

HealthSouth Corporation and Heritage Valley Health System Announce Joint Venture

PR Newswire

BIRMINGHAM, Ala. and SEWICKLEY, Pa.

BIRMINGHAM, Ala. and SEWICKLEY, Pa., July 13, 2017 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) and Heritage Valley Health System today announced they have entered into an agreement to jointly own HealthSouth Rehabilitation Hospital of Sewickley, an existing 44-bed inpatient rehabilitation hospital owned by a subsidiary of HealthSouth. Upon the formation of the joint venture, Heritage Valley Health System will contribute its inpatient rehabilitation business at Heritage Valley Beaver Hospital to the joint venture.

The HealthSouth Sewickley hospital will remain in its current location at 303 Camp Meeting Road in Sewickley, Pennsylvania; however, construction on a new 55-bed, replacement hospital is expected to begin in the third quarter of 2017. The replacement hospital will be located on the existing HealthSouth Sewickley campus and has an anticipated opening of the first quarter of 2019. Once the replacement hospital is operational, Heritage Valley Health System will contribute its inpatient rehabilitation business at Heritage Valley Sewickley Hospital to the joint venture.

"We are excited about our joint venture with Heritage Valley Health System and will work collaboratively to continue providing high-quality rehabilitative services to Sewickley, Beaver and surrounding communities," said Peter Mantegazza, president of HealthSouth's northeast region. "This joint venture will allow HealthSouth Sewickley to carry on its well-known and respected legacy as a premier provider of comprehensive medical rehabilitation services long into the future."

"In these ever changing and ever challenging healthcare times, Heritage Valley Health System is pleased to enter into this joint venture with HealthSouth," said Norm Mitry, president and CEO of Heritage Valley Health System. "This type of creative relationship with an organization such as HealthSouth, who has an excellent clinical reputation, enables Heritage Valley Health System to continue to provide high quality, cost effective rehabilitation services to all people in the communities that we serve."

The formation of the joint venture is subject to customary closing conditions, and the joint venture's operation of the new replacement hospital is subject to regulatory approvals.

The new hospital represents an approximately \$28 million investment in the community and provides up to 140 full-time jobs. HealthSouth Sewickley will continue to serve patients who have experienced stroke, trauma, brain and orthopedic injuries and other major illnesses or injuries through comprehensive inpatient and outpatient rehabilitative services.

About Heritage Valley Health System

Heritage Valley Health System is a \$480 million integrated delivery network providing comprehensive health care for residents of Allegheny, Beaver, Butler and Lawrence counties, in Pennsylvania; eastern Ohio; and the panhandle of West Virginia. In partnership with 3,500 employees and more than 450 physicians, Heritage Valley offers a broad range of medical, surgical and diagnostic services at its two hospitals, Heritage Valley Sewickley and Heritage Valley Beaver; in 60 physician offices; and 18 community satellite facilities. For more information about Heritage Valley Health System, please visit www.heritagevalley.org.

About HealthSouth

HealthSouth is one of the nation's largest providers of post-acute healthcare services, offering both facility-based and home-based post-acute services in 36 states and Puerto Rico through its network of inpatient rehabilitation hospitals, home health agencies, and hospice agencies. 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 HealthSouth or this joint venture; the possibility 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 and HealthSouth's or this joint venture's response thereto; this joint venture's ability to maintain proper local, state and federal licensing; potential disruptions, breaches, or other incidents affecting the proper operation, availability, or security of the hospitals' or either partner's information systems; 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 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 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, 2016 and Form 10-Q for the quarter ended March 31, 2017.

HealthSouth Contacts:

Media: Casey Lassiter, 205 447-6410, casey.lassiter@healthsouth.com

Investor Relations: Crissy Carlisle, 205 970-5860, crissy.carlisle@healthsouth.com

Heritage Valley Health System Contact:

Media: Suzanne Sakson, 412 749-7454, ssakson@hvhs.org

View original content with multimedia:<http://www.prnewswire.com/news-releases/healthsouth-corporation-and-heritage-valley-health-system-announce-joint-venture-300487733.html>

SOURCE HealthSouth Corporation

<http://healthsouth.mediaroom.com/2017-07-13-HealthSouth-Corporation-and-Heritage-Valley-Health-System-Announce-Joint-Venture>