Section 1: 10-Q (10-Q)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to _______

Commission File Number: 0-24260

AMEDISYS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**11-3131700** **(I.R.S. Employer Identification No.)**

3854 American Way, Suite A, Baton Rouge, LA 70816
(Address of principal executive offices, including zip code)

(225) 292-2031 or (800) 467-2662
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of

1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and 'emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date, is as follows: Common stock, $0.001 par value, 33,936,706 shares outstanding as of November 3, 2017.

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SPECIAL CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

When included in this Quarterly Report on Form 10-Q, or in other documents that we file with the Securities and Exchange Commission ("SEC") or in statements made by or on behalf of the Company, words like "believes," "belief," "expects," "plans," "anticipates," "intends," "projects," "estimates," "may," "might," "would," "should" and similar expressions are intended to identify forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a variety of risks and uncertainties that could cause actual results to differ materially from those described therein. These risks and uncertainties include, but are not limited to the following: changes in Medicare and other medical payment levels, our ability to open care centers, acquire additional care centers and integrate and operate these care centers effectively, changes in or our failure to comply with existing federal and state laws or regulations or the inability to comply with new government regulations on a timely basis, competition in the healthcare industry, our ability to integrate our personal care segment into our business, changes in the case mix of patients and payment methodologies, changes in estimates and judgments associated with critical accounting policies, our ability to maintain or establish new patient referral sources, our ability to attract and retain qualified personnel, changes in payments and covered services by federal and state governments, future cost containment initiatives undertaken by third-party payors, our access to financing, our ability to meet debt service requirements and comply with covenants in debt agreements, business disruptions due to natural disasters or acts of terrorism, our ability to integrate, manage and keep our information systems secure, our ability to comply with requirements stipulated in our corporate integrity agreement and changes in law or developments with respect to any litigation relating to the Company, including various other matters, many of which are beyond our control.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on any forward-looking statement as a prediction of future events. We expressly disclaim any obligation or undertaking and we do not intend to release publicly any updates or changes in our expectations concerning the 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. For a discussion of some of the factors discussed above as well as additional factors, see our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on March 1, 2017, particularly, Part I, Item 1A—Risk Factors therein, which are incorporated herein by reference and Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q. Additional risk factors may also be described in reports that we file from time to time with the SEC.

Available Information

Our company website address is www.amedisys.com. We use our website as a channel of distribution for important company information. Important information, including press releases, investor presentations and financial information regarding our company, is routinely posted on and accessible on the Investor Relations subpage of our website, which is accessible by clicking on the tab labeled "Investors" on our website home page. Visitors to our website can also register to receive automatic e-mail and other notifications alerting them when new information is made available on the Investor Relations subpage of our website. In addition, we make available on the Investor Relations subpage of our website (under the link "SEC filings") free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, ownership reports on Forms 3, 4 and 5 and any amendments to those reports as soon as practicable after we electronically file such reports with the SEC. Further, copies of our Certificate of Incorporation and Bylaws, our Code of Ethical Business Conduct, our Corporate Governance Guidelines and the charters for the Audit, Compensation, Quality of Care, Compliance and Ethics and Nominating and Corporate Governance Committees of our Board are also available on the Investor Relations subpage of our website (under the link "Corporate Governance").

Additionally, the public may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. Our electronically filed reports can also be obtained on the SEC's internet site at http://www.sec.gov.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)

	September 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 66,114	$ 30,197
Patient accounts receivable, net of allowance for doubtful accounts of $19,933 and 17,716	177,402	166,056
Prepaid expenses	9,770	7,397
Other current assets	14,904	11,260
Total current assets	268,190	214,910
Property and equipment, net of accumulated depreciation of $148,301 and $138,650	32,695	36,999
Goodwill	313,663	288,957
Intangible assets, net of accumulated amortization of $29,932 and $27,864	44,845	46,755
Deferred income taxes	91,160	107,940
Other assets, net	48,976	38,468
Total assets	$ 799,529	$ 734,029
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 22,815	$ 30,358
Payroll and employee benefits	86,139	82,480
Accrued expenses	83,516	63,290
Current portion of long-term obligations	9,387	5,220
Total current liabilities	201,857	181,348
Long-term obligations, less current portion	80,523	87,809
Other long-term obligations	3,930	3,730
Total liabilities	286,310	272,887
Commitments and Contingencies—Note 5		
Equity:		
Preferred stock, $0.001 par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $0.001 par value, 60,000,000 shares authorized; 35,687,068 and 35,253,577 shares issued; and 33,913,558 and 33,597,215 shares outstanding	36	35
Additional paid-in capital	561,380	537,472
Treasury stock at cost, 1,773,510 and 1,656,362 shares of common stock	(53,228)	(46,774)
Accumulated other comprehensive income	15	15
Retained earnings (deficit)	4,053	(30,545)
Total Amedisys, Inc. stockholders' equity	512,256	460,203
Noncontrolling interests	963	939
Total equity	513,219	461,142
Total liabilities and equity	$ 799,529	$ 734,029

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(Unaudited)

	For the Three-Month Periods Ended September 30,		For the Nine-Month Periods Ended September 30,	
	2017	2016	2017	2016
Net service revenue	$ 380,163	$ 361,595	$1,129,442	$1,071,158
Cost of service, excluding depreciation and amortization	226,642	212,124	662,192	620,466
General and administrative expenses:				
Salaries and benefits	77,130	77,019	226,532	231,079
Non-cash compensation	3,558	4,750	11,788	12,556
Other	38,189	42,658	120,223	134,951
Provision for doubtful accounts	7,086	5,471	18,078	13,664
Depreciation and amortization	4,185	5,214	13,139	14,662
Securities Class Action Lawsuit settlement, net	—	—	28,712	—
Operating expenses	356,790	347,236	1,080,664	1,027,378
Operating income	23,373	14,359	48,778	43,780
Other income (expense):				
Interest income	44	14	104	45
Interest expense	(1,335)	(1,136)	(3,600)	(3,551)
Equity in earnings from equity method investments	900	3,244	3,149	3,602
Miscellaneous, net	1,043	1,713	3,282	3,106
Total other income, net	652	3,835	2,935	3,202
Income before income taxes	24,025	18,194	51,713	46,982
Income tax expense	(9,364)	(6,693)	(17,324)	(18,323)
Net income	14,661	11,501	34,389	28,659
Net income attributable to noncontrolling interests	(103)	(66)	(240)	(315)
Net income attributable to Amedisys, Inc.	$ 14,558	$ 11,435	$ 34,149	$ 28,344
Basic earnings per common share:				
Net income attributable to Amedisys, Inc. common stockholders	$ 0.43	$ 0.34	$ 1.02	$ 0.86
Weighted average shares outstanding	33,838	33,309	33,640	33,142
Diluted earnings per common share:				
Net income attributable to Amedisys, Inc. common stockholders	$ 0.42	$ 0.34	$ 1.00	$ 0.84
Weighted average shares outstanding	34,363	33,823	34,255	33,699

The accompanying notes are an integral part of these condensed consolidated financial statements.

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AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	For the Nine-Month Periods Ended September 30,	
	2017	2016
Cash Flows from Operating Activities:		
Net income	$ 34,389	$ 28,659
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,139	14,662
Provision for doubtful accounts	18,078	13,664
Non-cash compensation	11,788	12,556
401(k) employer match	6,547	5,134
(Gain) loss on disposal of property and equipment	(22)	556
Deferred income taxes	17,228	18,689
Equity in earnings from equity method investments	(3,149)	(3,602)
Amortization of deferred debt issuance costs	555	555
Return on equity investment	4,656	1,913
Changes in operating assets and liabilities, net of impact of acquisitions:		
Patient accounts receivable	(28,924)	(46,107)
Other current assets	(5,896)	870
Other assets	(12,202)	(11,909)
Accounts payable	(5,430)	7,308
Accrued expenses	22,584	(9,100)
Other long-term obligations	201	(150)
Net cash provided by operating activities	73,542	33,698
Cash Flows from Investing Activities:		
Proceeds from sale of deferred compensation plan assets	622	230
Purchase of investment	(436)	(750)
Purchases of property and equipment	(9,074)	(13,502)
Proceeds from the sale of property and equipment	118	—
Acquisitions of businesses, net of cash acquired	(24,128)	(31,378)
Net cash used in investing activities	(32,898)	(45,400)
Cash Flows from Financing Activities:		
Proceeds from issuance of stock upon exercise of stock options and warrants	4,214	—
Proceeds from issuance of stock to employee stock purchase plan	1,798	1,818
Shares withheld upon stock vesting	(6,454)	—
Tax benefit from stock options exercised and restricted stock vesting	—	7,241
Non-controlling interest distribution	(216)	(284)
Sale of non-controlling interest	—	405
Proceeds from revolving line of credit	—	128,500
Repayments of revolving line of credit	—	(128,500)
Principal payments of long-term obligations	(4,069)	(3,750)
Purchase of company stock	—	(12,315)
Net cash used in financing activities	(4,727)	(6,885)
Net increase (decrease) in cash and cash equivalents	35,917	(18,587)
Cash and cash equivalents at beginning of period	30,197	27,502
Cash and cash equivalents at end of period	$ 66,114	$ 8,915
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 2,188	$ 2,276
Cash paid for income taxes, net of refunds received	$ 315	$ 758

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. NATURE OF OPERATIONS, CONSOLIDATION AND PRESENTATION OF FINANCIAL STATEMENTS

Amedisys, Inc., a Delaware corporation, and its consolidated subsidiaries ("Amedisys," "we," "us," or "our") are a multi-state provider of home health, hospice and personal care services with approximately 74% and 75% of our revenue derived from Medicare for the three and nine-month periods ended September 30, 2017 and approximately 78% of our revenue derived from Medicare for the three and nine-month periods ended September 30, 2016. As of September 30, 2017, we owned and operated 328 Medicare-certified home health care centers, 81 Medicare-certified hospice care centers and 16 personal-care care centers in 34 states within the United States and the District of Columbia.

Basis of Presentation

In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly our financial position, our results of operations and our cash flows in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). Our results of operations for the interim periods presented are not necessarily indicative of results of our operations for the entire year and have not been audited by our independent auditors.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from the interim financial information presented. This report should be read in conjunction with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission ("SEC") on March 1, 2017 (the "Form 10-K"), which includes information and disclosures not included herein.

Use of Estimates

Our accounting and reporting policies conform with U.S. GAAP. In preparing the unaudited condensed consolidated financial statements, we are required to make estimates and assumptions that impact the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates.

Reclassifications and Comparability

Certain reclassifications have been made to prior periods' financial statements in order to conform to the current period's presentation.

Principles of Consolidation

These unaudited condensed consolidated financial statements include the accounts of Amedisys, Inc., and our wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in our accompanying unaudited condensed consolidated financial statements, and business combinations accounted for as purchases have been included in our unaudited condensed consolidated financial statements from their respective dates of acquisition. In addition to our wholly owned subsidiaries, we also have certain equity investments that are accounted for as set forth below.

Equity Investments

We consolidate investments when the entity is a variable interest entity and we are the primary beneficiary or if we have controlling interests in the entity, which is generally ownership in excess of 50%. Third party equity interests in our consolidated joint ventures are reflected as noncontrolling interests in our condensed consolidated financial statements.

We account for investments in entities in which we have the ability to exercise significant influence under the equity method if we hold 50% or less of the voting stock and the entity is not a variable interest entity in which we are the primary beneficiary. The book value of investments that we accounted for under the equity method of accounting was $26.8 million as of September 30, 2017, and $27.8 million as of December 31, 2016. We account for investments in entities in which we have less than a 20% ownership interest under the cost method of accounting if we do not have the ability to exercise significant influence over the investee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

We earn net service revenue through our home health, hospice and personal-care care centers by providing a variety of services almost exclusively in the homes of our patients. This net service revenue is earned and billed either on an episode of care basis, on a per visit basis or on a daily basis depending upon the payment terms and conditions established with each payor for services provided. We refer to home health revenue earned and billed on a 60-day episode of care as episodic-based revenue.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

When we record our service revenue, we record it net of estimated revenue adjustments and contractual adjustments to reflect amounts we estimate to be realizable for services provided, as discussed below. We believe, based on information currently available to us and based on our judgment, that changes to one or more factors that impact the accounting estimates (such as our estimates related to revenue adjustments, contractual adjustments and episodes in progress) we make in determining net service revenue, which changes are likely to occur from period to period, will not materially impact our reported consolidated financial condition, results of operations, cash flows or our future financial results.

Home Health Revenue Recognition

Medicare Revenue

Net service revenue is recorded under the Medicare prospective payment system ("PPS") based on a 60-day episode payment rate that is subject to adjustment based on certain variables including, but not limited to: (a) an outlier payment if our patient's care was unusually costly (capped at 10% of total reimbursement per provider number); (b) a low utilization payment adjustment ("LUPA") if the number of visits was fewer than five; (c) a partial payment if our patient transferred to another provider or we received a patient from another provider before completing the episode; (d) a payment adjustment based upon the level of therapy services required (with various incremental adjustments made for additional visits, with larger payment increases associated with the sixth, fourteenth and twentieth visit thresholds); (e) adjustments to payments if we are unable to perform periodic therapy assessments; (f) the number of episodes of care provided to a patient, regardless of whether the same home health provider provided care for the entire series of episodes; (g) changes in the base episode payments established by the Medicare Program; (h) adjustments to the base episode payments for case mix and geographic wages; and (i) recoveries of overpayments. In addition, we make adjustments to Medicare revenue if we find that we are unable to produce appropriate documentation of a face to face encounter between the patient and physician.

We make adjustments to Medicare revenue to reflect differences between estimated and actual payment amounts, our discovered inability to obtain appropriate billing documentation or authorizations and other reasons unrelated to credit risk. We estimate the impact of such adjustments based on our historical experience, which primarily includes a historical collection rate of over 99% on Medicare claims, and record this estimate during the period in which services are rendered as an estimated revenue adjustment and a corresponding reduction to patient accounts receivable. Therefore, we believe that our reported net service revenue and patient accounts receivable will be the net amounts to be realized from Medicare for services rendered.

