



Amedisys Second Quarter 2017 Earnings Call Supplemental Slides

July 27, 2017

Forward-looking statements

This presentation may include forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon current expectations and assumptions about our business that are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those described in this presentation. You should not rely on forward-looking statements as a prediction of future events.

Additional information regarding factors that could cause actual results to differ materially from those discussed in any forward-looking statements are described in reports and registration statements we file with the SEC, including our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, copies of which are available on the Amedisys internet website <http://www.amedisys.com> or by contacting the Amedisys Investor Relations department at (225) 292-2031.

We disclaim any obligation to update any forward-looking statements or any changes in events, conditions or circumstances upon which any forward-looking statement may be based except as required by law.

www.amedisys.com

NASDAQ: AMED

We encourage everyone to visit the Investors Section of our website at www.amedisys.com, where we have posted additional important information such as press releases, profiles concerning our business and clinical operations and control processes, and SEC filings.

Our Key Areas of Focus

Strategic areas of focus for the second half of 2017 and beyond

1



Organic Growth

- **Home Health:** HCHB disruption in the rear view mirror. BD FTE ramp up will drive 3Q total episodic growth of 2-3% and 4Q total episodic growth of 4-6%
- **Hospice:** Continued growth at high single / low double digit pace (Admissions +11%, ADC +16%)
- **Personal Care:** Double digit growth and strong margin growth (billable hours / quarter +53%). Added locations in geographies where we have strong Home Health and Hospice overlap to provide integrated solutions

2



BD Recruiting / Retention

- Focus on BD recruiting and retention pay-off as BD FTEs at the end of Jul'17 (750) projected to be above Jul'16 (746)
- BD turnover down 33% month over month for the last 3 months
- New BD onboarding and training helping to drive better initial productivity – BD hires over the last three months averaging 2 admits / month more than target

3



Clinical Distinction

- Amedisys improves to 4.13 Stars in the July 2017 HHC preview with 82% of providers at 4+ Stars
- STAR score improvement for the ninth consecutive quarter (from initial July'15 release to Jul'17 preview)
- Ten Amedisys providers rated at 5-Stars in the July 2017 Preview

4



Impact Capacity and Productivity

- Continued training on productivity tool optimization will help to impact RN / LPN & PT / PTA ratio and give field leaders better insight into capacity by clinician providing more clarity around staffing needs
- Skilled Nursing productivity increased 5% from Feb – May

5



M&A

- Preference to acquire assets in: Hospice; Personal Care tuck-in's, and opportunistic regional acquisitions in Home Health
- Unlevered balance sheet (0.3x) and strong free cash flow (\$34M) profile gives us access to capital and lots of options
- Pipeline strong but price expectations challenging

6



Regulatory

- AMED actively working with industry organizations, leadership at CMS and Congress on regulatory issues impacting home health and hospice

Highlights and Summary Financial Results (Adjusted): 2Q 2017⁽¹⁾



Hospice (+11% same store admissions) and Personal Care (+53% billable hours) continue their strong growth. Same store Home Health episodic admissions down slightly (-1%). Cost containment initiatives performing very well driving 2Q EBITDA, EPS and cash flows

2Q'17

Amedisys Consolidated

- Revenue Growth: +5%
- EBITDA: \$36M (+21%)
- EBITDA Margin: 9.5%
- EPS: \$0.62

2Q'17

Balance Sheet & Cash Flow

- Net debt: \$34M
- Leverage ratio: 0.3x (net)
- CFFO: \$36M
- Free cash flow ⁽³⁾: \$34M

2Q'17

Home Health

Same Store Admissions:

- Medicare: (4%)
- Episodic⁽²⁾: (1%)
- Non-Episodic: +2%

Other Statistics:

- Medicare recert rate: 36%
- Total cost per visit: +2%

2Q'17

Hospice

Same Store Volume:

- Admissions: +11%
- ADC: +16%

Other Statistics:

- Cost per day: (3%)

2Q'17

Personal Care

Growth Metrics ⁽⁴⁾:

- Billable hours/quarter: +53%
- Clients served: +43%
- Realizing synergies from HomeStaff acquisition
- Largest provider of personal care services in Mass. Footprint also includes TN and FL

2Q'17

Adjusted Financial Results

\$ in Millions, except EPS	2Q16	2Q17
Home Health	275.7	273.7
Hospice	76.6	90.7
Personal Care	9.4	14.4
Total Revenue	\$ 361.7	\$ 378.8
Gross Margin %	42.9%	42.0%
Adjusted EBITDA	29.8	36.1
Adjusted EPS	8.2%	9.5%
Free cash flow ⁽³⁾	\$11.4	\$33.5

1. The financial results for the three-month periods ended June 30, 2016 and June 30, 2017 are adjusted for certain items and should be considered a non-GAAP financial measure. A reconciliation of these non-GAAP financial measures is included in the corresponding 8-K detailing quarterly results for each respective reporting period.
2. Episodic admission – Includes Medicare and non-Medicare payors that bill on a 60-day episode of care basis
3. Free cash flow defined as cash flow from operations less routine capital expenditures and required debt repayments.
4. Includes acquisitions and full 2Q'16 impact of AHC (deal closed in March 2016)



Home Health and Hospice Segment (Adjusted) – 2Q 2017⁽¹⁾

Home health same store episodic volume slightly down; hospice continues to outperform

