tightening issues?

<A – Mark Tarr – Encompass Health Corp.>: Yeah. A.J., I think that would be a challenge to specifically parse it out. I do – I think it's combination of the two. Like, we went into 2020 and then 2021 COVID itself with a nursing shortage to begin with...

<Q – A.J. Rice – Credit Suisse>: Right.

<A – Mark Tarr – Encompass Health Corp.>: ...and then COVID clearly exacerbated it. So, I think it's clearly a combination of the two. If you think about where we have concentration of our services, if we think about Texas and Florida in the Southeast, in general, we are also in some of the states that had low vaccination rates. So, I think that clearly we were in some of the hotbeds of the surge itself with the population base that had that low vaccination rates. So, we may have seen some of the worst when it came to just having staff out on quarantine.

<Q – A.J. Rice – Credit Suisse>: Okay. And you talked a little bit about the strategic review you've gone through and some of the rationale for that. I mean, it seems like there are two basic reasons to do a strategic review of a segment like your home health segment. One is you feel like there's an arbitrage opportunity the market's just not giving you the valuation credit for that business, and you alluded to that. And then, another is that there are business justifications for why it might be better to have the two businesses separate.

 Copyright © 2001-2021 CallStreet

corrected transcript

I guess, in making this decision, one thing that's been [ph] very volatile (00:26:42) this year is the home health stocks that people would compare Encompass Home Health to and people ask questions, does this lessen your enthusiasm for doing something given what's happened to the peers? If it's all about the arbitrage of the valuation, I could see that it might if it's more about the strategic rationale for having two separate businesses. Any way to talk through that a little bit and what was sort of the driver behind the decision to even go back and think about that?

<A – Mark Tarr – Encompass Health Corp.>: I think it's all of the above. And like I said, we hope to be able to provide additional information and more precise timeframe and the type of separation during our Q4 call. But everything you mentioned were certainly factors in terms of the overall process of evaluating strategic alternatives.

<Q – A.J. Rice – Credit Suisse>: When you think about part of the home health story and if you think about Encompass Home Health as a separate entity is the opportunity for consolidation, a fragmented industry that still has a long way to go on consolidation. One question I've gotten is the management team, people that have done very well by Encompass historically, but they – they're more identified as people coming out of the inpatient rehab space as opposed to the home health. And so, people have asked me, do you think that's an impediment in their ability to capture all the opportunities in the home health space given some of the other guys and other companies and people that have been in that role for a long time and at least in theory have built up a pipeline of deals of potential acquisition targets they're tracking. Any response to that or comment on that?

<A – Mark Tarr – Encompass Health Corp.>: Yeah, A.J., I don't think it will be an impediment. I think that we'll have plenty of opportunities to see the growth and we've had – for a number of years, we've had the $50 million to $100 million in acquisitions for home health that targeted. And I think that we'll absolutely be well positioned under their leadership to continue on with the growth going forward. So, I do not see that impediment. I have a great deal of confidence in the team that's there. It's a team that is made up of new as well as existing team members that have been out there working for us there in Dallas for a number of years.

<Q – A.J. Rice – Credit Suisse>: Yeah. And I'm not going to ask you to comment on the litigation itself with the founder and former head of your home health business. But some of the press reporting has sort of suggested the concern about employer – employee poaching and takeaways. Can you just tell us – again, putting aside the litigation and everything about that, but has the Encompass Home Health business lost any – many significant managers that you weren't anticipating losing?

<A – Mark Tarr – Encompass Health Corp.>: Yeah, A.J. So, what we put out there was that we had five senior managers that were impacted by this. And we feel that we've got it constrained right now and we filed suit so that it doesn't happen again.

<Q – A.J. Rice – Credit Suisse>: Okay. Okay. And going down the organization, there hasn't been a significant attrition beyond those five senior managers?

<A – Mark Tarr – Encompass Health Corp.>: Well, where it did occur [ph] when in (00:30:32) the process of backfilling and we've done a great job under Barb Jacobsmeyer's leadership out there and rallying that team, they have really responded well to her leadership. Crissy Carlisle is out there as well and working as the Chief Financial Officer for that segment. So, I am very impressed with the way that team has pulled together and working collaboratively. And I mentioned earlier, the new hire for talent acquisition is just one of the new members of the team out there that are making contribution. So, I've got a lot of confidence in that team out there going forward that they can overcome the impacts that they felt here in the near term.

