

HEALTHSOUTH Receives Notification of First PPS Payments

PRNewswire

BIRMINGHAM, Ala., Jan. 22 /PRNewswire-FirstCall/ -- HEALTHSOUTH Corporation today announced that it has received notification of payment on the first ten claims submitted under the new Prospective Payment System (PPS) for inpatient rehabilitation. The total payment on these initial claims is identical to the expected payment predicted by HEALTHSOUTH's internal PPS payment model.

Richard M. Scrushy, Chairman of the Board and Chief Executive Officer of HEALTHSOUTH, said, "We are very pleased that the first PPS payments are exactly what we expected, validating the accuracy of our internal claims model. These payment notifications confirm that HEALTHSOUTH's analysis of PPS reimbursement rates has been right on. We have no reason to think that these initial claims are unique, and we fully expect that future payments will continue to support the positive PPS impact to earnings that we have previously projected. We remain comfortable with our 2002 earnings per share guidance of \$1.14, which represents a 39% increase over consensus estimates for 2001."

HEALTHSOUTH is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, with over 1,900 locations in all 50 states, the United Kingdom, Australia, Canada and Puerto Rico. HEALTHSOUTH can be found on the Web at <http://www.healthsouth.com/>.

Statements contained in this press release which are not historical facts are forward-looking statements. Without limiting the generality of the preceding statement, all statements in this press release concerning or relating to estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results 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. Such forward-looking statements are necessarily estimates reflecting the best judgment of HEALTHSOUTH's senior management based upon current information, involve a number of risks and uncertainties and are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. HEALTHSOUTH's actual results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors, including those identified in this press release and in the public filings made by HEALTHSOUTH with the Securities and Exchange Commission, including HEALTHSOUTH's Annual Report on Form 10-K for the year ended December 31, 2000, and its Quarterly Reports on Form 10-Q, and forward-looking statements contained in this press release or in other public statements of HEALTHSOUTH or its senior management should be considered in light of those factors. There can be no assurance that such factors or other factors will not affect the accuracy of such forward-looking statements.

For more information, contact Richard M. Scrushy, Chairman & CEO, or Tadd McVay, Executive Vice President and Treasurer, at 205-967-7116.

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SOURCE: HEALTHSOUTH Corporation

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