HOME HEALTH		
\$ in Millions	2Q16	2Q17
Medicare	208.6	198.3
Non-Medicare	67.1	75.4
Home Health Revenue	\$275.7	\$273.7
Gross Margin %	41.9%	39.8%
Segment EBITDA ⁽²⁾	40.5	36.6
	14.7%	13.4%

Operating Statistics		
Episodic admit growth - same store	5%	(1%)
Episodic admits - total	55,528	55,426
Episodic Recerts - total	28,680	30,663
Total Volume	84,208	86,089
Medicare admit growth - same store	4%	(4%)
Non-Medicare episodic admits - same store	15%	25%
Non-Medicare non-episodic admits - same store	(2%)	2%
Total Cost per visit	\$87.56	\$89.05

HOSPICE		
\$ in Millions	2Q16	2Q17
Medicare	72.1	85.8
Non-Medicare	4.5	4.9
Hospice Revenue	\$76.6	\$90.7
Gross Margin %	48.6%	50.7%
Segment EBITDA ⁽²⁾	19.2	25.8
	25.1%	28.4%

Operating Statistics		
Admit growth - same store	18%	11%
ADC growth - same store	16%	16%
Admits	5,576	6,248
ADC	5,730	6,717
Avg. discharge length of stay	94	89
Revenue per day (net)	\$145.40	\$148.39
Cost per day	\$75.69	\$73.08



Home Health Highlights

- Overall same store episodic admits (-1%) driven by decline in Medicare same store admissions (-4%) offset by non-Medicare episodic admits (+25%)
- Expected total episodic admissions growth in 3Q: 2-3%
- CPV increase due to health care costs



Hospice Highlights

- Ninth straight quarter of double digit same store admissions growth
- Net revenue per day up 2% y/y; gross margin expanded 210 basis points
- Cost per day down 3%; segment EBITDA contribution up 34%
- Only two providers over cap as of 6/30/17, total cap liability of \$1.3M (2013 – 2017 cap years)

1. The financial results for the three-month periods ended June 30, 2016 and June 30, 2017 are adjusted for certain items and should be considered a non-GAAP financial measure. A reconciliation of these non-GAAP financial measures is included in the corresponding 8-K detailing quarterly results for each respective reporting period.

2. Segment EBITDA does not include any corporate G&A expenses



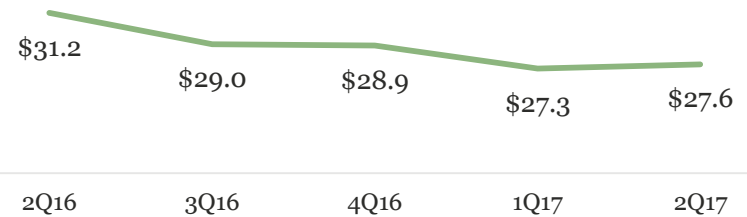
General & Administrative Expenses – Adjusted ^(1,2)

Impact of G&A cost control materializing as operational efficiencies are realized

\$ in Millions	2Q16	3Q16	4Q16	1Q17	2Q17
Home Health Segment	71.3	70.7	67.4	68.0	68.0
Acquisitions - Tenet	-	-	-	-	0.9
Home Health Segment - Total	71.3	70.7	67.4	68.0	68.9
% of HH Revenue	25.9%	26.3%	25.2%	25.1%	25.2%
Hospice Segment	17.3	17.4	18.0	18.0	18.8
Acquisitions - Tenet	-	-	-	-	0.2
Hospice Segment - Total	17.3	17.4	18.0	18.0	19.0
% of HSP Revenue	22.6%	21.2%	21.1%	21.0%	20.9%
Personal Care Segment	2.3	2.2	2.9	3.3	3.0
% of PC Revenue	24.5%	20.6%	22.8%	24.3%	20.8%
Corporate Expenses	31.2	29.0	28.9	27.3	27.6
Acquisition Integration Costs	-	-	-	0.6	0.8
Total Corporate	31.2	29.0	28.9	27.9	28.4
% of Total Revenue	8.6%	8.0%	7.9%	7.5%	7.5%
Total	122.1	119.3	117.2	117.2	119.3
% of Total Revenue	33.8%	33.0%	32.1%	31.6%	31.5%

Corp G&A	2Q16	3Q16	4Q16	1Q17	2Q17
Salary and Benefits	13.8	13.8	13.7	13.9	14.1
Other	14.1	12.4	11.8	11.0	10.5
Corp. G&A Subtotal	27.9	26.2	25.5	24.9	24.6
Non-cash comp	3.3	2.8	3.4	2.4	3.0
Adjusted corporate G&A	31.2	29.0	28.9	27.3	27.6

Adjusted Corporate G&A (excl. Integration Costs)



Notes:

- Year over year total G&A as a percentage of revenue decreased 230 basis points
 - Home health segment G&A: 70 bps y/y decrease as % of revenue
 - Hospice segment G&A: 170 bps decrease y/y as % of revenue
 - Personal Care segment G&A: 370 bps decrease y/y as % of revenue
 - Corporate G&A: 110 bps decrease y/y as % of total revenue
- G&A has decreased ~\$3M in 2Q17 vs. 2Q16**



1. The financial results for the three-month periods ended June 30, 2016, September 30, 2016, December 31, 2016, March 31, 2017 and June 30, 2017 are adjusted for certain items and should be considered a non-GAAP financial measure. A reconciliation of these non-GAAP financial measures is included in the corresponding 8-K detailing quarterly results for each respective reporting period.

