



News Release

Encompass Health expands in Montgomery County, Texas, with first small-format hospital, replacement hospital

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BIRMINGHAM, Ala., and CONROE, Texas, Sept. 24, 2026 /PRNewswire/ -- Encompass Health Corp. (NYSE: EHC) today announced plans to expand inpatient rehabilitation capacity in the greater Houston area through two projects in Montgomery County, Texas: the Company's first small-format inpatient rehabilitation hospital in Conroe and a replacement hospital for its existing inpatient rehabilitation hospital in The Woodlands.

The 24-bed Conroe hospital will operate as a satellite location of Encompass Health Rehabilitation Hospital of The Woodlands, bringing specialized inpatient rehabilitation care closer to patients in Conroe and surrounding communities. The hospital is expected to open in late 2027.

The Conroe project marks the Company's first small-format inpatient rehabilitation hospital, a new development model designed to complement its traditional hospitals and extend care into growing communities. Small-format hospitals will operate in connection with an existing Encompass Health hospital, allowing them to leverage established resources and expertise while expanding the Company's reach within a market. The model provides Encompass Health with an additional avenue to meet growing demand for inpatient rehabilitation services and bring specialized care closer to more patients.

"We are excited to strengthen our ability to serve patients throughout the greater Houston area while expanding our existing footprint," said Craig Funk, group president of Encompass Health's Southwest region. "By opening our first small-format hospital in Conroe, we will increase access to high-quality inpatient rehabilitation care closer to home for patients in communities north of Houston. This new model allows us to extend the reach of our existing hospital into growing communities while maintaining the high standards of care patients expect from Encompass Health."

In addition, Encompass Health plans to construct a new 60-bed replacement hospital on the existing Woodlands campus. The modern facility will feature all private patient rooms and enhanced amenities designed to support recovery. Construction is planned to allow the existing hospital to continue serving patients without interruption. The replacement hospital is expected to open in 2029.

"We are making a significant investment in our longstanding presence in The Woodlands through a new, state-of-the-art replacement hospital that will enhance the patient experience for years to come," said Funk. "Together, these two projects demonstrate our commitment to both strategic growth and continued investment in the communities we serve."

Both hospitals will serve patients recovering from major illnesses and injuries, including stroke and other neurological conditions, brain and spinal cord injuries, amputations and complex orthopedic conditions. Patients will receive 24-hour nursing care and physical, occupational and speech therapy from an interdisciplinary team of specialized nurses, therapists and physicians to help restore function and improve quality of life.

About Encompass Health

Encompass Health (NYSE: EHC) is the largest owner and operator of inpatient rehabilitation hospitals in the United States. With a national footprint that includes 177 hospitals in 39 states and Puerto Rico, the Company provides high-quality, compassionate rehabilitative care for patients recovering from major injuries or illnesses, using advanced technology and innovative treatments to maximize recovery. Encompass Health is recognized by Newsweek as America's Most Awarded Leader in Inpatient Rehabilitation and is ranked among Fortune's World's Most Admired Companies™ and Forbes' America's Best Companies. It is also recognized by Becker's Healthcare and Modern Healthcare as a top healthcare employer. For more information, visit encompasshealth.com and follow us on our [newsroom](#), [X](#), [Instagram](#) and [Facebook](#).

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Forward-looking statements

Statements contained in this press release that are not historical facts, such as those relating to the likelihood, timing and effects of the completion of hospital projects, are forward-looking statements. In addition, Encompass Health 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 Encompass Health 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 and involve a number of risks and uncertainties. Actual outcomes 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 that could cause actual results or events to differ materially from those anticipated include, but are not limited to, any adverse outcome of various lawsuits, claims and legal or regulatory proceedings that may be brought by or against the Company; the possibility that any project will experience unexpected delays; the ability to successfully complete any project consistent with Encompass Health's growth strategy, including development and maintenance of relationships with referral sources; disease outbreaks, including the speed, depth, geographic reach and duration of the spread; the actions to be taken by Encompass Health in response to disease outbreaks; changes in the regulation of the healthcare industry at either or both of the federal and state levels; competitive pressures in the healthcare industry and Encompass Health's response thereto; any prospective hospital's ability to attain and maintain proper local, state and federal licensing and permitting; potential disruptions, breaches or other incidents affecting the proper operation, availability or security of the information systems of Encompass Health, its vendors or its partners; Encompass Health's ability to attract and retain nurses, therapists and other healthcare professionals in a highly competitive environment with often severe staffing shortages; changes, delays in, or suspension of reimbursement for Encompass Health's services by governmental or private payors; general conditions in the economy and capital markets; and other factors that may be identified from time to time in Encompass Health's SEC filings and other public announcements, including Encompass Health's Form 10-K for the year ended Dec. 31, 2025, and Forms 10-Q for the quarters ended March 31, 2026, and June 30, 2026.

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