In addition to revenue recognized on completed episodes, we also recognize a portion of revenue associated with episodes in progress. Episodes in progress are 60-day episodes of care that begin during the reporting period, but were not completed as of the end of the period. We estimate this revenue on a monthly basis based upon historical trends. The primary factors underlying this estimate are the number of episodes in progress at the end of the reporting period, expected Medicare revenue per episode and our estimate of the average percentage complete based on the number of days elapsed during an episode of care. As of September 30, 2017 and 2016, the difference between the cash received from Medicare for a request for anticipated payment ("RAP") on episodes in progress and the associated estimated revenue was immaterial and, therefore, the resulting credits were recorded as a reduction to our outstanding patient accounts receivable in our condensed consolidated balance sheets for such periods.

Non-Medicare Revenue

Episodic-based Revenue. We recognize revenue in a similar manner as we recognize Medicare revenue for episodic-based rates that are paid by other insurance carriers, including Medicare Advantage programs; however, these rates can vary based upon the negotiated terms.

Non-episodic based Revenue. Gross revenue is recorded on an accrual basis based upon the date of service at amounts equal to our established or estimated per-visit rates, as applicable. Contractual adjustments are recorded for the difference between our standard rates and the contracted rates to be realized from patients, third parties and others for services provided and are deducted from gross revenue to determine net service revenue and are also recorded as a reduction to our outstanding patient accounts receivable. In addition, we receive a minimal amount of our net service revenue from patients who are either self-insured or are obligated for an insurance co-payment.

Hospice Revenue Recognition

Hospice Medicare Revenue

Gross revenue is recorded on an accrual basis based upon the date of service at amounts equal to the estimated payment rates. The estimated payment rates are daily or hourly rates for each of the four levels of care we deliver. The four levels of care are routine care, general inpatient care, continuous home care and respite care. Routine care accounts for 98% of our total net Medicare hospice service revenue for each of the three and nine-month periods ended September 30, 2017, and 99% of our total net Medicare hospice service

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

revenue for each of the three and nine-month periods ended September 30, 2016. Beginning January 1, 2016, the Centers for Medicare and Medicaid Services ("CMS") has provided for two separate payment rates for routine care: payments for the first 60 days of care and care beyond 60 days. In addition to the two routine rates, beginning January 1, 2016, Medicare is also reimbursing for a service intensity add-on ("SIA"). The SIA is based on visits made in the last seven days of life by a registered nurse ("RN") or medical social worker ("MSW") for patients in a routine level of care.

We make adjustments to Medicare revenue for an inability to obtain appropriate billing documentation or acceptable authorizations and other reasons unrelated to credit risk. We estimate the impact of these adjustments based on our historical experience, which primarily includes our historical collection rate of over 99% on Medicare claims, and record it during the period services are rendered as an estimated revenue adjustment and as a reduction to our outstanding patient accounts receivable.

Additionally, as Medicare hospice revenue is subject to an inpatient cap limit and an overall payment cap for each provider number, we monitor these caps and estimate amounts due back to Medicare if we estimate a cap has been exceeded. We record these adjustments as a reduction to revenue and an increase in other accrued liabilities. Beginning for the cap year ending October 31, 2014, providers are required to self-report and pay their estimated cap liability by March 31st of the following year. As of September 30, 2017, we have settled our Medicare hospice reimbursements for all fiscal years through October 31, 2012. As of September 30, 2017 we have recorded $1.0 million for estimated amounts due back to Medicare in other accrued liabilities for the Federal cap years ended October 31, 2013 through October 31, 2017. As of December 31, 2016, we had recorded $0.8 million for estimated amounts due back to Medicare in other accrued liabilities for the Federal cap years ended October 31, 2013 through October 31, 2016.

Hospice Non-Medicare Revenue

We record gross revenue on an accrual basis based upon the date of service at amounts equal to our established rates or estimated per day rates, as applicable. Contractual adjustments are recorded for the difference between our established rates and the amounts estimated to be realizable from patients, third parties and others for services provided and are deducted from gross revenue to determine our net service revenue and patient accounts receivable.

Personal Care Revenue Recognition

Personal Care Non-Medicare Revenue

We generate net service revenues by providing our services directly to patients primarily on a per hour, visit or unit basis. We receive payment for providing such services from our customers, including state and local governmental agencies, managed care organizations, commercial insurers and private consumers. Net service revenues are principally provided based on authorized hours, visits or units determined by the relevant agency, at a rate that is either contractual or fixed by legislation, which are recognized as net service revenue at the time services are rendered.

Patient Accounts Receivable

Our patient accounts receivable are uncollateralized and consist of amounts due from Medicare, Medicaid, other third-party payors and patients. As of September 30, 2017 there is no single payor, other than Medicare, that accounts for more than 10% of our total outstanding patient receivables. Thus, we believe there are no other significant concentrations of receivables that would subject us to any significant credit risk in the collection of our patient accounts receivable. We fully reserve for accounts which are aged at 365 days or greater. We write off accounts on a monthly basis once we have exhausted our collection efforts and deem an account to be uncollectible.

We believe the credit risk associated with our Medicare accounts, which represent 60% and 61% of our net patient accounts receivable at September 30, 2017 and December 31, 2016, respectively, is limited due to our historical collection rate of over 99% from Medicare and the fact that Medicare is a U.S. government payor. Accordingly, we do not record an allowance for doubtful accounts for our Medicare patient accounts receivable, which are recorded at their net realizable value after recording estimated revenue adjustments as discussed above. During the three and nine-month periods ended September 30, 2017, we recorded $3.5 million and $11.9 million, respectively, in estimated revenue adjustments to Medicare revenue as compared to $1.6 million and $5.9 million during the three and nine-month periods ended September 30, 2016, respectively.

We believe there is a certain level of credit risk associated with non-Medicare payors. To provide for our non-Medicare patient accounts receivable that could become uncollectible in the future, we establish an allowance for doubtful accounts to reduce the carrying amount to its estimated net realizable value.

Medicare Home Health

For our home health patients, our pre-billing process includes verifying that we are eligible for payment from Medicare for the services that we provide to our patients. Our Medicare billing begins with a process to ensure that our billings are accurate through the utilization of an electronic Medicare claim review. We submit a RAP for 60% of our estimated payment for the initial episode at

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

the start of care or 50% of the estimated payment for any subsequent episodes of care contiguous with the first episode for a particular patient. The full amount of the episode is billed after the episode has been completed (“final billed”). The RAP received for that particular episode is then deducted from our final payment. If a final bill is not submitted within the greater of 120 days from the start of the episode, or 60 days from the date the RAP was paid, any RAPs received for that episode will be recouped by Medicare from any other claims in process for that particular provider number. The RAP and final claim must then be re-submitted.

Medicare Hospice

For our hospice patients, our pre-billing process includes verifying that we are eligible for payment from Medicare for the services that we provide to our patients. Our Medicare billing begins with a process to ensure that our billings are accurate through the utilization of an electronic Medicare claim review. We bill Medicare on a monthly basis for the services provided to the patient.

Non-Medicare Home Health, Hospice and Personal Care

For our non-Medicare patients, our pre-billing process primarily begins with verifying a patient’s eligibility for services with the applicable payor. Once the patient has been confirmed for eligibility, we will provide services to the patient and bill the applicable payor. Our review and evaluation of non-Medicare accounts receivable includes a detailed review of outstanding balances and special consideration to concentrations of receivables from particular payors or groups of payors with similar characteristics that would subject us to any significant credit risk. We estimate an allowance for doubtful accounts based upon our assessment of historical and expected net collections, business and economic conditions, trends in payment and an evaluation of collectability based upon the date that the service was provided. Based upon our best judgment, we believe the allowance for doubtful accounts adequately provides for accounts that will not be collected due to credit risk.

Fair Value of Financial Instruments

The following details our financial instruments where the carrying value and the fair value differ (amounts in millions):

		Fair Value at Reporting Date Using		
Financial Instrument	**Carrying Value as of September 30, 2017**	**Quoted Prices in Active Markets for Identical Items (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Long-term obligations	$ 92.0	$ —	$ 92.8	$ —

The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value. The three levels of inputs are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Our deferred compensation plan assets are recorded at fair value and are considered a level 2 measurement. For our other financial instruments, including our cash and cash equivalents, patient accounts receivable, accounts payable, payroll and employee benefits and accrued expenses, we estimate the carrying amounts’ approximate fair value.

Weighted-Average Shares Outstanding

Net income per share attributable to Amedisys, Inc. common stockholders, calculated on the treasury stock method, is based on the weighted average number of shares outstanding during the period. The following table sets forth, for the periods indicated, shares used in our computation of the weighted-average shares outstanding, which are used to calculate our basic and diluted net income attributable to Amedisys, Inc. common stockholders (amounts in thousands):

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

	For the Three-Month Periods Ended September 30,		For the Nine-Month Periods Ended September 30,	
	2017	2016	2017	2016
Weighted average number of shares outstanding—basic	33,838	33,309	33,640	33,142
Effect of dilutive securities:				
Stock options	271	207	279	156
Non-vested stock and stock units	254	307	336	401
Weighted average number of shares outstanding—diluted	34,363	33,823	34,255	33,699
Anti-dilutive securities	337	204	279	254

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue for which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, to defer the effective date of the standard from January 1, 2017 to January 1, 2018, with an option that permits companies to adopt the standard as early as the original effective date. The new ASU reflects the decisions reached by the FASB at its meeting in July 2015. Early application prior to the original effective date is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company has substantially completed its evaluation of the standard and does not expect a material impact on its consolidated financial statements upon implementation of ASU 2014-09 and ASU 2015-14 on January 1, 2018.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require lessees to recognize a lease liability and right-of-use asset for all leases (with the exception of short-term leases) at the commencement date. The ASU is effective for annual and interim periods beginning on or after December 15, 2018. Early adoption is permitted. The standard requires a modified retrospective transition method which requires application of the new guidance for all periods presented. While the Company expects adoption of this standard to lead to a material increase in the assets and liabilities recorded on our balance sheet, we are still evaluating the overall impact on our consolidated financial statements and related disclosures and the effect of the standard on our ongoing financial reporting.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, which will simplify the accounting for share-based payment award transactions, including income tax consequences, classification of awards as either equity or liability and classification on the statement of cash flows. The ASU is effective for annual and interim periods beginning after December 15, 2016. We adopted this ASU effective January 1, 2017, and as a result, we recorded a $0.4 million increase to our non-current deferred tax asset and retained earnings for tax benefits that were not previously recognized under the prior rules. Additionally, on a prospective basis, we recorded excess tax benefits as a discrete item in our income tax provision within our condensed consolidated statements of operations. We recorded tax expense of less than $0.1 million and excess tax benefits of $3.0 million within our consolidated statements of operations for the three and nine-month periods ended September 30, 2017, respectively. Historically these amounts were recorded as additional paid-in capital in our condensed consolidated balance sheet. We also elected to prospectively apply the change to the presentation of cash payments made to taxing authorities on the employees' behalf for shares withheld upon stock vesting on our condensed consolidated statements of cash flows for the nine-month period ended September 30, 2017. We have also elected to continue our current policy of estimating forfeitures of stock-based compensation awards at grant date and revising in subsequent periods to reflect actual forfeitures.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which provides specific guidance on eight cash flow classification issues not specifically addressed by U.S. GAAP. The ASU is effective for annual and interim periods beginning after December 15, 2017. Early adoption is permitted. The standard should be applied using a retrospective transition method unless it is impractical to do so for some of the issues. In such case, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Company does not expect an impact on its consolidated financial statements and related disclosures upon implementation of ASU 2016-15 on January 1, 2018.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which provides guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The ASU is effective for annual and interim periods beginning after December 15, 2017. The impact on our consolidated financial statements and related disclosures will depend on the facts and circumstances of any specific future transactions.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350)—Simplifying the Test for Goodwill Impairment*, which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge (Step 2 of the goodwill impairment test). Instead, impairment will be measured using the difference of the carrying amount to the fair value of the reporting unit. The ASU is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. The Company is evaluating the effect that ASU 2017-04 will have on its consolidated financial statements and related disclosures and the effect of the standard on its ongoing financial reporting.

3. ACQUISITIONS

We complete acquisitions from time to time in order to pursue our strategy of increasing our market presence by expanding our service base and enhancing our position in certain geographic areas as a leading provider of home health, hospice and personal care services. The purchase price paid for acquisitions is negotiated through arm's length transactions, with consideration based on our analysis of, among other things, comparable acquisitions and expected cash flows. Acquisitions are accounted for as purchases and are included in our consolidated financial statements from their respective acquisition dates. Goodwill generated from acquisitions is recognized for the excess of the purchase price over tangible and identifiable intangible assets because of the expected contributions of the acquisitions to our overall corporate strategy. We typically engage outside appraisal firms to assist in the fair value determination of identifiable intangible assets. Preliminary purchase price allocation is adjusted, as necessary, up to one year after the acquisition closing date if management obtains more information regarding asset valuation and liabilities assumed.

On February 1, 2017, we acquired the assets of Home Staff, L.L.C. which owns and operates three personal-care care centers servicing the state of Massachusetts for a total purchase price of $4.0 million (subject to certain adjustments), of which $0.4 million was placed in a promissory note to be paid over 24 months, subject to any offsets or withholds for indemnification purposes. The purchase price was paid with cash on hand on the date of the transaction. During the three-month period ended March 31, 2017, we recorded goodwill ($3.8 million), other intangibles – non-compete agreements ($0.2 million) and other assets and liabilities, net ($0.5 million) in connection with the acquisition. The non-compete agreements will be amortized over a weighted-average period of 2.8 years.

On May 1, 2017, we acquired three home health care centers (one in each Illinois, Massachusetts and Texas) and two hospice care centers (one in each Arizona and Massachusetts) from Tenet Healthcare for a total purchase price of $20.5 million, (subject to certain adjustments). The purchase price was paid with cash on hand on the date of the transaction. Based on our preliminary purchase price allocation, we recorded goodwill ($20.9 million) and other assets and liabilities, net ($0.8 million) in connection with this acquisition during the three-month period ended June 30, 2017. We will finalize the purchase price allocation for this acquisition once we receive the final valuation report from our outside appraisal firm.