2. Adjusted G&A expenses do not include bad debt expense or depreciation and amortization.

How we're tracking



Status	Category	Update	Ongoing Initiative
	STARS / Quality	Amedisys maintains above a 4-Star average (4.13) in the July 2017 HHC preview with 82% of providers at 4+ Stars	<ul style="list-style-type: none"> • Rolled out new heart failure program with additional protocol driven programs underway. Continued focus on readmissions
	Clinical Standardization	Create innovative industry-leading, clinical programs and define, develop and implement standardized care protocols at point of care. Heart program rolled out in Feb. 2017, COPD on-track	
	BD Staffing	Our original goal was to hire an additional 50 BD FTE's by 2H'17. 750 BD FTEs projected by end of July. Our new goal is to reach 775 BD FTE's by 4Q'17	<ul style="list-style-type: none"> • Continued focus on retention through engagement and development opportunities. Increased emphasis on HH BD staffing and retention paying dividends. Clinical focus continues
	BD Turnover	BD vacancy rate at 4.8% (end of June) below our goal of 6%. We have seen a drop in BD turnover each of the last three months as our hiring and retention efforts are taking hold	
	HCHB 2.0	Re-training the field to become system "super-users" or drive more efficiencies and organizational standardization.	<ul style="list-style-type: none"> • Focus of 2H'17 has shifted to HCHB 2.0 training – proof will be in productivity gains • A/R increase related to process changes from HCHB implementation (billing from two systems until AMS2 wind down). Goal to drive DSO number down to mid 30's by 2H'17
	Cost Initiatives	Execution on cost containment initiatives has been successful to date—we continue to be on pace to deliver targeted savings by 4Q'17	
	Accounts Receivable	DSO remained steady at 40. DSO excluding impact of FL ZPIC was 38.7. Expect to reduce DSO to more normalized levels by end of year.	
	Home Health	Same store episodic admissions slightly down (1%), softness in Medicare (4%) growth continues. Impact of BD FTE ramp up will impact 2H'17 growth.	<ul style="list-style-type: none"> • Home Health to realize impact of new BD FTE's in 3Q'17 • Targeting total episodic growth of 2-3% in 3Q and 4-6% in 4Q • Focusing M&A efforts on hospice and personal care, while maintaining multiple discipline • Working with industry partners and CMS to address HHGM. If HHGM is part of the proposed rule, we will oppose it
	Hospice	Hospice performance continues to be stellar. SS Hospice admissions +11%. 9 th consecutive quarter of double digit growth	
	Personal Care	Billable hours/quarter: +53%. Highly efficient integration process. Realizing synergies from HomeStaff acquisition. Targeting additional acquisitions and efficiency as platform is built out.	
	M&A	Valuations remain high. Continue focus on Hospice, Personal Care and strategic Home Health acquisitions but will remain disciplined. Pipeline full	
	Reimbursement	Impact of rate cut ~\$4M in 2Q'17, offset by \$2M due to patient acuity levels. Working collaboratively with CMS on Home Health Groupings Model and other regulatory issues impacting Home Health and Hospice	



Clinical Distinction: Improvements in STARS



9th consecutive quarter of QPC STAR score improvement; 82% of providers at 4 stars or better. Additional focus now on readmissions improvement

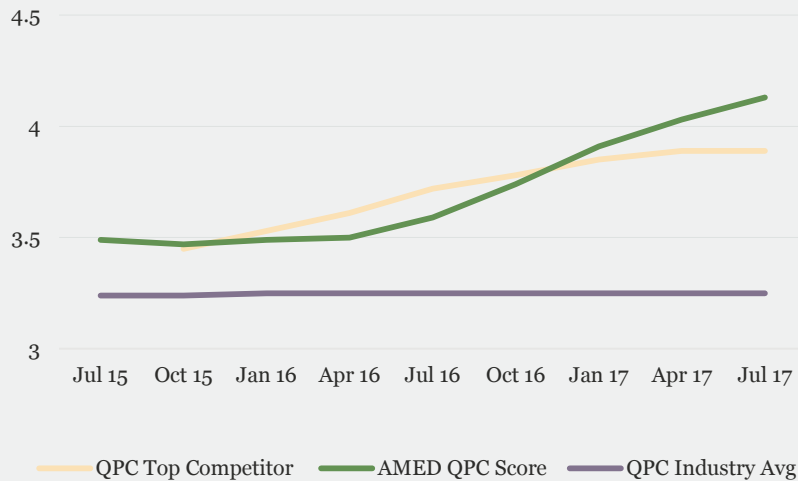
Quality of Patient Care (QPC)

Metric	Jan 17 Release	Apr 17 Release	Jul 17 Release
Quality of Patient Care	3.91	4.03	4.13
Entities at 4+ Stars	65%	75%	82%