 Copyright © 2001-2021 CallStreet

<Q – A.J. Rice – Credit Suisse>: Okay. A couple of e-mail questions have come in here, one more since I was asking you about the home health business and the transaction. This person is asking, any chance you can ask them why are they not selling the business? So, I guess, you took selling off the table with the third quarter release and you're saying IPO, split-off, or spin-off. So, why is selling off the table, if there's anything to say about that? And they're also asking, how are you going to decide whether a spin-off or a split-off or an IPO? What is the gating factor there, in your mind?

<A – Mark Tarr – Encompass Health Corp.>: The gating factor will be what the board feels like is in the best interest of the shareholders, and we made the determination in terms of reviewing the alternatives, and it's been with a great deal of help from the advisors, internal review. Like I said, we were not biased when we went into this process that we would be focused on what was providing long-term best interest for the shareholders. So that's where we'll continue to focus and, like I said, hope to provide more information in terms of the precise timing and the type of structure in the Q4 earnings call.

<Q – A.J. Rice – Credit Suisse>: Okay. Someone's asking me, given the 5% growth in core demographics, should we anticipate 5% same facility IRF volume growth?

<A – Mark Tarr – Encompass Health Corp.>: Well, as you can see, we saw the discharge growth in the most recent quarter, which we're very enthused by.

<Q – A.J. Rice – Credit Suisse>: Right.

<A – Mark Tarr – Encompass Health Corp.>: We have both strong same store as well as the new de novo growth with eight hospitals we brought on this year, and we'll have 12 already scheduled for next year. So we're very enthusiastic about the trends and the sustainable trends in volume growth due in part to the demographic tailwind that we exhibited earlier.

<Q – A.J. Rice – Credit Suisse>: Right. This person is asking IRF segment level EBITDA margins are running plus or were running 25%-plus before the pandemic. Do you see long-term margins getting back to that level? What structural impact do you see labor cost having? It sounds like it's more in the home health than the IRF, but there's some in the IRF, I guess. Do you still have the opportunity to enhance labor productivity per bed and how much will reimbursement rates reset the higher labor costs? So a lot of things there, but what have you got?

<A – Mark Tarr – Encompass Health Corp.>: Yeah, a lot of things there. Medicare through the wage index does have a means of and is obligated to respond to the increase in labor cost over time. There is a lag on those adjustments, but eventually they will be incorporated into the formula for the wage index factors each year in terms of our reimbursement. So I do think that that will present an opportunity to recapture some of the wage increases that we've seen. It's really unclear in terms of the timing on that and how that will roll out.

<Q – A.J. Rice – Credit Suisse>: Right. Okay. I've got some questions in the last week or so about the de novo strategy for the IRF business, the opportunity that presents. I think, at one point, you talked about 15% IRR at one of the Investor Days a year or two ago. Has the dynamic around construction costs or supply chain issues in any way change the economics of that? Anything you can say about that?

<A – Mark Tarr – Encompass Health Corp.>: We're still very positive on the economics of our de novo opportunities. And if you think about not only the fact when you build the 40 or 50 bed hospital that we've been doing the most common footprint of our de novo. But then the bed additions that you do subsequently that we've shown, the 100, 150 new beds we're adding onto those hospitals typically with in – in many cases, within the first four, five years, you start to see those returns be

 Copyright © 2001-2021 CallStreet

corrected transcript

very positive, particularly with the bed additions where you're not taking on additional land costs or pharmacy costs or in the infrastructure typically within the hospital.

So, yes, the economics are very favorable. We're continuing to be very positive. In spite of actually having some increase in terms of our construction cost, it has not been to the extent that it deters our thoughts in terms of the economics and the economic benefit of our de novo program.

<Q – A.J. Rice – Credit Suisse>: One of the things about that JV dynamic is obviously acute care hospitals and what's going on with them. Would you say the pandemic has led to more discuss – are you doing a lot? Is the pandemic leading to more hospitals considering working with you or less or about the same?

