

Baptist Health to Acquire HealthSouth Doctors' Hospital

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CORAL GABLES, Fla. and BIRMINGHAM, Ala.

Baptist Health South Florida and HealthSouth Corporation (OTC Pink Sheets: HLSH) announced today that they have reached a definitive agreement for Baptist Health to purchase HealthSouth Doctors' Hospital, a 281- bed acute care hospital located in Coral Gables, Fla. The transaction is subject to normal closing conditions, including satisfaction of requirements under the Hart-Scott Rodino Antitrust Improvements Act and applicable state laws, and is currently expected to close within 60 days.

"We are delighted to add Doctors' Hospital to the group of outstanding hospitals and healthcare facilities operated by Baptist Health," said Brian E. Keeley, president and chief executive of Baptist Health South Florida. Baptist Health, headquartered in Coral Gables, is a faith-based, not-for-profit organization that includes Baptist Hospital, Baptist Children's Hospital, South Miami Hospital, Homestead Hospital, Mariners Hospital in Tavernier and Baptist Outpatient Services.

Joel C. Gordon, Interim Chairman of HealthSouth, said, "Doctors' Hospital has earned an excellent reputation in South Florida throughout the years, built on outstanding patient care and dedication to the community. We are pleased that Doctors' Hospital will become an important part of Baptist's well-regarded integrated healthcare delivery system in South Florida. For HealthSouth, we believe that this decision will strengthen our financial position, helping to ensure the long-term viability and financial success of the company as we move forward with our restructuring."

Included in the transaction are the hospital facility, parking garage, home health agency and physician office building. Under the agreement, Baptist Health is purchasing the assets of Doctors' Hospital, but not assuming its liabilities.

"Our objective is to extend our not-for-profit mission to Coral Gables," Keeley said. He said that Baptist Health intends to maintain and expand the services offered at Doctors Hospital. "Our track record speaks for itself," he said. He noted that Baptist Health has improved facilities and services in its earlier acquisitions of South Miami, Homestead and Mariners Hospitals. Baptist Health has just embarked on a \$130 million expansion and renovation of South Miami Hospital; it built a new hospital and outpatient center for Mariners Hospital; and will begin construction soon on a hospital to replace Homestead Hospital.

Keeley said Baptist Health will finance the Doctors' Hospital transaction with a combination of cash and debt.

HealthSouth is the nation's largest provider of outpatient surgery, diagnostic imaging and rehabilitative healthcare services, with nearly 1,700 locations in all 50 states and abroad. HealthSouth can be found on the Web at www.healthsouth.com.

Baptist Health South Florida is the largest not-for-profit healthcare organization in the region. It includes Baptist Hospital, Baptist Children's Hospital, South Miami Hospital, Homestead Hospital, Mariners Hospital, Miami Cardiac & Vascular Institute and Baptist Outpatient Services. Baptist Health has more than 9,100 employees and about 1,600 physicians on the medical staff.

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SOURCE: HealthSouth Corporation

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