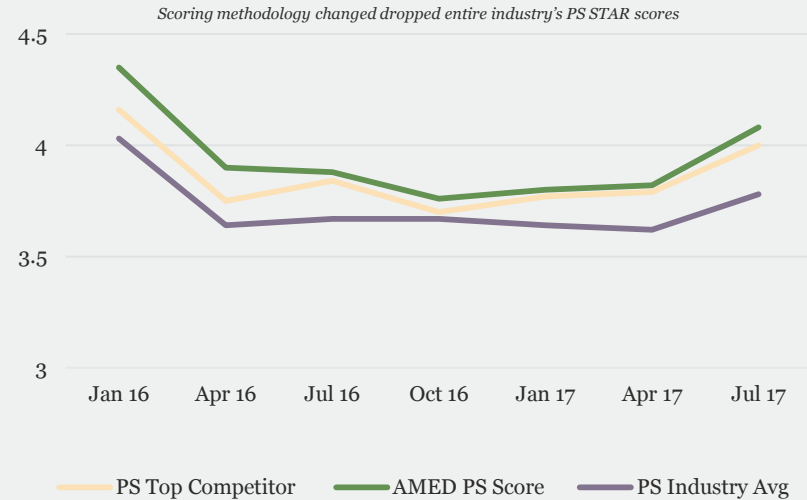
Patient Satisfaction (PS)

Metric	Jan 17 Release	Apr 17 Release	Jul 17 Release
Patient Satisfaction Star	3.80	3.82	4.08
Performance Over Industry	+4%	+5%	+8%

QPC Industry Performance



PS Industry Performance

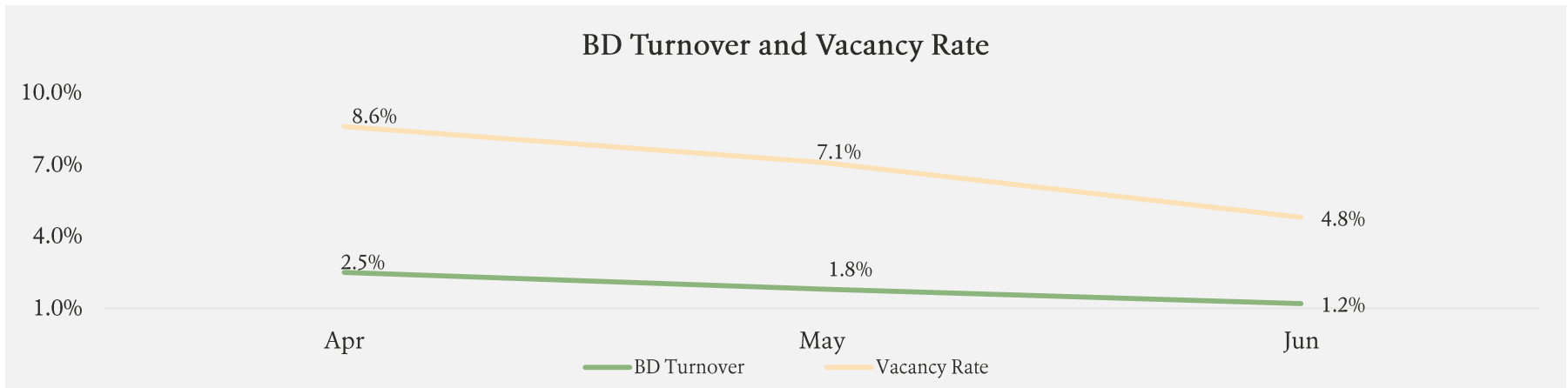
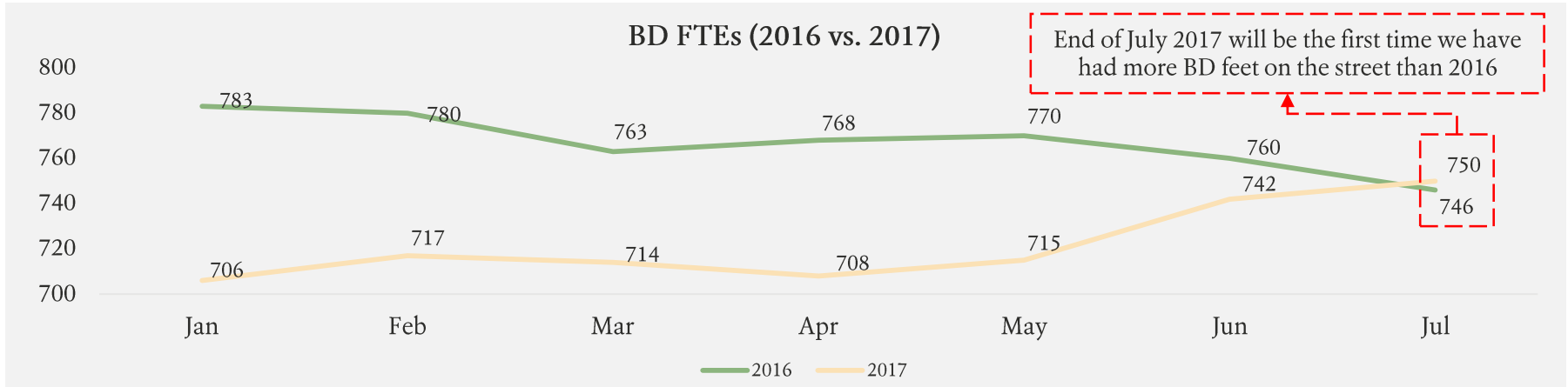


- Amedisys improves to **4.13 Stars** in the July 2017 HHC release with **82% of providers at 4+ Stars**
- **Ten Amedisys providers rated at 5-Stars** in the July 2017 Preview (represents 15 care centers)
- **Patient Satisfaction (HHCAHPS) improving against industry average**
- Star score improvement for the **ninth consecutive quarter** (from initial July'15 release to Jul'17 release)



