

Encompass Health announces definitive agreement to acquire assets of Frontier Home Health and Hospice

BIRMINGHAM, Ala. and DALLAS, April 26, 2021 /PRNewswire/ -- Encompass Health Corp. (NYSE: EHC), a national leader in post-acute care, today announced it has entered into a definitive agreement to purchase the home health and hospice assets of Frontier Home Health and Hospice in Alaska, Colorado, Montana, Washington and Wyoming.

The transaction is expected to close in the second quarter of 2021, subject to certain customary closing conditions and regulatory approval. At closing, nine home health and 11 hospice locations will become part of an Encompass Health national network of more than 340 home health and hospice locations. These Frontier locations generated revenues of approximately \$36 million in 2020. Encompass Health expects to fund the transaction with cash on hand and borrowings under its revolving credit facility.



In addition to being the largest owner and operator of inpatient rehabilitation hospitals, Encompass Health is the fourth largest provider of Medicare-certified skilled home health services in the country and one of the 10 largest hospice providers in the country. This agreement allows the Company to serve new markets in Alaska, Montana and Washington, and expand its existing presence in Colorado and Wyoming.

"At Encompass Health, our focus remains on aligning with high-quality healthcare providers to best serve patients across the country. Frontier Home Health and Hospice has a proven track record of success in its growth and patient outcomes and is an exceptional fit for our network," said Mark Tarr, president and CEO of Encompass Health. "We look forward to welcoming Frontier's 375 employees to our organization."

"Since our founding in 2008, employees of Frontier Home Health and Hospice have provided compassionate, quality care in the markets we serve," said George Mandes, founder and president of Frontier Home Health and Hospice. "We know we have found the best organization in Encompass Health to build on our legacy as they are widely known as the industry leader in home health and hospice with their commitment to employees and patient care."

About Frontier Home Health and Hospice

Frontier Home Health and Hospice was founded in 2008 to provide home health and hospice services in Montana and has expanded to include locations in Alaska, Colorado, Idaho, Washington, and Wyoming, both as company locations and joint ventures with hospital systems. For more information, please visit www.frontierhhh.com.

About Encompass Health

As a national leader in integrated healthcare services, Encompass Health (NYSE: EHC) offers both facility-based and home-based patient care through its network of inpatient rehabilitation hospitals, home health agencies and hospice agencies. With a national footprint that includes 139 hospitals, 241 home health locations, and 82 hospice locations in 39 states and Puerto Rico, the Company provides high-quality, cost-effective integrated healthcare. Encompass Health is ranked as one of Fortune's 100 Best Companies to Work For. For more information, visit encompasshealth.com, or follow us on our [newsroom](#), [Twitter](#), [Instagram](#) and [Facebook](#).

Forward-Looking Statements

Statements contained in this press release which are not historical facts, such as those relating to the likelihood, timing and effects of the completion of the Frontier Home Health and Hospice acquisition, 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. Encompass Health's actual results or events 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 which 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 this project will experience unexpected delays, including in connection with the regulatory review and approval process; the continued spread of COVID-19, including the speed, depth, geographic reach and duration of the spread; the actions to be taken by Encompass Health in response to the COVID-19 pandemic; the ability to successfully complete and integrate this project consistent with Encompass Health's growth strategy, including realization of anticipated revenues, cost savings, and

productivity improvements arising from the related operations and avoidance of unforeseen exposure to liabilities; 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; each hospital's ability to maintain proper local, state and federal licensing; potential disruptions, breaches, or other incidents affecting the proper operation, availability, or security of Encompass Health's information systems; Encompass Health's ability to attract and retain nurses, therapists, and other healthcare professionals in a highly competitive environment with often severe staffing shortages and the impact on Encompass Health's labor expenses from potential union activity and staffing shortages; changes, delays in (including in connection with resolution of Medicare payment reviews or appeals), 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 which 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, 2020 and Form 10-Q for the quarter ended March 31, 2021, when filed.

Media Contact

Hillary Carnel | 205 970-5912

hillary.carnel@encompasshealth.com

Investor Relations Contact

Crissy Carlisle | 205 970-5860

crissy.carlisle@encompasshealth.com

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