4. LONG-TERM OBLIGATIONS

Long-term debt consisted of the following for the periods indicated (amounts in millions):

	September 30, 2017	December 31, 2016
$100.0 million Term Loan; principal payments plus accrued interest payable quarterly; interest rate at ABR Rate plus applicable percentage or Eurodollar Rate plus the applicable percentage (3.24% at September 30, 2017); due August 28, 2020	$ 91.3	$ 95.0
$200.0 million Revolving Credit Facility; interest only payments; interest rate at ABR Rate plus applicable percentage or Eurodollar Rate plus the applicable percentage; due August 28, 2020	—	—
Promissory notes	0.7	0.7
Deferred debt issuance costs	(2.1)	(2.7)
	89.9	93.0
Current portion of long-term obligations	(9.4)	(5.2)
Total	$ 80.5	$ 87.8

Our weighted average interest rate for our $100.0 million Term Loan, under our Credit Agreement, was 3.2% and 3.0% for the three and nine-month periods ended September 30, 2017, respectively, and 2.5% for the three and nine-month periods ended September 30, 2016, respectively. Our weighted average interest rate for our $200.0 million Revolving Credit Facility was 4.5% and 3.5% for the three and nine-month periods ended September 30, 2016, respectively.

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As of September 30, 2017, our consolidated leverage ratio, as defined by our Credit Agreement, was 0.9, our consolidated fixed charge coverage ratio, as defined by our Credit Agreement, was 4.1 and we are in compliance with our Credit Agreement. In the event we are not in compliance with our debt covenants in the future, we would pursue various alternatives in an attempt to successfully resolve the non-compliance, which might include, among other things, seeking debt covenant waivers or amendments.

As of September 30, 2017, our availability under our $200.0 million Revolving Credit Facility was $167.3 million as we had $32.7 million outstanding in letters of credit.

5. COMMITMENTS AND CONTINGENCIES

Legal Proceedings—Ongoing

We are involved in the following legal actions:

Securities Class Action Lawsuits

As previously disclosed, between June 10 and July 28, 2010, several putative securities class action complaints were filed in the United States District Court for the Middle District of Louisiana (the "District Court") against the Company and certain of our former senior executives. The cases were consolidated into the first-filed action *Bach, et al. v. Amedisys, Inc., et al.* Case No. 3:10-cv-00395, and the District Court appointed as co-lead plaintiffs the Public Employees' Retirement System of Mississippi and the Puerto Rico Teachers' Retirement System (the "Co-Lead Plaintiffs"). They filed a consolidated, amended complaint which all defendants moved to dismiss. The District Court granted the defendants' motions to dismiss on June 28, 2012, and the Co-Lead Plaintiffs appealed that ruling to the United States Court of Appeals for the Fifth Circuit (the "Fifth Circuit"). On October 2, 2014, a three-judge panel of the Fifth Circuit reversed the District Court's dismissal and remanded the case to the District Court for further proceedings. The defendants request for an *en banc* review was denied on December 29, 2014 and their Petition for a Writ of Certiorari from the United States Supreme Court was denied on June 29, 2015.

After remand to the District Court, the Plaintiffs were granted leave to file a First Amended Consolidated Complaint (the "First Amended Securities Complaint") on behalf of all purchasers or acquirers of Amedisys' securities between August 2, 2005 and September 30, 2011. The First Amended Securities Complaint alleges that the Company and seven individual defendants violated Section 10(b), Section 20(a), and Rule 10b-5 of the Securities Exchange Act of 1934 by materially misrepresenting the Company's financial results and concealing a scheme to obtain higher Medicare reimbursements and additional patient referrals by (1) providing medically unnecessary care to patients, including certifying and re-certifying patients for medically unnecessary 60-day treatment episodes; (2) implementing clinical tracks such as "Balanced for Life" and wound care programs that provided a pre-set number of therapy visits irrespective of medical need; (3) "upcoding" patients' Medicare forms to attribute a "primary diagnosis" to a medical condition associated with higher billing rates; and (4) providing improper and illegal remuneration to physicians to obtain patient certifications or re-certifications. The First Amended Securities Complaint seeks certification of the case as a class action and an unspecified amount of damages, as well as interest and an award of attorneys' fees.

All defendants moved to dismiss the First Amended Securities Complaint on December 15, 2015. While that motion was pending the parties agreed to mediate the case. This mediation was not successful. On August 19, 2016, the District Court issued its ruling on the defendants' motions to dismiss, dismissing with prejudice all claims against two former officers, dismissing all except Section 20(a) claims against three former officers, and denying all other relief. The Company and four individual defendants then filed their answers to the First Amended Securities Complaint on October 20, 2016. The independent executrix of the estate of William F. Borne, who was substituted as a defendant in the case after Mr. Borne's death, filed her answer on February 6, 2017.

On June 12, 2017, the Company reached an agreement-in-principle to settle this matter. All parties to the action executed a binding term sheet that, subject to final documentation and court approval, provided in part for a settlement payment of approximately $43.7 million, which we accrued as of June 30, 2017, and the dismissal with prejudice of the litigation. Approximately $15.0 million of the settlement amount paid by the Company's insurance carriers during the three-month period ended September 30, 2017, was previously recorded with other current assets in our condensed consolidated balance sheet as of June 30, 2017. The net of these two amounts, $28.7 million, was recorded as a charge in our condensed consolidated statements of operations during the three-month period ended June 30, 2017 and paid with cash on hand during the three-month period ended September 30, 2017.

Subpoena Duces Tecum Issued by the U.S. Department of Justice

On May 21, 2015, we received a Subpoena Duces Tecum ("Subpoena") issued by the U.S. Department of Justice. The Subpoena requests the delivery of information regarding 53 identified hospice patients to the United States Attorney's Office for the District of Massachusetts. It also requests the delivery of documents relating to our hospice clinical and business operations and related compliance activities. The Subpoena generally covers the period from January 1, 2011, through May 21, 2015. We are fully cooperating with the U.S. Department of Justice with respect to this investigation. Based on the information currently available to us, we cannot predict the timing or outcome of this investigation or reasonably estimate the amount or range of potential losses, if any, which may arise from this matter.

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Civil Investigative Demand Issued by the U.S. Department of Justice

On November 3, 2015, we received a civil investigative demand ("CID") issued by the U.S. Department of Justice pursuant to the federal False Claims Act relating to claims submitted to Medicare and/or Medicaid for hospice services provided through designated facilities in the Morgantown, West Virginia area. The CID requests the delivery of information to the United States Attorney's Office for the Northern District of West Virginia regarding 66 identified hospice patients, as well as documents relating to our hospice clinical and business operations in the Morgantown area. The CID generally covers the period from January 1, 2009 through August 31, 2015. We are fully cooperating with the U.S. Department of Justice with respect to this investigation. Based on the information currently available to us, we cannot predict the timing or outcome of this investigation or reasonably estimate the amount or range of potential losses, if any, which may arise from this matter.

On June 27, 2016, we received a CID issued by the U.S. Department of Justice pursuant to the federal False Claims Act relating to claims submitted to Medicare and/or Medicaid for hospice services provided through designated facilities in the Parkersburg, West Virginia area. The CID requests the delivery of information to the United States Attorney's Office for the Southern District of West Virginia regarding 68 identified hospice patients, as well as documents relating to our hospice clinical and business operations in the Parkersburg area. The CID generally covers the period from January 1, 2011 through June 20, 2016. We are fully cooperating with the U.S. Department of Justice with respect to this investigation. Based on the information currently available to us, we cannot predict the timing or outcome of this investigation or reasonably estimate the amount or range of potential losses, if any, which may arise from this matter.

In addition to the matters referenced in this note, we are involved in legal actions in the normal course of business, some of which seek monetary damages, including claims for punitive damages. We do not believe that these normal course actions, when finally concluded and determined, will have a material impact on our consolidated financial condition, results of operations or cash flows.

Other Investigative Matters—Ongoing

Corporate Integrity Agreement

On April 23, 2014, with no admissions of liability on our part, we entered into a settlement agreement with the U.S. Department of Justice relating to certain of our clinical and business operations. Concurrently with our entry into this agreement, we entered into a corporate integrity agreement ("CIA") with the Office of Inspector General-HHS ("OIG"). The CIA formalizes various aspects of our already existing ethics and compliance programs and contains other requirements designed to help ensure our ongoing compliance with federal health care program requirements. Among other things, the CIA requires us to maintain our existing compliance program, executive compliance committee and compliance committee of the Board of Directors; provide certain compliance training; continue screening new and current employees to ensure they are eligible to participate in federal health care programs; engage an independent review organization to perform certain auditing and reviews and prepare certain reports regarding our compliance with federal health care programs, our billing submissions to federal health care programs and our compliance and risk mitigation programs; and provide certain reports and management certifications to the OIG. Additionally, the CIA specifically requires that we report substantial overpayments that we discover we have received from federal health care programs, as well as probable violations of federal health care laws. Upon breach of the CIA, we could become liable for payment of certain stipulated penalties, or could be excluded from participation in federal health care programs. The corporate integrity agreement has a term of five years.

Idaho and Wyoming Self-Report

During 2016, the Company engaged an independent auditing firm to perform a clinical audit of the hospice care centers acquired by Frontier Home Health and Hospice in April 2014. No assurances can be given as to the timing or outcome of the audit on the Company, its consolidated financial condition, results of operations or cash flows, which could be material, individually or in the aggregate.

Other Investigative Matters—Closed

Computer Inventory and Data Security Reporting

On March 1 and March 2, 2015, we provided official notice under federal and state data privacy laws concerning the outcome of an extensive risk management process to locate and verify our large computer inventory. The process identified approximately 142 encrypted computers and laptops for which reports were required under federal and state data privacy laws. The devices at issue were originally assigned to Company clinicians and other team members who left the Company between 2011 and 2014. We reported these devices to the U.S. Department of Health and Human Services, state agencies, and individuals whose information may be involved, as required under applicable law because we could not rule out unauthorized access to patient data on the devices. In accordance with our CIA, we notified the OIG of this matter. As of September 30, 2017, this matter has been resolved, and the Company incurred no penalties or fees.

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Third Party Audits—Ongoing

From time to time, in the ordinary course of business, we are subject to audits under various governmental programs in which third party firms engaged by the Centers for Medicare and Medicaid Services ("CMS") conduct extensive review of claims data to identify potential improper payments under the Medicare program.

In July 2010, our subsidiary that provides hospice services in Florence, South Carolina received from a Zone Program Integrity Contractor ("ZPIC") a request for records regarding a sample of 30 beneficiaries who received services from the subsidiary during the period of January 1, 2008 through March 31, 2010 (the "Review Period") to determine whether the underlying services met pertinent Medicare payment requirements. We acquired the hospice operations subject to this review on August 1, 2009; the Review Period covers time periods both before and after our ownership of these hospice operations. Based on the ZPIC's findings for 16 beneficiaries, which were extrapolated to all claims for hospice services provided by the Florence subsidiary billed during the Review Period, on June 6, 2011, the Medicare Administrative Contractor ("MAC") for the subsidiary issued a notice of overpayment seeking recovery from our subsidiary of an alleged overpayment. We dispute these findings, and our Florence subsidiary has filed appeals through the Original Medicare Standard Appeals Process, in which we are seeking to have those findings overturned. An ALJ hearing was held in early January 2015. On January 18, 2016, we received a letter dated January 6, 2016 referencing the ALJ hearing decision for the overpayment issued on June 6, 2011. The decision was partially favorable with a new overpayment amount of $3.7 million with a balance owed of $5.6 million including interest based on 9 disputed claims (originally 16). We filed an appeal to the Medicare Appeals Council on the remaining 9 disputed claims and also argued that the statistical method used to select the sample was not valid. No assurances can be given as to the timing or outcome of the Medicare Appeals Council decision. As of September 30, 2017, Medicare has withheld payments of $5.7 million (including additional interest) as part of their standard procedures once this level of the appeal process has been reached. In the event we are not able to recoup this alleged overpayment, we are indemnified by the prior owners of the hospice operations for amounts relating to the period prior to August 1, 2009. As of September 30, 2017, we have an indemnity receivable of approximately $4.9 million for the amount withheld related to the period prior to August 1, 2009.

In July 2016, the Company received a request for medical records from SafeGuard Services, L.L.C ("SafeGuard"), a ZPIC related to services provided by some of the care centers that the Company acquired from Infinity Home Care, L.L.C. The review period covers time periods both before and after our ownership of the care centers, which were acquired on December 31, 2015. In August 2017, the Company received Requests for Repayment from Palmetto GBA, LLC ("Palmetto") regarding Infinity Home Care of Lakeland, LLC, ("Lakeland Care Centers") and Infinity Home Care of Pinellas, LLC, ("Clearwater Care Center"). The Palmetto letters are based on a statistical extrapolation performed by SafeGuard which alleged an overpayment of $34.0 million for the Lakeland Care Centers on a universe of 72 Medicare claims totaling $0.2 million in actual claims payments using a 100% error rate and an overpayment of $4.8 million for the Clearwater Care Center on a universe of 70 Medicare claims totaling $0.2 million in actual claims payments using a 100% error rate.

The Lakeland Request for Repayment covers claims between January 2, 2014, and September 13, 2016. The Clearwater Request for Repayment covers claims between January 2, 2015, and December 9, 2016. The Company is contractually entitled to indemnification by the prior owners for all claims prior to December 31, 2015, for up to $12.6 million.

As these matters continue to develop, the Company is working with the appropriate stakeholders to favorably resolve these matters. At this stage of the review, based on the information currently available to the Company, the Company cannot predict the timing or outcome of this review. The estimated potential range of loss related to this review is between $6.5 million (assuming the Company is successful in seeking indemnity from the prior owners and unsuccessful in demonstrating that the extrapolation method used by SafeGuard was erroneous) and $38.8 million (the maximum amount Palmetto claims has been overpaid for both the Lakeland Care Centers and the Clearwater Care Center of which amount is subject to indemnification by the prior owners for up to $12.6 million as disclosed above).

As of September 30, 2017, we have an accrued liability of approximately $17.4 million related to this matter. We expect to be indemnified by the prior owners for approximately $10.9 million and have recorded this amount with other assets, net in our condensed consolidated balance sheet as of September 30, 2017. The net of these two amounts, $6.5 million, was recorded as a reduction in revenue in our condensed consolidated statements of operations during the three-month period ended September 30, 2017. As of September 30, 2017, $7.8 million of net receivables have been impacted by this payment suspension.

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Insurance

We are obligated for certain costs associated with our insurance programs, including employee health, workers' compensation and professional liability. While we maintain various insurance programs to cover these risks, we are self-insured for a substantial portion of our potential claims. We recognize our obligations associated with these costs, up to specified deductible limits in the period in which a claim is incurred, including with respect to both reported claims and claims incurred but not reported. These costs have generally been estimated based on historical data of our claims experience. Such estimates, and the resulting reserves, are reviewed and updated by us on a quarterly basis.

Our health insurance has an exposure limit of $0.9 million for any individual covered life. Our workers' compensation insurance has a retention limit of $0.5 million per incident and our professional liability insurance has a retention limit of $0.3 million per incident.