On Target to Reach 750 BD FTEs by End of July

Our original goal was to hire an additional 50 BD FTE's by 2H'17. As of 7/19, we have **741 BD FTEs (750 projected July month end)** and have lowered our **vacancy rate to ~5%** (below our target). Our new goal is to reach 775 BD FTE's by 4Q'17



- Vacancy Rate goal of 6% by YE 2017 achieved and surpassed
- BD recruiting SWAT team responsible for the significant ramp in BD FTEs
- BD turnover, 33% improvement month over month
- Impact of new feet on the street will be realized in 3Q'17



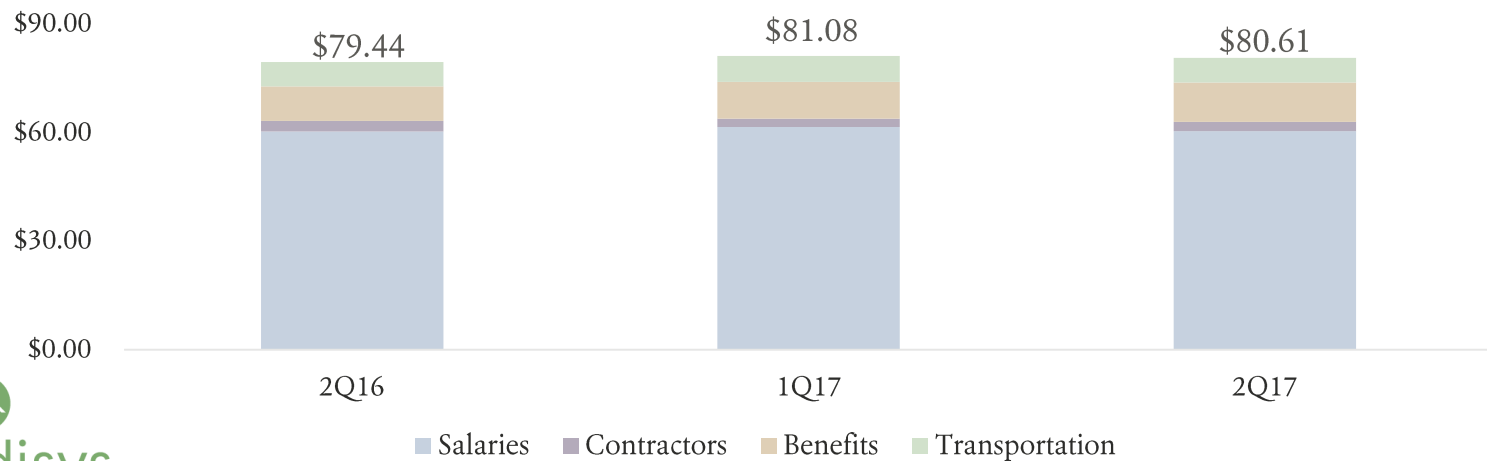
Operational Excellence: Cost Per Visit (CPV)

CPV increase driven by health insurance costs; opportunities for savings through optimized clinician mix and focus on transportation and supply cost

Components	2Q'16	1Q'17	2Q'17	YoY Variance	Detail	Mitigation Plan
Salaries	\$60.28	\$61.48	\$60.34	\$0.06	\$0.06 driven by planned salary increases	Staffing mix optimization, productivity and scheduling improvement initiatives in place helped us overcome planned salary increases
Contractors	\$2.87	\$2.35	\$2.58	(\$0.29)	Sequential increase due to slight increase in clinician turnover	Contractor utilization decreases as clinician capacity increases post HCHB
Benefits	\$9.63	\$10.09	\$10.83	\$1.20	Health insurance driving increase	Focused on cost containment and spend optimization
Transportation & Supplies	\$6.66	\$7.16	\$6.86	\$0.20	Increase primarily due to supply costs	Initiatives underway have resulted in decrease sequentially (\$0.30)
*Visiting Staff CPV	\$79.44	\$81.08	\$80.61	\$1.17		
Clinical Managers	\$8.12	\$8.53	\$8.44	\$0.32	Fixed cost associated with non-visiting clinicians	Unit cost reduced as volume increases
Total CPV	\$87.56	\$89.61	\$89.05	\$1.49		

*Note: Direct comparison with industry competitors CPV calculation

Cost Per Visit (CPV)

