

HealthSouth Corporation And University Medical Center Health System Announce Joint Venture

Partnership to build 40-bed inpatient rehabilitation hospital and offer a new care segment for patients on UMC Lubbock campus

BIRMINGHAM, Ala. and LUBBOCK, Texas, Sept. 25, 2017 /PRNewswire/ -- HealthSouth Corporation (NYSE: HLS) and University Medical Center Health System today announced they have entered into an agreement to build a 40-bed inpatient rehabilitation hospital in Lubbock, Texas. The partnership and new hospital were agreed upon by public vote at today's UMC Health System board of directors meeting.

The hospital will be built in a UMC Health System development on North Slide Road. Construction will begin in spring 2018, and the hospital is expected to start providing comprehensive physical rehabilitation services to patients in spring 2019. It will serve patients who have experienced stroke, trauma, brain and orthopedic injuries and other major illnesses or injuries.

HEALTHSOUTH[®]

"Combining our expertise in physical rehabilitation services with UMC Health System's exceptional care and patient experience makes for a seamless partnership," said Frank Brown, president of HealthSouth's southwest region. "We are excited to enhance UMC Health System's continuum of care with a new, state-of-the-art inpatient rehabilitation hospital designed with our patients' needs in mind."

"We are pleased to join HealthSouth in this venture. HealthSouth is an industry leader in inpatient rehabilitative care and shares our commitment to service and quality," said David Allison, UMC president and CEO. "We believe this joint venture will have a positive impact on the health care provided in Lubbock and the South Plains."

The new hospital represents an investment in the community of approximately \$20 million and will provide up to 116 new full-time jobs. The formation of the joint venture is subject to customary closing conditions, and the joint venture's operation of the new hospital is subject to regulatory approvals.

About UMC Health System

UMC Health System is ranked among the top 10 percent of hospitals in the nation for patient experience by HealthGrades, and has consistently ranked among the best places to work in Texas by the Best Companies Group. More than 500,000 patients a year choose UMC.

About HealthSouth

HealthSouth is one of the nation's largest providers of post-acute healthcare services, offering both facility-based and home-based patient care 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 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, 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 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 Forms 10-Q for the quarters ended March 31, 2017 and June 30, 2017.

HealthSouth Contacts:

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

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

UMC Health System Contact:

Media: Eric Finley, 806-775-8644, eric.finley@umchealthsystem.com

<http://healthsouth.mediaroom.com/2017-09-25-HealthSouth-Corporation-And-University-Medical-Center-Health-System-Announce-Joint-Venture>