6. SEGMENT INFORMATION

Our operations involve servicing patients through our three reportable business segments: home health, hospice and personal care. Our home health segment delivers a wide range of services in the homes of individuals who may be recovering from surgery, have a chronic disability or terminal illness or need assistance with completing important personal tasks. Our hospice segment provides palliative care and comfort to terminally ill patients and their families. Our personal care segment, which was established with the acquisition of Associated Home Care during the three-month period ended March 31, 2016, provides patients with assistance with the essential activities of daily living. The "other" column in the following tables consists of costs relating to executive management and administrative support functions, primarily information services, accounting, finance, billing and collections, legal, compliance, risk management, procurement, marketing, clinical administration, training, human resources and administration.

Management evaluates performance and allocates resources based on the operating income of the reportable segments, which includes an allocation of corporate expenses directly attributable to the specific segment and includes revenues and all other costs directly attributable to the specific segment. Segment assets are not reviewed by the company's chief operating decision maker and therefore are not disclosed below (amounts in millions).

	For the Three-Month Period Ended September 30, 2017				
	Home Health	Hospice	Personal Care	Other	Total
Net service revenue	$ 269.5	$ 96.5	$ 14.2	$ —	$380.2
Cost of service, excluding depreciation and amortization	168.2	47.8	10.6	—	226.6
General and administrative expenses	70.9	19.0	3.1	25.9	118.9
Provision for doubtful accounts	5.4	1.2	0.5	—	7.1
Depreciation and amortization	0.9	0.2	—	3.1	4.2
Operating expenses	245.4	68.2	14.2	29.0	356.8
Operating income (loss)	$ 24.1	$ 28.3	$ —	$(29.0)	$ 23.4

	For the Three-Month Period Ended September 30, 2016				
	Home Health	Hospice	Personal Care	Other	Total
Net service revenue	$ 268.9	$ 82.0	$ 10.7	$ —	$361.6
Cost of service, excluding depreciation and amortization	162.4	41.9	7.8	—	212.1
General and administrative expenses	71.8	17.6	2.3	32.7	124.4
Provision for doubtful accounts	4.0	1.4	0.1	—	5.5
Depreciation and amortization	1.6	0.3	—	3.3	5.2
Operating expenses	239.8	61.2	10.2	36.0	347.2
Operating income (loss)	$ 29.1	$ 20.8	$ 0.5	$(36.0)	$ 14.4

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	For the Nine-Month Period Ended September 30, 2017				
	Home Health	Hospice	Personal Care	Other	Total
Net service revenue	$ 814.5	$ 272.8	$ 42.1	$ —	$1,129.4
Cost of service, excluding depreciation and amortization	496.1	134.9	31.2	—	662.2
General and administrative expenses	207.7	56.2	9.2	85.4	358.5
Provision for doubtful accounts	12.6	4.8	0.7	—	18.1
Depreciation and amortization	2.7	0.7	0.1	9.6	13.1
Securities Class Action Lawsuit settlement, net	—	—	—	28.7	28.7
Operating expenses	719.1	196.6	41.2	123.7	1,080.6
Operating income (loss)	$ 95.4	$ 76.2	$ 0.9	$(123.7)	$ 48.8

	For the Nine-Month Period Ended September 30, 2016				
	Home Health	Hospice	Personal Care	Other	Total
Net service revenue	$ 817.2	$ 230.8	$ 23.2	$ —	$1,071.2
Cost of service, excluding depreciation and amortization	483.6	120.1	16.8	—	620.5
General and administrative expenses	215.3	51.8	5.0	106.4	378.5
Provision for doubtful accounts	10.8	2.8	0.1	—	13.7
Depreciation and amortization	4.4	1.0	—	9.3	14.7
Operating expenses	714.1	175.7	21.9	115.7	1,027.4
Operating income (loss)	$ 103.1	$ 55.1	$ 1.3	$(115.7)	$ 43.8

9. SUBSEQUENT EVENT

On October 2, 2017, we acquired Intercity Home Care, a personal care provider in Massachusetts with three care centers for a purchase price of $9.6 million.

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ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information we believe is relevant to an assessment and understanding of our results of operations and financial condition for the three and nine-month periods ended September 30, 2017. This discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included herein, and the consolidated financial statements and notes and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the Securities and Exchange Commission (“SEC”) on March 1, 2017 (the “Form 10-K”), which are incorporated herein by this reference.

Unless otherwise provided, “Amedisys,” “we,” “our,” and the “Company” refer to Amedisys, Inc. and our consolidated subsidiaries.

Overview

We are a provider of high-quality in-home healthcare and related services to the chronic, co-morbid, aging American population, with approximately 74% and 75% of our revenue derived from Medicare for the three and nine-month periods ended September 30, 2017, and approximately 78% of our revenue derived from Medicare for the three and nine-month periods ended September 30, 2016.

Our operations involve servicing patients through our three reportable business segments: home health, hospice and personal care. Our home health segment delivers a wide range of services in the homes of individuals who may be recovering from an illness, injury or surgery. Our hospice segment provides care that is designed to provide comfort and support for those who are facing a terminal illness. Our personal care segment provides patients assistance with the essential activities of daily living. As of September 30, 2017, we owned and operated 328 Medicare-certified home health care centers, 81 Medicare-certified hospice care centers and 16 personal-care care centers in 34 states within the United States and the District of Columbia.

Owned and Operated Care Centers

	Home Health	Hospice	Personal Care
At December 31, 2016	327	79	14
Acquisitions	3	2	3
Closed/Consolidated	(2)	—	(1)
At September 30, 2017	328	81	16

Recent Developments

Governmental Inquiries and Investigations and Other Litigation

During the three-month period ended June 30, 2017, we reached an agreement-in-principle to resolve the Securities Class Action Lawsuit. All parties to the action executed a binding term sheet that, subject to final documentation and court approval, provided for a settlement payment of approximately $43.7 million, which we accrued as of June 30, 2017, and the dismissal with prejudice of the litigation. Approximately $15.0 million of the settlement amount was recorded with other current assets in our condensed consolidated balance sheet as of June 30, 2017, and subsequently paid by the Company’s insurance carriers during the three-month period ended September 30, 2017. The net of these two amounts, $28.7 million, was recorded as a charge in our condensed consolidated statements of operations during the three-month period ended June 30, 2017 and paid with cash on hand during the three-month period ended September 30, 2017. See Note 5 – Commitments and Contingencies to our condensed consolidated financial statements for additional information regarding this matter.

During the three-month period ended September 30, 2017, we received a request for medical records from SafeGuard Services, L.L.C (“SafeGuard”), a Zone Program Integrity Contractor (“ZPIC”) related to services provided by some of the care centers that the Company acquired from Infinity Home Care, L.L.C. The review period covers time periods both before and after our ownership of the care centers, which were acquired on December 31, 2015. Subsequent to the request for medical records, we received Requests for Repayment from Palmetto GBA, LLC (“Palmetto”) regarding two of these care centers. As a result, we recorded a $6.5 million reduction in revenue in our condensed consolidated statement of operations related to this matter during the three-month period ended September 30, 2017. See Note 5 – Commitments and Contingencies to our condensed consolidated financial statements for additional information regarding this matter.

In addition, see Note 5 – Commitments and Contingencies to our condensed consolidated financial statements for additional information regarding our corporate integrity agreement and for a discussion of and updates regarding other legal proceeding and investigations we are involved in. No assurances can be given as to the timing or outcome of these items.

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Payment

On August 1, 2017, the Centers for Medicare and Medicaid Services ("CMS") issued a final rule to update hospice payment rates and the wage index for fiscal year 2018. CMS estimates hospices serving Medicare beneficiaries would see an estimated 1.0% increase in payments, consistent with the required market basket set in fiscal year 2018 by statute in the Medicare Access and CHIP Reauthorization Act of 2015 ("MACRA"). Absent the statutory cap on payment increases included in MACRA, CMS notes that the rate increase would have been a 2.2% net increase. CMS also increased the aggregate cap amount by 1.0% to $28,689.04. We expect our impact of the 2018 final rule to be in line with that of the hospice industry.

On November 1, 2017, CMS issued its final rule for Medicare home health providers. CMS estimates that the net impact of the payment provisions of the final rule will result in a decrease of 0.4% in reimbursement to home health providers in 2018. This decrease is the result of a 1.0% home health payment update, a 0.9% adjustment to the national, standardized 60-day episode payment rate to account for nominal case-mix growth and the sunset of the rural add-on provision. As of September 30, 2017, we estimate our impact of the 2018 final rule to be approximately 1.4% which is inclusive of the sunset of the rural add-on provision.

Home Health Division Restructure Plan

On October 2, 2017, the Company announced that it will close four Florida home health care centers, consolidate another three Florida home health care centers with care centers servicing the same market and implement a plan to restructure the Company's home health division. These actions are expected to be completed during the three-month period ended December 31, 2017. As a result of these actions, we recorded approximately $2 million in salaries and benefits related to severance costs during the three-month period ended September 30, 2017. We expect to incur additional charges in the range of $2 million to $3 million during the three-month period ended December 31, 2017 related to our restructure plan.

Executive Leadership

On October 5, 2017, Gary D. Willis resigned as Chief Financial Officer. As a result of his departure, the Board of Directors appointed Scott G. Ginn as Chief Financial Officer, effective October 5, 2017.

Results of Operations

Three-Month Period Ended September 30, 2017 Compared to the Three-Month Period Ended September 30, 2016

Consolidated

The following table summarizes our results (amounts in millions):

	For the Three-Month Periods Ended September 30,	
	2017	2016
Net service revenue	$ 380.2	$ 361.6
Gross margin, excluding depreciation and amortization	153.5	149.5
% of revenue	*40.4 %*	*41.3 %*
Other operating expenses	130.1	135.1
% of revenue	*34.2 %*	*37.4 %*
Operating income	23.4	14.4
Total other income, net	0.7	3.8
Income tax expense	(9.4)	(6.7)
Effective income tax rate	*39.0 %*	*36.8 %*
Net income	14.7	11.5
Net income attributable to noncontrolling interests	(0.1)	(0.1)
Net income attributable to Amedisys, Inc.	$ 14.6	$ 11.4

Overall, our operating income increased $9 million on a revenue increase of $19 million and a $5 million decrease in other operating expenses which was offset by a $15 million increase in cost of service. The increase in operating income was driven by the performance of our hospice division and reductions in corporate operating expenses. Additionally, our results for the three-month period ended September 30, 2017 include the results of our acquisition of three home health and two hospice care centers on May 1, 2017, which added approximately $2 million in other operating expenses related to care center costs.

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Our results for the three-month periods ended September 30, 2017 and 2016 were impacted by additional expenses incurred during the quarters. Our 2016 operating results were negatively impacted by $4 million as a result of costs associated with Homecare Homebase ("HCHB") implementation and restructuring activity charges (primarily severance costs).

Our 2017 operating results were negatively impacted $9 million; these impacts include a $7 million reduction in revenue as a result of the Florida ZPIC audit (see Note 5 – Commitments and Contingencies to our condensed consolidated financial statements for additional information regarding this matter) and approximately $2 million in severance costs related to our home health closures and restructuring plan. In addition, during the three-month period ended September 30, 2017, we experienced a decline in admissions and incurred additional costs as a result of Hurricane Irma which impacted operating income by approximately $1 million.

Total other income (expense), net for the three-month period ended September 30, 2016 includes a gain from an equity method investment of approximately $3 million.

Home Health Division

The following table summarizes our home health segment results from continuing operations:

	For the Three-Month Periods Ended September 30,	
	2017	2016
Financial Information *(in millions)*:		
Medicare	$ 191.4	$ 203.9
Non-Medicare	78.1	65.0
Net service revenue	269.5	268.9
Cost of service	168.2	162.4
Gross margin	101.3	106.5
Other operating expenses	77.2	77.4
Operating income	$ 24.1	$ 29.1
Same Store Growth (1):		
Medicare revenue	(7%)	1%
Non-Medicare revenue	19%	4%
Medicare admissions	(3%)	1%
Total Episodic admissions	1%	3%
Total admissions	1%	-%
Key Statistical Data—Total (2):		
Medicare:		
Admissions	46,823	47,625
Recertifications	26,996	25,522
Total volume	73,819	73,147
Completed episodes	71,454	71,948
Visits	1,259,156	1,266,780
Average revenue per completed episode (3)	$ 2,820	$ 2,841
Visits per completed episode (4)	17.4	17.5
Non-Medicare:		
Admissions	26,686	24,335
Recertifications	12,263	9,479
Visits	592,742	506,729
Visiting Clinician Cost per Visit	$ 82.53	$ 82.86
Clinical Manager Cost per Visit	$ 8.30	$ 8.72
Total Cost per Visit	$ 90.83	$ 91.58
Visits	1,851,898	1,773,509

(1) Same store information represents the percent increase (decrease) in our Medicare and Non-Medicare revenue or admissions for the period as a percent of the Medicare and Non-Medicare revenue or admissions of the prior period.
(2) Total includes acquisitions.
(3) Average Medicare revenue per completed episode is the average Medicare revenue earned for each Medicare completed episode of care.
(4) Medicare visits per completed episode are the home health Medicare visits on completed episodes divided by the home health Medicare episodes completed during the period.

Operating Results

Overall, our operating income decreased $5 million on a $5 million decrease in gross margin; other operating expenses remained flat compared to prior year. The $5 million decrease is net of the $7 million reduction in revenue related to the Florida ZPIC audit (see Note 5 – Commitments and Contingencies to our condensed consolidated financial statements for additional information regarding this matter).

Net Service Revenue

Our Medicare revenue decreased approximately $13 million which includes a $7 million reduction in revenue related to the Florida ZPIC audit. Our total Medicare volumes (admissions plus recertifications) increased during the three-month period ended September 30, 2017. The volume increase was offset by a $2 million decrease in revenue per episode in addition to a $3 million reduction as a result of an increase in our provision for revenue adjustments primarily related to the aging of Medicare receivables for our Florida care centers included in the ZPIC audit. The decrease in revenue per episode is the result of the 2017 CMS rate cut which reduced our revenue by approximately $4 million which was offset by a $2 million increase related to the acuity level of our patients.

Our non-Medicare revenue increased $13 million with same store revenues increasing 19%. Admissions from episodic payors increased 24% while our per visit payors increased 3%. We continue to focus on contract payors with significant concentrations in our markets and those that add incremental margin to our operations as we continue to evaluate our portfolio of managed care contracts.

