

HealthSouth And Memorial Health Announce Joint Venture To Operate Rehabilitation Hospital In Savannah, Georgia

PR Newswire

BIRMINGHAM, Ala. and SAVANNAH, Ga.

BIRMINGHAM, Ala. and SAVANNAH, Ga., June 19, 2014 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) and Memorial Health have signed an agreement to form a joint venture to own and operate a 50-bed inpatient physical rehabilitation hospital to be known as the Rehabilitation Hospital of Savannah. Initially, the Rehabilitation Hospital of Savannah will operate in the current location of Memorial Health's 50-bed Rehabilitation Institute on Memorial University Medical Center's campus at 4700 Waters Avenue in Savannah, Georgia and continue to serve patients with needs for intense physical rehabilitation.

The joint venture plans to begin building a new, 50-bed replacement inpatient rehabilitation hospital, which is expected to be completed in early 2016 and will provide comprehensive, state-of-the-art inpatient physical rehabilitation to patients who have experienced stroke, trauma, brain injury, complex orthopedic conditions as well as other major illnesses or injuries.

"Memorial Health has a long history of providing excellent clinical care. This joint venture will uniquely position the hospital to continue to provide a high-quality physical rehabilitation program in a new, state-of-the-art facility," said Linda Wilder, president of HealthSouth's southeast region. "We look forward to working together with Memorial Health to provide inpatient rehabilitative treatment and technology to the residents of Savannah and the surrounding areas."

"We are excited about this partnership and the value it brings to our community," said Maggie Gill, president and CEO of Memorial Health. "Our collaboration with HealthSouth allows us to continue as a premier provider of inpatient rehabilitation services while enjoying the benefits of partnering with the nation's largest rehabilitation hospital company."

The Savannah Economic Development Authority (SEDA) provided valuable support and assistance in developing this project.

"As one of the country's leaders in post-acute care rehabilitation services, HealthSouth will bring valuable expertise, investment and jobs to Savannah/Chatham County," said SEDA President and CEO Trip Tollison. "We look forward to a long and prosperous relationship with HealthSouth."

The establishment and relocation of the Rehabilitation Hospital of Savannah are subject to further regulatory review and approval by the Georgia Department of Community Health. In addition, the formation and commencement of operations of the joint venture are subject to customary closing conditions. The parties hope the joint venture will begin operating the inpatient rehabilitation hospital at Memorial University Medical Center in early 2015.

About Memorial Health

Memorial Health is a two-state healthcare organization serving a 35-county area in southeast Georgia and southern South Carolina. The system includes its flagship hospital, a 654-bed academic medical center; Memorial primary and specialty physician networks; a major medical education program; business and industry services; and NurseOne, a 24-hour call center. To learn more, visit www.memorialhealth.com. You can follow us at facebook.com/memorialhealth, twitter.com/mymemorial, youtube.com/memorialhealth, and [google plus/+memorialhealth](https://googleplus.com/memorialhealth).

About HealthSouth

HealthSouth is the nation's largest owner and operator of inpatient rehabilitation hospitals in terms of patients treated and discharged, revenues and number of hospitals. Operating in 28 states across the country and in Puerto Rico, HealthSouth serves patients through its network of inpatient rehabilitation hospitals, outpatient rehabilitation satellite clinics and home health agencies. HealthSouth's hospitals provide a higher level of rehabilitative care to patients who are recovering from conditions such as stroke and other neurological disorders, cardiac and pulmonary conditions, brain and spinal cord injuries, complex orthopedic conditions, and amputations. HealthSouth can be found on the Web at www.healthsouth.com.

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 finalization of this joint venture project, are forward-looking statements. In addition,

HealthSouth 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 HealthSouth 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. HealthSouth'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, the regulatory review and approval process, any adverse outcome of various lawsuits, claims, and legal or regulatory proceedings that may be brought by or against the Company; the possibility that this project will experience unexpected delays; the ability to successfully complete and integrate this project consistent with HealthSouth 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 HealthSouth's response thereto; the 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 HealthSouth's information systems; HealthSouth'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 HealthSouth'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 HealthSouth'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 HealthSouth's SEC filings and other public announcements, including HealthSouth's Form 10-K for the year ended December 31, 2013 and Form 10-Q for the quarter ended March 31, 2014.

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