HealthSouth Acquires CareSouth Home Health and Hospice Agency Operations

PR Newswire
BIRMINGHAM, Ala.

BIRMINGHAM, Ala., Nov. 2, 2015 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS), a leading provider of post-acute healthcare services, today announced its Encompass Home Health business unit has completed its previously announced acquisition of the home health and hospice agency operations of CareSouth Health System, Inc. for a cash purchase price of approximately $170 million. CareSouth operates a portfolio of 45 home health and hospice locations in seven states. HealthSouth funded the transaction with cash on hand and borrowings under its senior secured credit facility.

"The acquisition of CareSouth provides new locations in five certificate of need states and additional market share for Encompass in Florida and Virginia," said April Anthony, Chief Executive Officer of Encompass. "Of the 45 new home health locations provided by this acquisition, fourteen of these will overlap with existing HealthSouth inpatient rehabilitation hospitals. The addition of these locations will provide HealthSouth and Encompass with the capacity to better serve the post-acute needs of patients in those markets by offering a continuum of care that includes both facility-based and home-based post-acute services."

About HealthSouth
HealthSouth is one of the nation's largest providers of post-acute healthcare services, offering both facility-based and home-based post-acute services in 34 states and Puerto Rico through its network of inpatient rehabilitation hospitals, home health agencies, and hospice agencies. HealthSouth can be found on the Web at www.healthsouth.com.

FORWARD-LOOKING STATEMENTS
Statements contained in this press release, such as the impact and effects of the CareSouth acquisition, are forward-looking statements. In addition, HealthSouth, through its senior management, may from time to time make forward-looking public statements concerning the matters described herein. All such estimates, projections, and forward-looking information speak only as of the date hereof, and HealthSouth undertakes no duty to publicly update or revise such forward-looking information, whether as a result of new information, future events, or otherwise. Such forward-looking statements are necessarily estimates based upon current information, involve a number of risks and uncertainties, and relate to, among other things, future events, HealthSouth's business strategy, its financial plans, its future financial performance, its projected business results or model, its ability to return value to shareholders, its projected capital expenditures, its future tax benefits, or its acquisition activities and opportunities. Actual events or results may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors which could cause actual events or results to differ materially from those estimated by HealthSouth, and in turn affect the value of HealthSouth's securities, include, but are not limited to, the accuracy of the representations made by CareSouth in connection with the acquisition; any adverse outcome of various lawsuits, claims, and legal or regulatory proceedings that have been or may be brought by or against HealthSouth, including its pending DOJ and HHS-OIG investigations as well as those related to yet undiscovered issues, if any, at CareSouth; the ability to ultimately realize anticipated tax benefits; the ability to successfully integrate CareSouth consistent with HealthSouth's growth strategy, including realizing of anticipated revenues and cost savings, minimizing the negative impacts on margins arising from the changes in staffing and other operating practices, and avoiding

of unforeseen exposure to liabilities; changes in HealthSouth's management team; changes in the regulation of the healthcare industry broadly or in the inpatient rehabilitation segment specifically at either or both of the federal and state levels; competitive pressures in the healthcare industry broadly or in the inpatient rehabilitation segment specifically and HealthSouth's response thereto; potential disruptions, breaches, or other incidents affecting the proper operation, availability, or security of HealthSouth's information systems, including the unauthorized access to or theft of patient or other sensitive information as well as unforeseen issues, if any, related to integration or transition of information systems in Reliant hospitals; the ability to attract and retain nurses, therapists, and other healthcare professionals in a highly competitive environment with often severe staffing shortages and the impact on HealthSouth's labor expenses from potential union activity and staffing shortages; changes, delays in (including in connection with resolution of Medicare payment reviews or appeals), or suspension of reimbursement for services by governmental or private payors; general conditions in the economy and capital markets; and other factors which may be identified from time to time in HealthSouth's SEC filings and other public announcements, including HealthSouth's Form 10-K for the year ended December 31, 2014 and Form 10-Q for the quarters ended March 31, 2015, June 30, 2015, and September 30, 2015.

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