Cost of Service, Excluding Depreciation and Amortization

Our cost per visit consists of costs associated with direct clinician care in the homes of our patients as well as the cost of clinical managers who monitor the overall delivery of care. Our cost of service increased 4% which is consistent with our increase in total visits. Our cost per visit decreased approximately 1% despite disruptions related to Hurricane Irma and annual wage increases effective during the current quarter.

Other Operating Expenses

Other operating expenses remained flat despite incurring approximately $2 million in severance costs related to our home health restructuring plan and an increase in our provision for doubtful accounts as we experienced decreases in other care center related expenses, primarily salaries and benefits as the result of planned decreases post our HCHB rollout. Other operating expenses include approximately $1 million related to acquisitions during the three-month period ended September 30, 2017.

Hospice Division

The following table summarizes our hospice segment results from continuing operations:

	For the Three-Month Periods Ended September 30,	
	2017	2016
Financial Information *(in millions)*:		
Medicare	$ 91.4	$ 77.0
Non-Medicare	5.1	5.0
Net service revenue	96.5	82.0
Cost of service	47.8	41.9
Gross margin	48.7	40.1
Other operating expenses	20.4	19.3
Operating income	$ 28.3	$ 20.8
Same Store Growth (1):		
Medicare revenue	17%	12%
Non-Medicare revenue	(2%)	14%
Hospice admissions	7%	16%
Average daily census	14%	14%
Key Statistical Data - Total (2):		
Hospice admissions	6,257	5,751
Average daily census	7,026	6,087
Revenue per day, net	$ 149.25	$ 146.49
Cost of service per day	$ 73.99	$ 74.77
Average discharge length of stay	95	92

(1) Same store information represents the percent increase (decrease) in our Medicare and Non-Medicare revenue, Hospice admissions or average daily census for the period as a percent of the Medicare and Non-Medicare revenue, Hospice admissions or average daily census of the prior period.

(2) Total includes acquisitions.

Operating Results

Overall, our operating income increased $8 million on a $9 million increase in gross margin offset by a $1 million increase in other operating expenses.

Net Service Revenue

Our hospice revenue increased $15 million, primarily due to an increase in our average daily census as a result of a 7% increase in hospice admissions and a 2% increase in reimbursement effective October 1, 2016. The 14% increase in average daily census is driven by our 13% admissions growth for the nine-month period ended September 30, 2017.

Cost of Service, Excluding Depreciation and Amortization

Our hospice cost of service increased $6 million as the result of a 14% increase in average daily census. Our cost of service per day decreased by approximately $1.00 primarily due to an improvement in pharmacy cost per day.

Other Operating Expenses

Other operating expenses increased $1 million primarily due to census growth and an acquisition that occurred during the three-month period ended June 30, 2017.

Personal Care Division

The following table summarizes our personal care segment results from continuing operations:

	For the Three-Month Periods Ended September 30,	
	2017	**2016**
Financial Information *(in millions)*:		
Medicare	$ —	$ —
Non-Medicare	14.2	10.7
Net service revenue	14.2	10.7
Cost of service	10.6	7.8
Gross margin	3.6	2.9
Other operating expenses	3.6	2.4
Operating income	$ —	$ 0.5
Key Statistical Data:		
Billable hours	616,036	448,133
Clients served	8,145	7,132
Shifts	281,904	203,465
Revenue per hour	$ 23.00	$ 23.70
Revenue per shift	$ 50.26	$ 52.19
Hours per shift	2.2	2.2

On March 1, 2016, we acquired Associated Home Care, a personal care home health care company with nine care centers. On September 1, 2016, we acquired the assets of Professional Profiles, Inc. which owned and operated four personal-care care centers. In addition during the three-month period ended September 30, 2016, we opened a start-up personal-care care center. On February 1, 2017, we acquired the assets of Home Staff LLC, which owned and operated three personal-care care centers, one of which was subsequently consolidated with one of our existing personal-care care centers. Acquisitions are included in our consolidated financial statements from their respective acquisition dates. As a result, our personal care operating results for the three-month periods ended September 30, 2017 and 2016 are not fully comparable.

Corporate

The following table summarizes our corporate results from continuing operations:

	For the Three-Month Periods Ended September 30,	
	2017	**2016**
Financial Information *(in millions)*:		
Other operating expenses	$ 25.9	$ 32.7
Depreciation and amortization	3.1	3.3
Total operating expenses	$ 29.0	$ 36.0

Corporate expenses consist of costs relating to our executive management and corporate and administrative support functions, primarily information services, accounting, finance, billing and collections, legal, compliance, risk management, procurement, marketing, clinical administration, training, human resources and administration. Corporate other operating expenses have decreased approximately $7 million. This decrease is driven by a $3 million decrease related to HCHB implementation costs and fees and reductions in acquisition costs and various other operating expenses including professional fees, salaries and benefits, personnel costs and IT related services.

Nine-Month Period Ended September 30, 2017 Compared to the Nine-Month Period Ended September 30, 2016

Consolidated

The following table summarizes our results from continuing operations (amounts in millions):

	For the Nine-Month Periods Ended September 30,	
	2017	**2016**
Net service revenue	$ 1,129.4	$ 1,071.2
Gross margin, excluding depreciation and amortization	467.2	450.7
% of revenue	*41.4 %*	*42.1 %*
Other operating expenses	389.8	406.9
% of revenue	*34.5 %*	*38.0 %*
Securities Class Action Lawsuit settlement, net	28.7	—
Operating income	48.8	43.8
Total other income, net	2.9	3.2
Income tax expense	(17.3)	(18.3)
Effective income tax rate	*33.5 %*	*39.0 %*
Net income	34.4	28.7
Net income attributable to noncontrolling interests	(0.2)	(0.3)
Net income attributable to Amedisys, Inc.	$ 34.1	$ 28.3

Overall, our operating income increased $5 million on a revenue increase of $58 million which was offset by a $42 million increase in cost of service and an $11 million increase in other operating expenses which is inclusive of the $30 million charge for the Securities Class Action Lawsuit settlement accrual and related legal fees incurred during the three-month period ended June 30, 2017. Excluding these amounts, our operating income increased $34 million driven by the performance of our hospice division and reductions in corporate operating expenses as the result of approximately $17 million related to HCHB implementation costs and acquisition activity incurred during the nine-month period ended September 30, 2016. Additionally our results for the nine-month period ended September 30, 2017 include the results of our acquisition of three home health and two hospice care centers on May 1, 2017, which added approximately $3 million in other operating expenses related to care center costs and approximately $1 million related to integration costs.

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Home Health Division

The following table summarizes our home health segment results from continuing operations:

	For the Nine-Month Periods Ended September 30, 2017	2016
Financial Information *(in millions)*:		
Medicare	$ 588.4	$ 619.2
Non-Medicare	226.1	198.0
Net service revenue	814.5	817.2
Cost of service	496.1	483.6
Gross margin	318.4	333.6
Other operating expenses	223.0	230.5
Operating income	$ 95.4	$ 103.1
Same Store Growth (1):		
Medicare revenue	(5%)	3%
Non-Medicare revenue	14%	12%
Medicare admissions	(3%)	3%
Total Episodic admissions	1%	4%
Total admissions	1%	3%
Key Statistical Data—Total (2):		
Medicare:		
Admissions	143,711	147,025
Recertifications	78,878	77,565
Total volume	222,589	224,590
Completed episodes	217,190	218,007
Visits	3,794,001	3,893,568
Average revenue per completed episode (3)	$ 2,811	$ 2,835
Visits per completed episode (4)	17.3	17.5
Non-Medicare:		
Admissions	80,244	74,139
Recertifications	33,949	28,945
Visits	1,727,618	1,549,760
Visiting Clinician Cost per Visit	$ 81.41	$ 80.52
Clinical Manager Cost per Visit	$ 8.42	$ 8.31
Total Cost per Visit	$ 89.83	$ 88.83
Visits	5,521,619	5,443,328

(1) Same store information represents the percent increase (decrease) in our Medicare and Non-Medicare revenue or admissions for the period as a percent of the Medicare and Non-Medicare revenue or admissions of the prior period.
(2) Total includes acquisitions.
(3) Average Medicare revenue per completed episode is the average Medicare revenue earned for each Medicare completed episode of care.
(4) Medicare visits per completed episode are the home health Medicare visits on completed episodes divided by the home health Medicare episodes completed during the period.

Operating Results

Overall, our operating income declined $8 million on a $15 million decrease in gross margin offset by a $7 million decrease in other operating expenses.

Net Service Revenue

Our Medicare revenue decreased approximately $31 million which includes a $7 million reduction in revenue related to the Florida ZPIC audit. Approximately $13 million of the remaining $24 million decrease is due to lower volumes and increases in our provision for revenue adjustments. Additionally, we experienced a $12 million decrease in revenue per episode as a result of the 2017 CMS rate cut which was partially offset by an increase in the acuity level of our patients.

Our non-Medicare revenue increased approximately $28 million. Admissions from episodic payors increased 28% while our per visit payors increased 1%. We continue to focus on contract payors with significant concentrations in our markets and those that add incremental margin to our operations as we continue to evaluate our portfolio of managed care contracts.

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Cost of Service, Excluding Depreciation and Amortization

Our cost of service increased $12 million due to an increase in both our cost per visit and our total visits. Our cost per visit is up approximately 1% as the result of an increase in health insurance costs and annual wage increases during the three-month period ended September 30, 2017. We have seen continued improvement in this metric driven by increases in clinician productivity.

Other Operating Expenses

Other operating expense decreased $7 million despite incurring approximately $2 million in severance costs related to our home health restructuring plan and an increase in our provision for doubtful accounts during the nine-month period ended September 30, 2017. These charges were offset by decreases in other care center related expenses, primarily salaries and benefits as the result of planned decreases post our HCHB rollout. Other operating expenses include approximately $2 million related to acquisitions during the nine-month period ended September 30, 2017.

Hospice Division

The following table summarizes our hospice segment results from continuing operations:

	For the Nine-Month Periods Ended September 30,	
	2017	2016
Financial Information *(in millions):*		
Medicare	$ 257.9	$ 217.0
Non-Medicare	14.9	13.8
Net service revenue	272.8	230.8
Cost of service	134.9	120.1
Gross margin	137.9	110.7
Other operating expenses	61.7	55.6
Operating income	$ 76.2	$ 55.1
Same Store Growth (1):		
Medicare revenue	18%	16%
Non-Medicare revenue	7%	15%
Hospice admissions	13%	18%
Average daily census	15%	17%
Key Statistical Data—Total (2):		
Hospice admissions	19,010	16,757
Average daily census	6,705	5,776
Revenue per day, net	$ 149.01	$ 145.86
Cost of service per day	$ 73.72	$ 75.89
Average discharge length of stay	92	94

(1) Same store information represents the percent increase (decrease) in our Medicare and Non-Medicare revenue, Hospice admissions or average daily census for the period as a percent of the Medicare and Non-Medicare revenue, Hospice admissions or average daily census of the prior period.
(2) Total includes acquisitions.

Operating Results

Overall, our operating income increased $21 million on a $27 million increase in gross margin offset by a $6 million increase in other operating expenses. The increase in our hospice volumes has attributed to an 18% increase in revenue. Combined with a decrease in cost of service per day, we have seen a 25% increase in our hospice gross margin compared to the nine-month period ended September 30, 2016.

Net Service Revenue

Our hospice revenue increased $42 million primarily due to a 15% increase in our average daily census as a result of a 13% increase in hospice admissions.

Cost of Service, Excluding Depreciation and Amortization

Our hospice cost of service increased $15 million as the result of a 15% increase in average daily census. Our cost of service per day decreased $2.17 primarily due to significant improvement in salary and pharmacy cost per day driven by cost controls and census growth.

Other Operating Expenses

Other operating expenses increased $6 million due to increases in other care center related expenses, primarily salaries and benefits expense and provision for doubtful accounts. The $2 million increase in provision for doubtful accounts is due to an increase in room and board revenue and non-Medicare revenue. We continue to see sequential improvement as our collection patterns normalize.

Personal Care Division

The following table summarizes our personal care segment results from continuing operations:

	For the Nine-Month Periods Ended September 30, 2017	2016
Financial Information *(in millions):*		
Medicare	$ —	$ —
Non-Medicare	42.1	23.2
Net service revenue	42.1	23.2
Cost of service	31.2	16.8
Gross margin	10.9	6.4
Other operating expenses	10.0	5.1
Operating income	$ 0.9	$ 1.3
Key Statistical Data:		
Billable hours	1,822,653	990,389
Clients served	11,372	8,969
Shifts	830,151	451,421
Revenue per hour	$ 23.13	$ 23.41
Revenue per shift	$ 50.77	$ 51.36
Hours per shift	2.2	2.2

Operating income related to our personal care division remained flat on a $5 million increase in gross margin offset by $5 million increase in other operating expenses. As previously mentioned, due to the acquisition activity of this division, our personal care operating results for the nine-month periods ended September 30, 2017 and 2016 are not fully comparable. Revenue from acquisitions that have closed since September 1, 2016 was approximately $13 million for the nine-month period ended September 30, 2017.

Corporate

The following table summarizes our corporate results from continuing operations:

	For the Nine-Month Periods Ended September 30, 2017	2016
Financial Information *(in millions):*		
Other operating expenses	$ 85.4	$ 106.4
Depreciation and amortization	9.6	9.3
Total operating expenses before Securities Class Action Lawsuit settlement, net	95.0	115.7
Securities Class Action Lawsuit settlement, net	28.7	—
Total operating expenses	$ 123.7	$ 115.7

Excluding the $30 million Securities Class Action Lawsuit settlement accrual and related legal fees in 2017, corporate expenses decreased approximately $21 million primarily as a result of a $7 million reduction in HCHB implementation costs and a $9 million reduction in acquisition activity costs (including acquired corporate support and other acquisition costs). We also experienced reductions in various other operating expenses including salaries and benefits, non-cash compensation, personnel costs and IT related services which is inclusive of approximately $1 million in acquisition integration costs incurred during the nine-month period ended September 30, 2017.