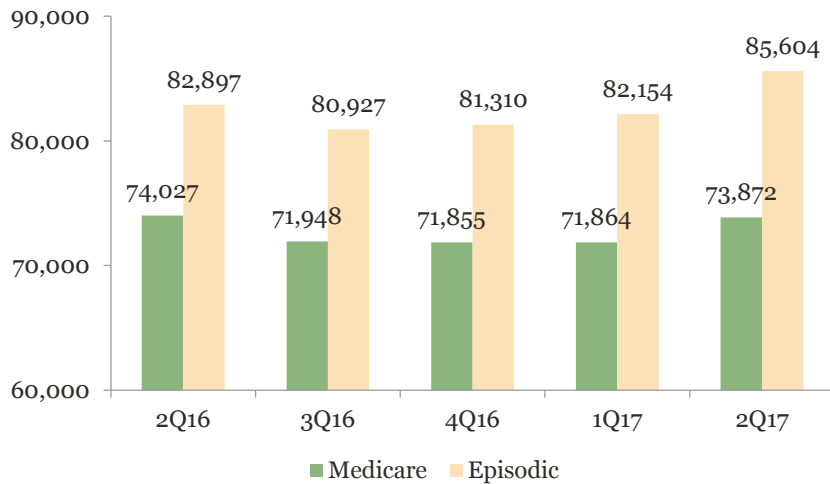




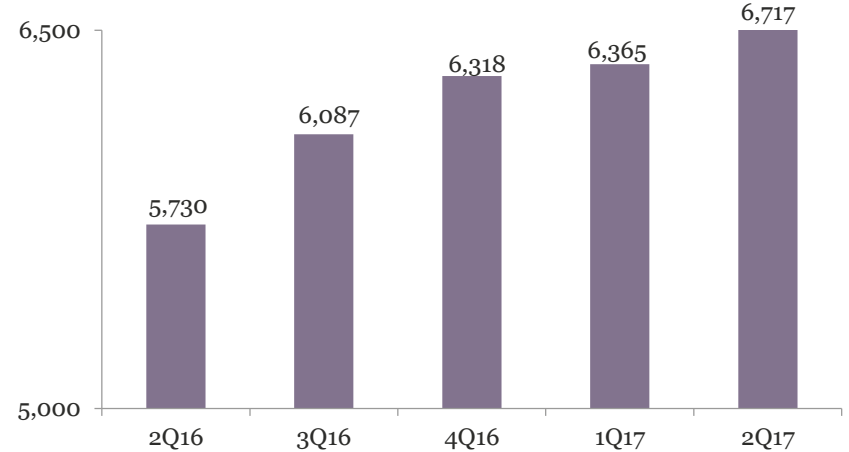
Driving Top Line Growth: Metrics Across Business Segments

Solid growth in hospice and personal care; Medicare revenue percentage decrease due to reimbursement cut and significant growth in private episodic

