

HealthSouth, CIGNA Healthcare Expand Agreement

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HealthSouth Corporation (OTC Pink Sheets: HLSH) announced today that it has entered into a multi-year national agreement with CIGNA HealthCare in which HealthSouth will provide outpatient physical therapy, occupational therapy and speech therapy to CIGNA HealthCare members in existing and additional locations under a simplified contract.

The agreement, effective November 15, 2003, consolidates existing multiple arrangements into one three-year contract and adds more than 130 new HealthSouth locations to the CIGNA HealthCare network of participating providers. The agreement will not be applicable in states where CIGNA HealthCare contracts with other providers on a sole source basis. Financial terms of the agreement were not disclosed.

"In addition to continuing our strong relationship with CIGNA HealthCare in previously established markets, HealthSouth now will be able to provide services to CIGNA HealthCare members in new locations," said HealthSouth Interim Chief Executive Officer Bob May. "In turn, CIGNA HealthCare's network of therapy service providers will expand through increased access to HealthSouth facilities."

The contract illustrates the commitment of both organizations to provide access to quality, cost-effective health care services across the country. HealthSouth and CIGNA HealthCare have already worked closely to increase administrative efficiencies, which has resulted in improved accuracy in billing and the payment of claims.

"With this new agreement, we've standardized our contract to enhance efficiency and, at the same time, we've expanded our network of participating providers," said Bill Lamoreaux, senior vice president of contracting for CIGNA HealthCare. "This will result in more choices and flexibility for our members and greater administrative ease for CIGNA HealthCare."

About CIGNA HealthCare

CIGNA HealthCare, headquartered in Bloomfield, Connecticut, provides medical benefits through managed care and indemnity health care plans to approximately 11.8 million people, dental coverage to approximately 12.2 million, behavioral health coverage to approximately 14.3 million, and pharmacy benefits to approximately 9.2 million. "CIGNA HealthCare" refers to various operating subsidiaries of CIGNA Corporation. Products and services are provided by these operating subsidiaries and not by CIGNA Corporation.

About HealthSouth

HealthSouth is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, with nearly 1,700 locations nationwide and abroad. HealthSouth can be found on the Web at www.healthsouth.com.

Statements contained in this press release which are not historical facts 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 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. While it is impossible to identify all such factors, factors which could cause actual results to differ materially from those estimated by HealthSouth include, but are not limited to: the investigations by the Department of Justice and the Securities Exchange Commission into HealthSouth's financial reporting and related activity calling into question the accuracy of the Company's previously filed financial statements; HealthSouth's statement that as a result of the investigations, the Company's previously filed financial statements should no longer be relied upon and may result in the Company restating its prior financial statements; the withdrawal by HealthSouth's former accountants of their audit reports on all of the Company's previously filed financial statements; the outcome of pending litigation relating to these matters; significant changes in HealthSouth's management team; HealthSouth's ability to successfully amend, restructure and/or renegotiate its existing indebtedness or cure or receive a waiver of the events of default under such agreements, the failure of which may result in HealthSouth filing a voluntary petition for bankruptcy; HealthSouth's ability to continue to operate in the ordinary course and manage its relationships with its creditors, including its lenders, bondholders, vendors and suppliers, employees and customers; changes, delays in or suspension of reimbursement for HealthSouth's services by governmental or private payors; changes in the regulation of the healthcare industry at either or both of the federal and state levels; changes to or delays in

the implementation of the prospective payment system for inpatient rehabilitation services; competitive pressures in the healthcare industry and HealthSouth's response thereto; HealthSouth's ability to obtain and retain favorable arrangements with third-party payors; general conditions in the economy and capital markets; and other factors which may be identified from time to time in the Company's SEC filings and other public announcements.

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SOURCE: HealthSouth Corporation

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Web site: <http://www.healthsouth.com/>

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