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Liquidity and Capital Resources

Cash Flows

The following table summarizes our cash flows for the periods indicated (amounts in millions):

	For the Nine-Month Periods Ended September 30,	
	2017	2016
Cash provided by operating activities	$ 73.5	$ 33.7
Cash used in investing activities	(32.9)	(45.4)
Cash used in financing activities	(4.7)	(6.9)
Net increase (decrease) in cash and cash equivalents	35.9	(18.6)
Cash and cash equivalents at beginning of period	30.2	27.5
Cash and cash equivalents at end of period	$ 66.1	$ 8.9

Cash provided by operating activities increased $39.8 million during the nine-month period ended September 30, 2017 compared to the nine-month period ended September 30, 2016 primarily due to an increase in our cash collections as compared to 2016. For additional information regarding our operating performance, see “Results of Operations” and “Outstanding Patient Accounts Receivable”.

Cash used in investing activities decreased $12.5 million during the nine-month period ended September 30, 2017 compared to the nine-month period ended September 30, 2016 primarily due to a decrease in our acquisition activity ($7.3 million) and a decrease in capital expenditures ($4.4 million).

Cash used in financing activities decreased $2.2 million during the nine-month period ended September 30, 2017 compared to the nine-month period ended September 30, 2016 primarily due to a decrease in repurchases of company stock pursuant to our stock repurchase program during the nine-month period ended September 30, 2016 offset by employee stock activity.

Liquidity

Typically, our principal source of liquidity is the collection of our patient accounts receivable, primarily through the Medicare program. In addition to our collection of patient accounts receivable, from time to time, we can and do obtain additional sources of liquidity by the incurrence of additional indebtedness or through sales of equity.

During the nine-month period ended September 30, 2017, we spent $9.1 million in capital expenditures as compared to $13.5 million during the nine-month period ended September 30, 2016. Our capital expenditures for 2017 are expected to be approximately $10.0 million—$12.0 million.

As of September 30, 2017, we had $66.1 million in cash and cash equivalents and $167.3 million in availability under our $200.0 million Revolving Credit Facility.

During the three-month period ended September 30, 2017, we settled the Securities Class Action Lawsuit for approximately $43.7 million, of which approximately $15.0 million was paid by the Company’s insurance carriers. We used cash on hand to make the required remaining $28.7 million payment during the three-month period ended September 30, 2017.

Based on our operating forecasts and our debt service requirements, we believe we will have sufficient liquidity to fund our operations, capital requirements and debt service requirements.

Outstanding Patient Accounts Receivable

Our net patient accounts receivable increased $11.3 million from December 31, 2016 to September 30, 2017. Our cash collection as a percentage of revenue was 101% and 98% for the nine-month periods ended September 30, 2017 and 2016, respectively. Our days revenue outstanding, net at September 30, 2017 was 40.7 days which is an increase of 0.5 days from December 31, 2016 and from June 30, 2017. The Florida ZPIC audit (see Note 5 – Commitments and Contingencies to our condensed consolidated financial statements) which resulted in $7.8 million of net receivables being placed on payment suspension as of September 30, 2017, has added 1.7 days to our days revenue outstanding, net. Additionally, collections of receivables of the three home health and two hospice care centers acquired on May 1, 2017, has added 1.0 day to our days revenue outstanding, net. As is typical with newly acquired care centers, we experienced an increase in our aging of receivables due to regulatory delays related to the change of ownership process.

Our patient accounts receivable includes unbilled receivables and are aged based upon our initial service date. We monitor unbilled receivables on a care center by care center basis to ensure that all efforts are made to bill claims within timely filing deadlines. Our unbilled patient accounts receivable can be impacted by acquisition activity, probe edits or regulatory changes which result in additional information or procedures needed prior to billing. The timely filing deadline for Medicare is one year from the date the episode was completed, varies by state for Medicaid-reimbursable services and varies among insurance companies and other private payors.

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Our provision for estimated revenue adjustments (which is deducted from our service revenue to determine net service revenue) and provision for doubtful accounts were as follows for the periods indicated (amounts in millions). We fully reserve for both our Medicare and other patient accounts receivable that are aged over 365 days. For those patient accounts that are not aged over 365 days, we make adjustments to Medicare revenue or our provision for doubtful accounts based on our aging of accounts and historical collection experience. We have experienced a $10 million increase in our provision for doubtful accounts and contractual reserves during the nine-month period ended September 30, 2017 compared to the nine-month period ended September 30, 2016 due to increased write-offs and accounts receivable aging as a result of our conversion to HCHB as well as the Florida ZPIC audit.

	For the Three-Month Periods Ended September 30,		For the Nine-Month Periods Ended September 30,	
	2017	2016	2017	2016
Provision for estimated revenue adjustments	$ 3.5	$ 1.6	$ 11.9	$ 5.9
Provision for doubtful accounts	7.1	5.5	18.1	13.7
Total	$ 10.6	$ 7.1	$ 30.0	$ 19.6
As a percent of revenue	2.8%	1.9%	2.7%	1.8%

The following schedules detail our patient accounts receivable, net of estimated revenue adjustments, by payor class, aged based upon initial date of service (amounts in millions, except days revenue outstanding, net):

	0-90	91-180	181-365	Over 365	Total
At September 30, 2017:					
Medicare patient accounts receivable, net (1)	$ 90.4	$ 13.9	$ 2.9	$ —	$ 107.2
Other patient accounts receivable:					
Medicaid	13.3	3.0	2.2	0.5	19.0
Private	44.0	10.2	10.9	6.0	71.1
Total	$ 57.3	$ 13.2	$ 13.1	$ 6.5	$ 90.1
Allowance for doubtful accounts (2)					(19.9)
Non-Medicare patient accounts receivable, net					$ 70.2
Total patient accounts receivable, net					$ 177.4
Days revenue outstanding, net (3)					40.7

	0-90	91-180	181-365	Over 365	Total
At December 31, 2016:					
Medicare patient accounts receivable, net (1)	$82.7	$17.1	$ 1.4	$ —	$101.2
Other patient accounts receivable:					
Medicaid	13.6	3.6	3.6	0.2	21.0
Private	39.8	10.4	7.6	3.8	61.6
Total	$ 53.4	$ 14.0	$ 11.2	$ 4.0	$ 82.6
Allowance for doubtful accounts (2)					(17.7)
Non-Medicare patient accounts receivable, net					$ 64.9
Total patient accounts receivable, net					$ 166.1
Days revenue outstanding, net (3)					40.2

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(1) The following table summarizes the activity and ending balances in our estimated revenue adjustments (amounts in millions), which is recorded to reduce our Medicare outstanding patient accounts receivable to their estimated net realizable value, as we do not estimate an allowance for doubtful accounts for our Medicare claims.

	For the Three-Month Period Ended September 30, 2017	For the Three-Month Period Ended December 31, 2016	For the Nine-Month Period Ended September 30, 2017	For the Nine-Month Period Ended December 31, 2016
Balance at beginning of period	$ 6.9	$ 3.8	$ 4.1	$ 3.4
Provision for estimated revenue adjustments	3.5	2.0	11.9	6.2
Write offs	(3.8)	(1.7)	(9.4)	(5.5)
Balance at end of period	$ 6.6	$ 4.1	$ 6.6	$ 4.1

Our estimated revenue adjustments were 5.8% and 3.9% of our outstanding Medicare patient accounts receivable at September 30, 2017 and December 31, 2016, respectively.

(2) The following table summarizes the activity and ending balances in our allowance for doubtful accounts (amounts in millions), which is recorded to reduce only our Medicaid and private payer outstanding patient accounts receivable to their estimated net realizable value.

	For the Three-Month Period Ended September 30, 2017	For the Three-Month Period Ended December 31, 2016	For the Nine-Month Period Ended September 30, 2017	For the Nine-Month Period Ended December 31, 2016
Balance at beginning of period	$ 17.9	$ 16.7	$ 17.7	16.7
Provision for doubtful accounts	7.1	5.9	18.1	15.6
Write offs	(5.1)	(4.9)	(15.9)	(14.6)
Balance at end of period	$ 19.9	$ 17.7	$ 19.9	$ 17.7

Our allowance for doubtful accounts was 22% and 21% of our outstanding Medicaid and private patient accounts receivable at September 30, 2017 and December 31, 2016, respectively.

(3) Our calculation of days revenue outstanding, net is derived by dividing our ending net patient accounts receivable (i.e., net of estimated revenue adjustments and allowance for doubtful accounts) at September 30, 2017 and December 31, 2016 by our average daily net patient revenue for the three-month periods ended September 30, 2017 and December 31, 2016, respectively.

Indebtedness

Our weighted average interest rate for our $100.0 million Term Loan, under our Credit Agreement, was 3.2% and 3.0% for the three and nine-month periods ended September 30, 2017, respectively, and 2.5% for the three and nine-month periods ended September 30, 2016, respectively. Our weighted average interest rate for our $200.0 million Revolving Credit Facility was 4.5% and 3.5% for the three and nine-month periods ended September 30, 2016, respectively.

As of September 30, 2017, our consolidated leverage ratio, as defined by our Credit Agreement, was 0.9, our consolidated fixed charge coverage ratio, as defined by our Credit Agreement, was 4.1 and we are in compliance with our Credit Agreement.

As of September 30, 2017, our availability under our $200.0 million Revolving Credit Facility was $167.3 million as we had $32.7 million outstanding in letters of credit.

See Note 4 to our condensed consolidated financial statements and Note 7 of the financial statements included in our Form 10-K for additional details on our outstanding long-term obligations.

Inflation

We do not believe inflation has significantly impacted our results of operations.

Critical Accounting Estimates

See Part II, Item 7 – Critical Accounting Estimates and our consolidated financial statements and related notes in Part II, Item 8 of our 2016 Annual Report on Form 10-K, for accounting policies and related estimates we believe are the most critical to understanding our condensed consolidated financial statements, financial condition and results of operations and which require complex management judgment and assumptions, or involve uncertainties. These critical accounting estimates include: revenue recognition, patient accounts receivable, insurance, goodwill and other intangible assets and income taxes. There have not been any changes to our significant accounting policies or their application since we filed our 2016 Annual Report on Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from fluctuations in interest rates. Our Revolving Credit Facility and Term Loan carry a floating interest rate which is tied to the Eurodollar rate (*i.e.* LIBOR) and the Prime Rate, and therefore, our condensed consolidated statements of operations and our condensed consolidated statements of cash flows will be exposed to changes in interest rates. As of September 30, 2017, the total amount of outstanding debt subject to interest rate fluctuations was $91.3 million. A 1.0% interest rate change would cause interest expense to change by approximately $0.9 million annually.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures which are designed to provide reasonable assurance of achieving their objectives and to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 as amended (the “Exchange Act”) is recorded, processed, summarized, disclosed and reported within the time periods specified in the SEC’s rules and forms. This information is also accumulated and communicated to our management and Board of Directors to allow timely decisions regarding required disclosure.

In connection with the preparation of this Quarterly Report on Form 10-Q, as of September 30, 2017, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act.

Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of September 30, 2017, the end of the period covered by this Quarterly Report.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that have occurred during the quarter ended September 30, 2017 that have materially impacted, or are reasonably likely to materially impact, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls or our internal controls over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls’ effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and, based on an evaluation of our controls and procedures, our principal executive officer and our principal financial officer concluded our disclosure controls and procedures were effective at a reasonable assurance level as of September 30, 2017, the end of the period covered by this Quarterly Report.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 5 to the condensed consolidated financial statements for information concerning our legal proceedings.

ITEM 1A. RISK FACTORS

In addition to other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors included in Part I, Item 1A. – Risk Factors of our Annual Report on Form 10-K. These risk factors could materially impact our business, financial condition and/or operating results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely impact our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides the information with respect to purchases made by us of shares of our common stock during each of the months during the three-month period ended September 30, 2017:

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs
July 1, 2017 to July 31, 2017	12,515	$ 50.81	—	$ —
August 1, 2017 to August 31, 2017	—	—	—	—
September 1, 2017 to September 30, 2017	1,694	54.66	—	—
	14,209(1)	$ 51.27	—	$ —

(1) Includes shares of common stock surrendered to us by certain employees to satisfy tax withholding obligations in connection with the vesting of non-vested stock previously awarded to such employees under our 2008 Omnibus Incentive Compensation Plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

The exhibits marked with the cross symbol (†) are filed and the exhibits marked with a double cross (††) are furnished with this Form 10-Q. Any exhibits marked with the asterisk symbol (*) are management contracts or compensatory plans or arrangements filed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

Exhibit Number	Document Description
3.1	Composite of Certificate of Incorporation of the Company inclusive of all amendments through June 14, 2007
3.2	Composite of By-Laws of the Company inclusive of all amendments through April 20, 2016
†*10.1	Transition Agreement and General Release of Lawrence Pernosky
†*10.2	Agreement to Terminate Transition Agreement and General Release of Lawrence Pernosky
†31.1	Certification of Paul B. Kusserow, President and Chief Executive Officer (principal executive officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
†31.2	Certification of Scott G. Ginn, Chief Financial Officer (principal financial officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
††32.1	Certification of Paul B. Kusserow, President and Chief Executive Officer (principal executive officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
††32.2	Certification of Scott G. Ginn, Chief Financial Officer (principal financial officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
†101.INS	XBRL Instance
†101.SCH	XBRL Taxonomy Extension Schema Document
†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
†101.DEF	XBRL Taxonomy Extension Definition Linkbase
†101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMEDISYS, INC.
(Registrant)

By: /s/ SCOTT G. GINN
Scott G. Ginn,
Principal Accounting Officer and
Duly Authorized Officer

Date: November 8, 2017

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Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1

Transition Agreement and General Release of Lawrence Pernosky

This Transition Agreement and General Release (this "**Agreement**") is effective as of September 6, 2017 (the "**Effective Date**"), by and between Amedisys, Inc. (the "**Company**") and Lawrence Pernosky (the "**Executive**").

RECITALS

A. As of the Effective Date, the Executive is employed by the Company as the Chief Human Resources Officer.

B. The Company and the Executive have agreed to plan for the Executive's transition to retirement from the Company on the terms described in this Agreement.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions stated in this Agreement, the Company and the Executive hereby agree as follows:

1. **Continued Employment**. The Company shall continue to employ the Executive as Chief Human Resources Officer through December 29, 2017 (the "**Retirement Date**"), subject to earlier separation of the Executive's employment prior to the Retirement Date due to (i) the Executive's voluntary separation of employment, or (ii) the Company terminating the Executive's employment for "Cause" (as such term is defined in the Amedisys Holding, L.L.C. Severance Plan for Key Executives (the "**Severance Plan**")) (each, an "**Early Termination Event**"). Notwithstanding the preceding sentence, if a new Chief Human Resources Officer is hired by the Company prior to the Retirement Date, the Executive shall no longer hold the position of Chief Human Resources Officer and shall instead assume the position of Strategic Executive through the Retirement Date, with such duties as may be assigned to the Executive by the Company's Chief Executive Officer.