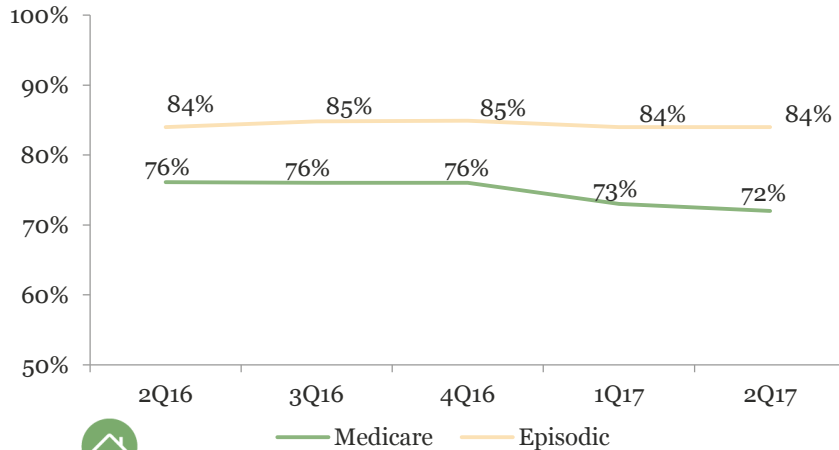
Home Health Total Completed Episodes



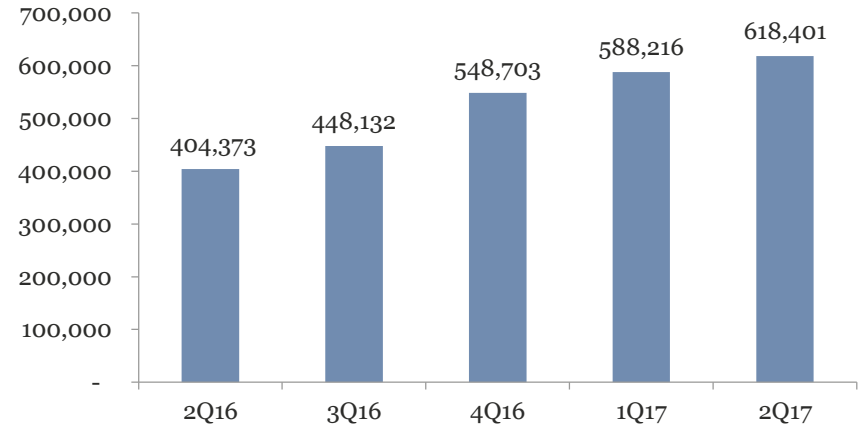
Hospice Total Average Daily Census



Percentage of Revenue – Home Health



Personal Care Total Hours / Quarter*

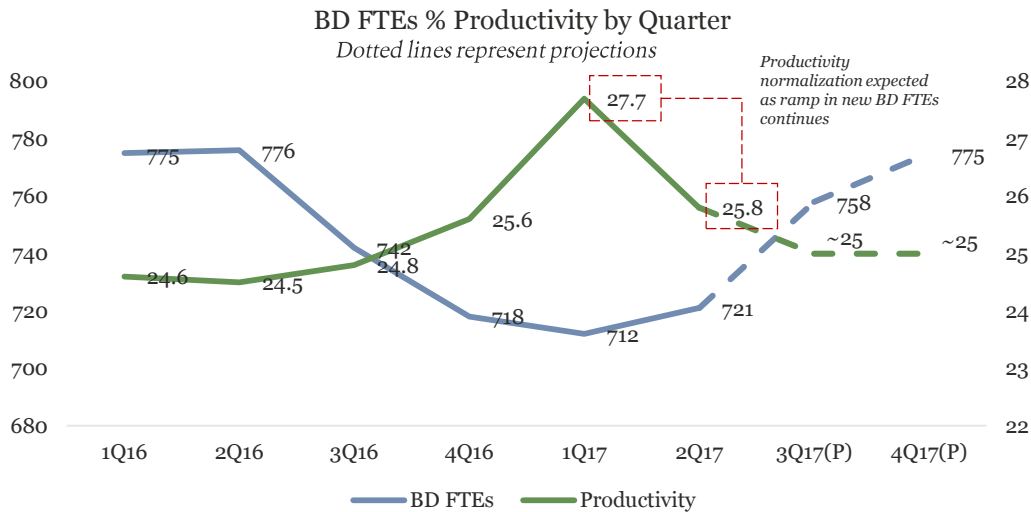
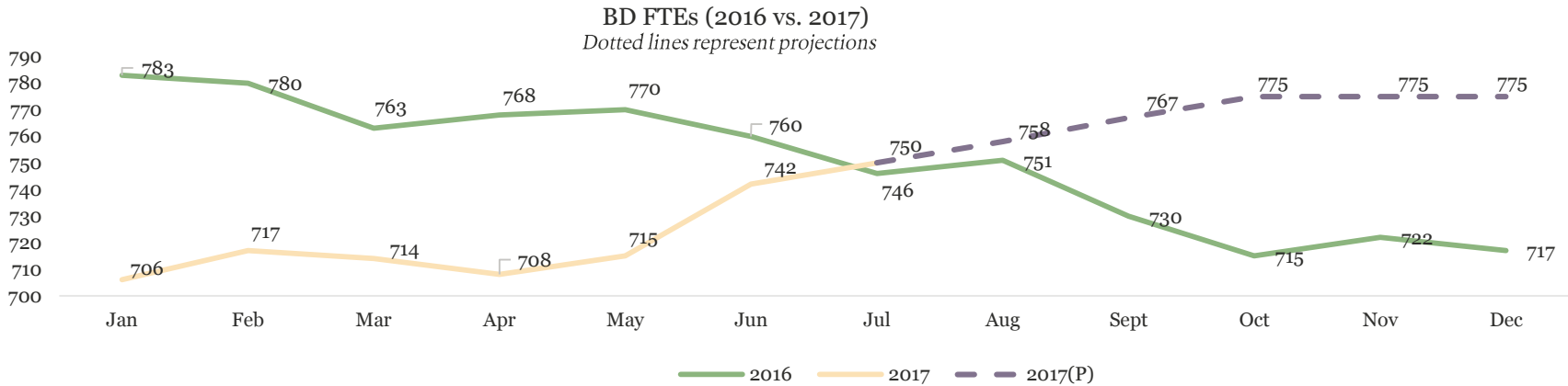


* Includes acquisitions - AMED closed AHC acquisition in March of 2016



Driving Top Line Growth: How BD Heads Will Drive Growth

We will exit July with 750 BD FTEs. As we continue to ramp BD heads with the goal of reaching a net 775 in 4Q'17, and assuming a normal productivity level, we will achieve our Episodic growth targets of 2-3% in 3Q'17 and 4-6% in 4Q'17



Quarter	Episodic Growth Rate
1Q16	4.4%
2Q16	5.3%
3Q16	3.2%
4Q16	3.6%
1Q17	3.2%
2Q17	(1%)
3Q17(P)	2-3%
4Q17(P)	4-6%



Assuming a normal level of BD productivity (24.8 – 25.3 admits / BD FTE) and if we continue to hire and retain BD staff, we will achieve between 2-3% episodic growth for 3Q'17 and 4-6% for 4Q'17

Debt and Liquidity Metrics

Low debt levels (0.3x) and strong free cash flow (\$34M in 2Q'17) have improved the flexibility of our balance sheet with ample available liquidity

Outstanding Debt	As of: 06/30/17
Term Loan	92.5
Outstanding Revolver / Other Notes Payable	1.1
Total Debt Outstanding	93.6
Less: Deferred Finance Fees	(2.3)
Total Debt - Balance Sheet	91.3
Total Debt Outstanding	93.6
Less: Cash	(59.2)
Net Debt ⁽¹⁾	34.4
Leverage Ratio (net) ⁽²⁾	0.3

Credit Facility	As of: 06/30/17
Revolver Size	200.0
Outstanding Revolver	-
Letters of Credit	29.6
Available Revolver	170.4
Plus: Cash	59.2
Total Liquidity ⁽³⁾	229.6

Credit facility and cash provide significant capital for accretive acquisitions and/or other capital deployment options



1. Net debt defined as total debt outstanding (\$94M) less cash balance (\$59M)
2. Leverage ratio (net) is defined as net debt divided by last twelve months adjusted EBITDA (\$124M).
3. Liquidity defined as the sum of cash balance and available revolving line of credit.

