

HealthSouth Purchases Land In Murrieta, California And Announces Plans For New Hospital

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BIRMINGHAM, Ala., Nov. 5, 2014 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) today announced it has acquired land and plans to construct an approximately 54,000-square foot, two-story inpatient rehabilitation hospital in Murrieta, California. In connection with these plans, HealthSouth purchased 4.8 acres of land located at 35470 Whitewood Road in Murrieta.

"We have been privileged to serve patients in California since 1995 at our other locations and look forward to offering high-quality services closer to home for those residents in Murrieta and the surrounding areas," said HealthSouth West Region President Jerry Gray. "This new, state-of-the-art hospital will ensure residents have appropriate and reasonable access to the latest rehabilitative treatment and technology in a hospital setting."

The proposed 50-bed hospital will provide inpatient rehabilitative care including specialized rehabilitation programs using advanced technology to help patients recover from major illnesses, injuries or surgeries. Design work on the hospital is currently underway, and the Company will be working closely with California's Office of Statewide Health Planning and Development (OSHPD) in order to begin construction as quickly as possible. Given the regulatory timetable, construction is expected to begin in the third quarter of 2016, and the hospital should be operational by the fourth quarter of 2017. The new hospital represents an approximately \$30 million investment in the community and, once fully operational, will provide approximately 200 full-time jobs.

HealthSouth currently owns two inpatient rehabilitation hospitals in California, HealthSouth Bakersfield Rehabilitation Hospital and HealthSouth Tustin Rehabilitation Hospital. The Company has also announced plans to build an inpatient rehabilitation hospital in Modesto, California, pending approval from OSHPD.

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, orthopedic, cardiac and pulmonary conditions, brain and spinal cord injuries, 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 completion of this 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 statements speak only as of the date hereof, and HealthSouth undertakes no duty to publicly update or revise such statements, 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 HealthSouth; the possibility that this project will experience unexpected delays; the ability to successfully complete and integrate this project consistent with HealthSouth'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 in this market and HealthSouth's response thereto; this 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, including the unauthorized access to or theft of patient or other sensitive information; the 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 Form10-Q for the quarters ended March 31, 2014, June 30, 2014 and September 30, 2014.

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