2. **Retirement**. As of the Retirement Date, the Executive shall retire from employment with the Company.

3. **Compensation**. Pursuant to this Agreement, the Company shall provide to the Executive, and the Executive shall accept from the Company as full compensation for the Executive's services hereunder, the following:

    (a) Base Salary. The Executive shall continue to receive his base salary, at the rate in effect as of the date of this Agreement and in accordance with applicable payroll practices in effect for executive officers of the Company, through the Retirement Date.

    (b) 2017 Annual Bonus. Subject to the achievement of applicable performance goals and the terms and conditions of the 2017 Executive Short Term Incentive Plan (the "Incentive Plan"), the Executive shall be eligible to receive an annual bonus up to ninety-three thousand, seven hundred and fifty dollars ($93,750.00) for fiscal year 2017 under the Incentive Plan. If the Executive becomes entitled to receive an annual bonus for fiscal year 2017, such annual bonus shall be paid at the same time and using the same calculation method as the fiscal year 2017 annual bonuses for other executive officers of the Company, notwithstanding the fact that the Executive shall have retired from the Company as of such payment date.

        (i) *Section 409A Restrictions.* Notwithstanding anything to the contrary in this Agreement or otherwise, if Executive is a "specified employee" (as defined under section 409A of the Internal Revenue Code) on the Retirement Date, any payments of "deferred compensation" (as defined under section 409A of the Internal Revenue Code) that Executive would otherwise be entitled to receive in connection with his retirement from the Company during the six month period following the Retirement Date, whether paid under this Agreement or otherwise, will instead be accumulated and paid in a lump sum on the earlier of (i) the first day of the seventh month after the Retirement Date, or (ii) the date of Executive's death. This paragraph shall apply only to the extent required to avoid Executive's incurrence of any additional tax or interest under section 409A of the Internal Revenue Code.

(c) Equity Vesting.

(i) Six thousand, five hundred and sixty-three (6,563) of the eleven thousand, two hundred and fifty (11,250) options that were granted on May 1, 2015, and are scheduled to vest on May 1, 2018, will vest on January 5, 2018. These options will expire on April 5, 2018, which is 90 days following the date of accelerated vesting.

(ii) One thousand, six hundred and forty-one (1,641) of the two thousand, eight hundred and twelve (2,812) options that were granted on May 1, 2015, and are scheduled to vest on May 1, 2018, will vest on January 5, 2018. These options will expire on April 5, 2018, which is 90 days following the date of accelerated vesting.

(iii) Two thousand, one hundred and eighty-eight (2,188) of the three thousand, seven hundred and fifty (3,750) options that were granted on March 24, 2016, and are scheduled to vest on May 1, 2018, will vest on January 5, 2018. These options will expire on April 5, 2018, which is 90 days following the date of accelerated vesting.

(iv) Three thousand, two hundred and eighty-two (3,282) of the five thousand, six hundred and twenty-five (5,625) shares that were granted on February 22, 2017, and are scheduled to vest on May 1, 2018, will vest on the date that the Compensation Committee of the Amedisys Board of Directors certifies achievement of the 2017 performance metric. These options will expire 90 days following the Compensation Committee's certification of achievement of the 2017 performance metric.

(v) All remaining unvested portions of the Executive's equity award agreements shall be forfeited as of December 29, 2017.

All equity awards are governed by the terms of the Amedisys, Inc. 2008 Omnibus Incentive Compensation Plan and the applicable equity award agreement relating to such award. The Executive's right to the compensation described in this Section 3 is subject to the Executive remaining employed by the Company through the Retirement Date. If there is an Early Termination Event, the Company will not be required to provide the compensation described in this Section 3.

4. Cooperation Obligations.

(a) During Employment. The Executive acknowledges and agrees that, while employed by the Company, he shall render to the very best of his ability, on behalf of the Company, services to and on behalf of the Company and shall undertake diligently all duties and responsibilities required of the Chief Human Resources Officer or assigned to him by the Company. The Executive acknowledges and agrees that this obligation requires him to fully cooperate and collaborate as is required to achieve the Company's objectives and that failure to comply with these obligations shall result in this Agreement, including all compensation provided for hereunder, becoming null and void.

(b) Following Employment. Following the termination of his employment, the Executive agrees to cooperate with the Company by making himself reasonably available to assist the Company with any reasonable request that it should make of the Executive, including by testifying on behalf of the Company or any subsidiary in any action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action, suit or proceeding in which the Executive makes claims against the Company or in which the Company makes claims against the Executive), and to assist the Company in any such action, suit or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, or representatives or counsel to the Company; provided, however, that nothing contained in this Section 4(b) is intended to prevent the Executive from exercising his constitutional right to avoid self-incrimination. The Company agrees to reimburse the Executive, on an after-tax basis, for all reasonable expenses (including legal fees and expenses) actually incurred in connection with his cooperation pursuant to this Section.

5. Protective Covenants Agreement.

(a) Competition with Company. Executive covenants and agrees that during his employment, and for a period of two (2) years after Executive's final day of employment with the Company (the "Non-Competition Period"), Executive will not, as an employee, consultant, independent contractor, officer, shareholder, director, partner, owner, or in any other capacity, provide, manage, or supervise services within the "Restricted Area," as such term is hereafter defined, that are the same as or similar in purpose or function to those services Executive has provided to the Company during the "Look Back Period," as hereafter defined, if such services are being provided for the benefit of any business, firm, proprietorship, corporation, partnership, association, entity or venture engaged in home health, hospice or personal care services ("Competing Business") (hereinafter, the "Non-Compete Obligation").

(i) The term "Restricted Area" is defined as the Company Geographic Footprint; *provided*, however, if the Company Geographic Footprint is deemed to be overbroad by a court of competent jurisdiction, then the Restricted Area shall be any parish, county, or county equivalent that the Executive had material involvement in, received Confidential Information about, worked out of, was assigned to, had responsibility for, or supervised in the Company Geographic Footprint.

(ii) The term "Company Geographic Footprint" shall mean all parishes and counties (or county equivalents) in the states and other jurisdictions in which the Company conducts business or actively solicits business at any time during the Look Back Period or, that at the time of Executive's Retirement Date, the Company is engaged in planning to do business in. The Company Geographic Footprint includes without limitation those parishes and counties (or county equivalents) set forth in Exhibit B hereto. The parties acknowledge that the Company is expanding rapidly and in order to prevent ongoing, repetitious amendments to this Agreement solely for the purpose of updating the Company Geographic Footprint, the parties agree that the Company Geographic Footprint, inclusive of Exhibit B, shall be self-amending to include all parishes and counties (or county equivalents) in the States and other jurisdictions in which the Company conducts business or actively solicits business at any time during the Look Back Period. The parties intend and agree that Executive's continued employment thereafter shall serve as the parties' constructive acceptance of an amendment to enlarge the Company Geographic Footprint.

(iii) The term "Look Back Period" means the last two years of Executive's employment with the Company.

(iv) The term "Referral Source" shall mean any person who refers business to Company, and shall specifically include but not be limited to, any physician, surgeon, medical doctor, doctor of osteopathy, hospitalist, discharge planner, hospital employee, or representative of any senior living facility (inclusive of assisted living facilities, independent living facilities, nursing homes or skilled nursing facilities) who orders, refers, or arranges for the provision of home health, hospice or personal care/private duty care services, or any nursing or clerical staff under the supervision of the foregoing.

(b) Solicitation of Business. During the “Restricted Period,” as such term is hereafter defined, Executive will not knowingly contact, solicit, or communicate with a client, customer, patient or Referral Source of the Company for the purpose of encouraging, causing or inducing the client, customer, patient or Referral Source to cease or reduce doing business with the Company or to divert Business-related opportunities (home health, hospice or personal/private duty care services) to some person or entity engaged in any part of the Business (other than the Company), nor will Executive aid or assist any other person, business, or legal entity to do any of the aforesaid prohibited acts. The restriction created by this paragraph (the “Non-Solicitation Restriction”) is limited to clients, customers, patients and Referral Sources that Executive had material contact or business dealings with during the Look Back Period.

(i) The term “Restricted Period” means the period during Executive’s employment with Amedisys plus two years from the Executive’s final day of employment.

(ii) If Executive resides in and is subject to the laws of a state where a geographic limitation is required by applicable law in order for the Non-Solicitation Restriction to be enforced, it will be understood that the Non-Solicitation Restriction shall only apply to clients, customers, patients and Referral Sources within the Restricted Area.

(c) Solicitation of Employees. During Executive’s employment, and for a period of two (2) years after Executive ceases to be employed by the Company, Executive will not knowingly, in person or through others, solicit or communicate with, or help another person or entity solicit or communicate with, any “Protected Employee,” as hereafter defined, for the purpose of causing the Protected Employee to terminate employment with the Company or Company affiliate with which the individual is employed, or to help another person or entity hire away the Protected Employee (hereinafter, the “Employee Non-Solicitation Restriction”). The term “Protected Employee” means any employee, officer, clinician, sales person, agent, or other employee of the Company, or Company affiliate, that Executive had material contact with, supervised in any capacity, or received Confidential Information about while employed with the Company.

(i) If Executive resides in and is subject to the laws of a state where a geographic limitation is required by applicable law in order for this Executive Non-Solicitation Restriction to be enforced, it will be understood that the Executive Non-Solicitation Restriction shall only apply to Protected Employees in the Restricted Area.

6. **Non-Disparagement**. The Executive acknowledges and agrees that, during the remainder of his employment with the Company and thereafter, he shall not make any statements or representations, or otherwise communicate, directly or indirectly, in writing, orally or otherwise, or take any action which may, directly or indirectly, disparage the Company or any subsidiary thereof or any of their respective officers, directors, employees, advisors, businesses or reputations.

7. **No Further Liability; Release**. The Executive, and anyone claiming through the Executive or on the Executive’s behalf, hereby waive and release (a) the Company, Amedisys Inc., and each of their past, present, and future parents, divisions, subsidiaries, partnerships, affiliates, and other related entities (whether or not they are wholly owned); and (b) the past, present, and future owners, trustees, fiduciaries, administrators, shareholders, directors, officers, partners, agents, representatives, members, associates, insurance carriers, employees, and attorneys of each entity listed in subpart (a) above; and (c) the predecessors, successors, and assigns of each entity listed in subparts (a) and (b) above (“Released Parties”) with respect to any and all claims, whether currently known or unknown, that the Executive now has or has ever had against the Company or any of the other Released Parties arising from or related to any act, omission, or thing occurring or existing at any time prior to or on the date on which the Executive signs this Agreement. Without limiting the generality of the foregoing, the claims waived and released by the Executive hereunder include, but are not limited to:

(a) all claims arising out of or related in any way to the Executive’s employment, compensation, other terms and conditions of employment, or retirement and corresponding administrative separation with the Company, including without limitation all claims for any compensation payments, bonus, severance pay, equity, or any other compensation or benefit;

(b) all claims that were or could have been asserted by the Executive or on his behalf: (i) in any federal, state, or local court, commission, or agency; or (ii) under any common law theory (including without limitation all claims for breach of contract (oral, written or implied), wrongful termination, defamation, invasion of privacy, infliction of emotional distress, tortious interference, fraud, estoppel, unjust enrichment, and any other contract, tort or other common law claim of any kind); and

(c) all claims that were or could have been asserted by the Executive or on his behalf under: (i) the Age Discrimination in Employment Act, as amended; and (ii) any other federal, state, local, employment, services or other law, regulation, ordinance, constitutional provision, executive order or other source of law, including without limitation under any of the following laws, as amended from time to time: Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 1981 & 1981a, the Americans with Disabilities Act, the Equal Pay Act, the Employee Retirement Income Security Act, the Lilly Ledbetter Fair Pay Act of 2009, the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, and the Fair Credit Reporting Act.

Nothing in this Agreement shall waive or release: (a) any claim that cannot be waived or released by law; (b) any claim to enforce this Agreement; (c) any claim for any vested benefits to which the Executive is otherwise entitled pursuant to the terms and conditions of any applicable benefit plans; (d) any claim for workers' compensation or unemployment insurance benefits; or (e) any claim, if any, to indemnification under the Executive's Indemnification Agreement entered into by and between the Executive and the Company and any applicable law, any Company by-laws, the Company's director and officer insurance, it being understood and agreed that this Agreement does not create or expand upon any such rights (if any) to indemnification.

8. **Covenant Not to Sue**. The Executive promises not to file, or become a plaintiff or claimant of any kind, in any arbitration, proceeding or lawsuit in court, against the Company or any of the Released Parties for, or based on, any claim or charge of employment discrimination or for any claim or action that is released under this Agreement. The Executive acknowledges that although he is releasing claims that he may have under either or both the ADEA and the OWBPA, the Executive may challenge the knowing and voluntary nature of this Agreement under the ADEA and the OWBPA before a court, the Equal Employment Opportunity Commission, or any other federal, state or local agency charged with enforcement of any employment laws. The Executive further understands that nothing in this section prohibits him from bringing a claim in which he seeks to challenge the validity of this Agreement.

9. **Supplemental Release**. The Executive understands and agrees that the Executive's execution of the Supplemental Release within twenty-one (21) days after (but not before) the Retirement Date, without revocation thereof as provided therein, is among the conditions precedent to the Company's obligation to pay any amounts or benefits under this Agreement.

10. **No Other Actions or Claims**. The Executive represents and warrants that: (a) there has not been filed by the Executive or on the Executive's behalf any legal or other proceedings against any of the Released Parties (provided, however, that the Executive need not disclose to the Company, and the foregoing representation and warranty in this subpart (a) does not apply to, conduct or matters described in Section 13 below); (b) no such proceedings have been initiated against any of the Released Parties on the Executive's behalf; (c) the Executive is the sole owner of the claims that are released in Section 7 above; (d) none of these claims has been transferred or assigned or caused to be transferred or assigned to any other person, firm or other legal entity; and (e) the Executive has the full right and power to grant, execute, and deliver the releases, undertakings, and agreements contained in this Agreement.

