

HealthSouth Corporation Accepts Unsolicited Offer to Purchase Its Hospital in Baton Rouge

PRNewswire-FirstCall
BIRMINGHAM, Ala.

HealthSouth Corporation today announced it has signed an agreement to divest HealthSouth Rehabilitation of Baton Rouge, La., to Baton Rouge Rehabilitation Hospital, LLC. The divestiture is expected to be completed on January 29, 2010.

"The situation in Baton Rouge is unique," said Linda Wilder, HealthSouth's Regional President. "The rehabilitation market in Baton Rouge is over-bedded and the hospital, although profitable, was underperforming financially when compared to the portfolio of hospitals HealthSouth owns and operates. Ultimately, we determined it was in the company's best interest to monetize this asset and redeploy the capital in other markets."

There will be no interruption of patient care during the transition to the new ownership and HealthSouth will continue to serve patients through its other hospitals in the state including, HealthSouth Rehabilitation Hospital of Alexandria and HealthSouth Specialty Hospital of North Louisiana, a long-term acute care hospital.

As a result of this transaction, HealthSouth Rehabilitation Hospital of Baton Rouge is expected to be classified as discontinued operations in Q4 2009. The operating results for this hospital include a \$4 million impairment charge recorded in the third quarter of 2009.

About HealthSouth

HealthSouth is the nation's largest provider of inpatient rehabilitative healthcare services. Operating in 26 states across the country and in Puerto Rico, HealthSouth serves patients through its network of inpatient rehabilitation hospitals, long-term acute care hospitals, outpatient rehabilitation satellites, and home health agencies. HealthSouth strives to be the nation's preeminent provider of inpatient rehabilitative healthcare services and can be found on the Web at www.healthsouth.com.

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