Adjusted EBITDA to Free Cash Flow Reconciliation ^(1,2)

Reduction in amount of non-GAAP adjustments result in adjusted EBITDA falling through to operating cash flow; looking return DSO to mid-30's by YE'17. Capex target of \$10M - \$12M within projected goal for 2017

\$ in Millions	2Q16	3Q16	4Q16	1Q17	2Q17
GAAP Net Income	10.7	11.4	8.9	15.1	4.5
Taxes	7.2	6.7	5.6	9.9	(2.0)
Interest	1.3	1.1	1.6	1.1	1.1
Depreciation and amortization	5.0	5.2	5.0	4.4	4.5
Adjustments	5.6	1.2	9.4	1.5	28.0
Adjusted EBITDA	29.8	25.6	30.5	32.0	36.1
Provision for doubtful accounts	4.2	5.5	5.9	6.3	4.7
Non-cash compensation, includes 401(k) match expense	5.4	6.4	5.6	6.1	6.5
Cash taxes	(0.8)	-	-	(0.3)	-
Cash interest	(0.7)	(0.9)	(0.6)	(0.7)	(0.5)
Other	(14.1)	(1.8)	(4.9)	(1.9)	1.4
	23.8	34.8	36.5	41.5	48.2
Changes in working capital	(9.1)	(28.0)	(7.9)	(14.4)	(12.0)
Cash Flow from Operations	14.7	6.8	28.6	27.1	36.2
Capital expenditures - routine	(2.0)	(1.6)	(0.1)	(2.4)	(1.4)
Required debt repayments	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
Free cash flow	11.4	3.9	27.2	23.4	33.5
Capital Deployment					
Acquisitions	-	(3.7)	(4.1)	(4.1)	(20.0)
Share Repurchases	-	-	-	-	-
Total	-	(3.7)	(4.1)	(4.1)	(20.0)

1. The financial results for the three-month periods ended June 30, 2016, September 30, 2016, December 31, 2016, March 31, 2017 and June 30, 2017 are adjusted for certain items and should be considered a non-GAAP financial measure. A reconciliation of these non-GAAP financial measures is included in the corresponding 8-K detailing quarterly results for each respective reporting period.
2. Free cash flow defined as cash flow from operations less routine capital expenditures and required debt repayments.

Income Statement Adjustments ⁽¹⁾

Amount of non-GAAP adjustments, excluding legal settlements, have substantially decreased. Trend to continue throughout 2H'17

\$000s	Income Statement Line Item	2Q16	3Q16	4Q16	1Q17	2Q17
Reduction of cost report reserve	Revenue			(1,149)		
Third Party Audit reserve	Revenue	948				
G&A						
Acquisition costs	G&A, Salary and benefits	154	101	56		
Restructuring activity	G&A, Salary and benefits	1,201	2,044	3,340		
HCHB implementation	G&A, Salary and benefits	307	56	15		
Restructuring activity	G&A, Non-cash compensation	(556)	(493)	(1,481)		
Restructuring activity	G&A, Other	840	414	16		
Data Center relocation	G&A, Other	9		101	714	226
HCHB implementation	G&A, Other	2,286	1,937	1,330		
Acquisition costs	G&A, Other	183	366	820	682	294
Legal fees - non-routine	G&A, Other	459	374	543	123	1,111
Securities Class Action Lawsuit settlement accrual, net	G&A, Other					28,712
Frontier litigation	G&A, Other			2,479		
Wage and Hour litigation	G&A, Other			(119)		
Disaster relief	G&A, Other		339	129		
Sales/use tax audit reserve	G&A, Other			460		
Other Items						
Asset impairment	Asset impairment			4,432		
Legal settlements	Other, Miscellaneous, net	(265)	(1,242)	(280)	(674)	(693)
Sales/use tax audit reserve	Other, Miscellaneous, net			625		
Miscellaneous, other (income) expense, net	Other, Miscellaneous, net	70	(2,738)	(1,318)	621	(1,692)
Total		5,636	1,158	9,999	1,466	27,958
EPS Impact		\$0.10	\$0.02	\$0.18	\$0.03	\$0.49

1. The financial results for the three-month periods ended June 30, 2016, September 30, 2016, December 31, 2016, March 31, 2017 and June 30, 2017 are adjusted for certain items and should be considered a non-GAAP financial measure. A reconciliation of these non-GAAP financial measures is included in the corresponding 8-K detailing quarterly results for each respective reporting period.

Home Health Groupings Model (HHGM)

It is still early and we lack needed data to draw firm conclusions, but here is what we know:

What it is / Issues:

- HHGM is a total payment redesign for Home Health with the stated intent of better aligning resources and outcomes with reimbursement
- HHGM has an effective date of January 1, 2019
- HHGM shifts payment from a 60 day episode to two 30 day periods and eliminates therapy visit thresholds currently used to adjust reimbursement. This potentially discourages home health providers from taking care of higher acuity patients requiring therapy as part of their treatment
- HHGM is a product of the Affordable Care Act and the previous administration
- HHGM was created in a non-budget neutral manner
- HHGM was crafted and proposed by CMS without meaningful input from home health providers
- Providing the industry only 60 days to comment on a total payment redesign, after no prior collaboration with the industry, seems to run counter to the current administration's goal of transparency and reducing the regulatory burden for clinicians, providers, and patients in a way that increases quality of care and decreases costs

Impact of HHGM:

- We have just seen the proposed rule and are not in a position yet to comment on the impact to Amedisys and our patients as the proposed rule is a complete redesign of the home health payment system
- We will need a significant amount of information and data from CMS in order to properly model the impact of the proposed rule in our geographies:
 - Our very early review indicates that the reimbursement impact could vary significantly between states and regions

Our ask:

- CMS should partner with home health providers to test HHGM or any payment reform
- CMS should provide access to the required data to model the impact of HHGM

Amedisys remains fully committed to working closely with the Administration and CMS leadership to develop viable solutions that fulfill the goal of aligning reimbursement with resource use without compromising access to high-quality care