<A – Mark Tarr – Encompass Health Corp.>: I'll say it's – I think our discussions have actually increased. I think that, as I noted earlier, this has been a successful business model that we've had for over 30 years. And so there are plenty of references for us to enlist the help of in terms of saying what kind of partnership we are. But I think acute care hospitals are clearly seeing that they can't be all things, that they have to narrow their focus in terms of what they want to put their own capital into and [indiscernible] (00:37:29) post-acute in general is an area that many of them want to have a presence, but know they may have some limitations in pursuing that. So it presents a great opportunity for us.

I do think COVID itself has shown what kind of provider we can be and the quality outcomes that we can get with a very challenging patient mix. So I think, if anything, it has helped position us to take advantage of joint venture partnerships in the future. And you've seen some of these come through. And even this year, with one of the – one being example the Piedmont health system over in Georgia. We've had a number of new partnerships in new states that we've announced and have brought online in the past couple of years.

So we're excited about the joint venture opportunities. It's not the only way that we do de novo growth. We've got 100% wholly-owned hospitals as well, particularly when you look down the state of Florida and the growth we have down there. But it is an opportunity for us to continue to develop and grow our hospitals.

<Q – A.J. Rice – Credit Suisse>: Right. I have somebody asking about the vaccine mandate and where you are in that rolling through. Some companies are in states where they've already mandated; New York. I don't think you have any exposure to New York. And then there's other states like Texas, which you have a significant presence in which is fighting over implementing in Florida a mandate. Where do we stand with that? Do you have a sense of how many of your employees are vaccinated at this point and how big an issue do you think that will be?

<A – Mark Tarr – Encompass Health Corp.>: Yeah. So we continue to look at the details of the president's mandate, came out last week from CMS, and refine the details of our stance here. Obviously, we will comply with the mandate. We continue to urge our staff to receive the vaccination. We continue to see our own vaccination percentage go up every week. We're in the low-60s on home health and hospice and we're right at 77% non-pool staff in our hospitals. So we continue to improve that. We have marketplaces and partners that have mandated the vaccine.

Our partner in St. Louis with BJC is a prime example of that where they mandated it. And as the due date or the mandate neared, they saw a significant increase in their own staff go and get the vaccination. So I do think that we'll see, now that it's clear that this is the direction it's headed, we do expect to see a higher percentage of our staff go out and get the vaccination. But, A.J., we will have a percentage of our staff that decide that they're going to leave the health care practice because they don't want to get vaccinated. So that's unavoidable and we'll have to deal with that and offset that with new staff where that occurs.

<Q – A.J. Rice – Credit Suisse>: Yeah, maybe one last question. The market got encouraged last week. We'll see how it plays out. But with this news that Pfizer might have a therapeutic for the vaccine, whether it's that drug or some other drug that came down the pike, if there were to be a drug, hypothetically, that January 1 wiped out COVID, how would that change the way you're thinking about 2022? You haven't given us a formal 2022, but would it make it materially better, marginally better, you probably think about it the same way?

<A – Mark Tarr – Encompass Health Corp.>: Well, I think anything that lessens the risk of COVID and, ultimately, lessens the stress on our healthcare system is going to be a positive. And I think that you would – there clearly have been nurses that have said, hey, I'm just going to stand on the sideline for a while until this COVID crisis passes. You have seen just the general public's reluctance to access healthcare, particularly last year, just due to fear of COVID. So anything that can lessen the risk, certainly, lessen than the likelihood of hospitalization and, ultimately, reduce the number of deaths from COVID is going to be a positive thing, I think, in all areas of healthcare.

A.J. Rice, Analyst, Credit Suisse

Right. Well, once again, I really appreciate Encompass participating this year. Mark, Doug and Mark, thanks for doing this, and we look forward to keeping in touch. But appreciate you guys participating again this year.

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

Thanks, A.J. We appreciate the opportunity.

A.J. Rice, Analyst, Credit Suisse

Take care.

Unverified Participant

Thank you.

A.J. Rice, Analyst, Credit Suisse

Bye.

corrected transcript

Disclaimer
The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2021. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.