11. **Notices**. All notices and other communications required or permitted by this Agreement to be delivered by the Company or the Executive to the other party shall be delivered in writing to the address shown below, either personally or by registered, certified or express mail, return receipt requested, postage prepaid, to the address for such party specified below or to such other address as the party may from time to time advise the other party, and shall be deemed given and received as of actual personal delivery, on the first business day after the date of delivery shown on any such facsimile transmission or upon the date or actual receipt shown on any return receipt if registered, certified or express mail is used, as the case may be.

<u>Company</u>:

Amedisys, Inc.
Attention: Dave Kemmerly
209 10th Avenue South
Suite 512
Nashville, TN 37203

<u>Executive</u>:

Lawrence Pernosky
906 Buford Place
Nashville, TN 37204

12. **Severability**. If any provisions(s) of this Agreement shall be found invalid or unenforceable, in whole or in part, then it is the parties' mutual desire that such provision(s) be modified to the extent and in the manner necessary to render the same valid and enforceable, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be, and the remainder of the Agreement will be enforced as written.

13. **Non-Interference**. Not withstand anything in this Agreement to the contrary, nothing in this Agreement prohibits the Employee from confidentially or otherwise communicating or filing a charge or complaint with a government regulatory entity, participating in a government or regulatory entity investigation, or giving truthful testimony or statement to a governmental or regulatory entity, or from responding if properly subpoenaed or otherwise required to do so under applicable law.

14. **Amendment and Termination; Entire Agreement**. This Agreement may not be amended or terminated except by a writing executed by all of the parties hereto. This Agreement sets forth the entire agreement and understanding between the Company and the Executive and supersedes all prior agreements and understandings, written or oral, relating to the subject matter hereof. No further remuneration of any type shall be due to the Executive other than what is set forth in this Agreement.

15. **Successors and Assigns**. The rights and obligations of the parties hereunder are not assignable to another person without prior written consent; provided, however, that the Company, without obtaining the Executive's consent, may assign its rights and obligations hereunder to a wholly-owned subsidiary and provided further that any post-employment restrictions shall be assignable by the Company to any entity which purchases all or substantially all of the Company's assets.

16. **No Waiver**. No waiver by the Company or the Executive of a right or remedy hereunder shall be deemed to be a waiver of any other right or remedy or of any subsequent right or remedy of the same kind.

17. **Governing Laws and Forum**. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Tennessee. The parties hereto further agree that any action brought to enforce any right or obligation under this Agreement shall be subject to the exclusive jurisdiction of the courts of the State of Tennessee.

18. **Older Workers Benefit Protection Act Acknowledgement**. **THE EXECUTIVE ACKNOWLEDGES, UNDERSTANDS, AND AGREES THAT: (a) THE EXECUTIVE HAS READ AND UNDERSTANDS THE TERMS AND EFFECT OF THIS AGREEMENT; (b) THE EXECUTIVE RELEASES AND WAIVES CLAIMS UNDER THIS AGREEMENT KNOWINGLY AND VOLUNTARILY, IN EXCHANGE FOR CONSIDERATION IN ADDITION TO ANYTHING OF VALUE TO WHICH THE EXECUTIVE ALREADY IS ENTITLED; (c) THE EXECUTIVE HEREBY IS AND HAS BEEN ADVISED TO HAVE THE EXECUTIVE'S ATTORNEY REVIEW THIS AGREEMENT (AT THE EXECUTIVE'S COST) BEFORE SIGNING IT; (d) THE EXECUTIVE HAS TWENTY-ONE (21) DAYS IN WHICH TO CONSIDER WHETHER TO EXECUTE THIS AGREEMENT; AND (e)**

WITHIN SEVEN (7) DAYS AFTER THE DATE ON WHICH THE EXECUTIVE SIGNS THIS AGREEMENT, THE EXECUTIVE MAY, AT THE EXECUTIVE'S SOLE OPTION, REVOKE THE AGREEMENT UPON WRITTEN NOTICE TO AMEDISYS, INC. ATTN: DAVE KEMMERLY, GENERAL COUNSEL, 209 10TH AVENUE SOUTH, SUITE 512, NASHVILLE, TN 37203, AND THE AGREEMENT WILL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THIS SEVEN-DAY REVOCATION PERIOD HAS EXPIRED WITHOUT ANY REVOCATION BY THE EXECUTIVE. IF THE EXECUTIVE REVOKES THIS AGREEMENT, IT SHALL BE NULL AND VOID.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

EXECUTIVE	**AMEDISYS, INC.**
/s/ Lawrence Pernosky	By: /s/ David L. Kemmerly
Lawrence Pernosky	Its: General Counsel
Date: 9/07, 2017	Date: 9/07, 2017

EXHIBIT A

SUPPLEMENTAL RELEASE

Amedysis, Inc. (the "Company") and Lawrence Pernosky (the "Executive") hereby enter into this Supplemental Release ("Release") in accordance with the Transition Agreement and General Release between the Company and the Executive dated as of September 6, 2017 (the "Agreement"). Capitalized terms not expressly defined in this Release shall have the meanings set forth in the Agreement:

1. The Executive understands and agrees that the Executive's execution of this Release within 21 days after (but not before) the Retirement Date, without revocation thereof as provided therein, is among the conditions precedent to the Company's obligation to provide any of the payments or benefits set forth in Section 3 of the Agreement. The Company will provide such payments or benefits in accordance with the terms of the Agreement once the conditions set forth therein and in this Release have been met.

2. The term "Released Parties" as used in this Release includes: (a) the Company, Amedisys Holdings, Inc., and each of their past, present, and future parents, divisions, subsidiaries, partnerships, affiliates, and other related entities (whether or not they are wholly owned); and (b) the past, present, and future owners, trustees, fiduciaries, administrators, shareholders, directors, officers, partners, agents, representatives, members, associates, insurance carriers, employees, and attorneys of each entity listed in subpart (a) above; and (c) the predecessors, successors, and assigns of each entity listed in subparts (a) and (b) above.

3. The Executive, and anyone claiming through the Executive or on the Executive's behalf, hereby waive and release the Company and the other Released Parties with respect to any and all claims, whether currently known or unknown, that the Executive now has or has ever had against the Company or any of the other Released Parties arising from or related to any act, omission, or thing occurring or existing at any time prior to or on the date on which the Executive signs this Agreement. Without limiting the foregoing, the claims waived and released by the Executive hereunder include, but are not limited to: (a) all claims arising out of or related in any way to the Executive's employment, compensation, other terms and conditions of employment, or termination from employment with the Company, including without limitation all claims for any compensation payments, bonus, severance pay, equity, or any other compensation or benefit; (b) all claims that were or could have been asserted by the Executive or on the Executive's behalf in any federal, state, or local court, commission, or agency, or under any contract, tort or other common law theory; and (c) all claims that were or could have been asserted by the Executive or on her behalf under: (i) the Age Discrimination in Employment Act; and (ii) any other federal, state, local, employment, services or other law, regulation, ordinance, constitutional provision, executive order or other source of law, including without limitation under any of the following laws, as amended from time to time: Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 1981 & 1981a, the Americans with Disabilities Act, the Equal Pay Act, Employee Retirement Income Security Act, the Lilly Ledbetter Fair Pay Act of 2009, and the Family and Medical Leave Act. Notwithstanding the foregoing, the releases and waivers in this Section 3 shall not apply to any claim for unemployment or workers' compensation, or a claim that by law is non-waivable.

4. The Executive confirms that the Executive has not filed any legal or other proceeding(s) against any of the Released Parties, is the sole owner of and has not transferred the claims released herein, and has the full right to grant the releases and agreements in this Release. In the event of any further proceedings based upon any released matter, none of the Released Parties shall have any further monetary or other obligation of any kind to the Executive, and the Executive hereby waives any such monetary or other recovery.

5. THE EXECUTIVE ACKNOWLEDGES, UNDERSTANDS, AND AGREES THAT: (a) THE EXECUTIVE HAS READ AND UNDERSTANDS THE TERMS AND EFFECT OF THIS RELEASE; (b) THE EXECUTIVE RELEASES AND WAIVES CLAIMS UNDER THIS RELEASE KNOWINGLY AND VOLUNTARILY, IN EXCHANGE FOR CONSIDERATION IN ADDITION TO ANYTHING OF VALUE TO WHICH THE EXECUTIVE ALREADY IS ENTITLED; (c) THE EXECUTIVE HEREBY IS AND HAS BEEN ADVISED TO HAVE THE EXECUTIVE'S ATTORNEY REVIEW THIS RELEASE (AT THE EXECUTIVE'S COST) BEFORE SIGNING IT; (d) THE EXECUTIVE HAS TWENTY-ONE (21) DAYS IN WHICH TO CONSIDER WHETHER TO EXECUTE THIS RELEASE; AND (e) WITHIN SEVEN (7) DAYS AFTER THE DATE ON WHICH THE EXECUTIVE SIGNS THIS RELEASE, THE EXECUTIVE MAY, AT THE

EXECUTIVE 'S SOLE OPTION, REVOKE THE RELEASE UPON WRITTEN NOTICE TO AMEDISYS, INC. ATTN: DAVE KEMMERLY, GENERAL COUNSEL, 209 10TH AVE S, SUITE 512, NASHVILLE, TN 37203 AND THE RELEASE WILL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THIS SEVEN-DAY REVOCATION PERIOD HAS EXPIRED WITHOUT ANY REVOCATION BY THE EXECUTIVE. IF THE EXECUTIVE REVOKES THIS RELEASE, IT SHALL BE NULL AND VOID, AND THE EXECUTIVE WILL NOT RECEIVE THE SPECIAL PAYMENTS OR BENEFITS UNDER THE AGREEMENT.

6. Except as required by law, the Executive will not disclose the existence or terms of this Release to anyone except the Executive's accountants, attorneys and spouse (and will ensure that all such persons comply with this confidentiality provision). Nothing in this Release is intended to or shall be construed as an admission by any of the Released Parties that any of them violated any law, breached any obligation or otherwise engaged in any improper or illegal conduct with respect to the Executive or otherwise. The Released Parties expressly deny any such illegal or wrongful conduct. This Release and the Agreement are the entire agreement of the parties regarding the matters described in such agreements and supersede any and all prior and/or contemporaneous agreements, oral or written, between the parties regarding such matters. This Release is governed by Tennessee law, may be signed in counterparts, and may be modified only by a writing signed by all parties.

THE PARTIES STATE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING AND KNOWINGLY AND VOLUNTARILY INTEND TO BE BOUND THERETO:

LAWRENCE PERNOSKY	**AMEDISYS, INC.**
______________________________	**By:** ______________________________
Date: ______________________________	**Title:** ______________________________
	Date: ______________________________

EXHIBIT B

Company Geographic Footprint

The following counties, county equivalents, and/or parishes:

Alabama

Autauga
Baldwin
Barbour
Bibb
Blount
Bullock
Butler
Calhoun
Chambers
Cherokee
Chilton
Choctaw
Clarke
Clay
Cleburne
Coffee
Colbert

Conecuh Coosa
Covington
Crenshaw
Cullman Dale
Dallas DeKalb
Elmore Escambia
Etowah Fayette
Franklin Geneva
Greene Hale
Henry

Houston Jackson
Jefferson Lamar
Lauderdale Lawrence
Lee Limestone
Lowndes Macon
Madison Marengo
Marion Marshall
Mobile Monroe
Montgomery

Morgan Perry
Pickens Pike
Randolph Russell
Shelby
St Clair Sumter
Talladega
Tallapoosa
Tuscaloosa Walker
Washington Wilcox
Winston

Arizona

Coconino
Gila
LaPaz

Maricopa
Mohave Pima

Pinal Yavapai
Yuma

Arkansas

Baxter
Cleburne
Crawford
Faulkner
Franklin
Fulton
Howard
Independence

Izard Jackson
Johnson Lawrence
Little River Logan
Lonoke Marion

Pike Polk
Prairie
Randolph
Searcy Sebastian
Sevier Sharp

Stone
Van Buren
Washington White
Woodruff

California

Alameda
Contra Costa
El Dorado
Los Angeles
Marin
Napa

Orange
Placer
Riverside
Sacramento
San Bernardino
San Benito

San Diego
San Francisco
San Luis Obispo
San Mateo
Santa Clara
Santa Cruz

Sonoma
Sutter
Yolo
Yuba

Connecticut

Fairfield
Hartford

Litchfield
Middlesex

New Haven
New London

Tolland
Windham

Delaware

Kent
New Castle
Sussex

District of Columbia

City of Washington

Florida

Alachua
Baker
Bay
Bradford
Brevard
Broward
Calhoun
Charlotte
Citrus
Clay
Collier
Columbia
DeSoto
Dixie
Duval
Escambia
Flagler
Franklin
Gadsden
Gilchrist
Glades Gulf
Hamilton
Hardee Hendry
Hernando
Highlands
Hillsborough
Holmes
Indian River
Jackson Jefferson
Lafayette Lake
Lee Leon Levy Liberty
Madison Manatee
Marion Martin
Miami-Dade Nassau
Okaloosa Okeechobee
Orange Osccola Palm
Beach Pasco Pinellas
Polk Putnam St
Johns St Lucie
Santa Rosa Sarasota
Seminole Sumter
Suwannee Taylor
Union Volusia
Wakulla Walton
Washington

Georgia

Appling
Atkinson
Bacon
Baldwin
Banks
Barrow
Bartow
Ben Hill
Berrien
Bibb
Brantley
Bryan
Butts
Candler
Carroll
Catoosa
Charlton
Chatham
Chattahoochee
Chattooga
Cherokee
Clarke
Clay
Cook
Coweta
Crawford
Dade
Dawson
DeKalb
Douglas
Effingham
Elbert
Emanuel
Evans
Fannin
Fayette
Floyd
Forsyth
Franklin
Fulton
Gilmer
Gordon
Greene
Gwinnett
Habersham
Hall
Jackson
Jasper
Jeff Davis
Jones
Lamar
Laurens
Liberty
Long
Lowndes
Lumpkin
Macon
Madison
Marion
Meriwether
Monroe
Montgomery
Morgan
Murray
Muscogee
Newton
Oconee
Oglethorpe
Paulding
Quitman
Rabun
Randolph
Richmond
Rockdale
Schley
Spalding
Stephens
Stewart
Sumter
Talbot
Tattnall
Taylor
Tift
Toombs
Towns
Treutlen
Troup
Turner
Union
Upson
Walker
Walton

Clayton	Haralson	Pickens	Ware
Clinch	Harris	Pierce	Wheeler
Cobb	Hart	Pike	White
Coffee	Heard	Polk	Whitfield
Colquitt	Henry	Pulaski	Wilkinson
Columbia	Irwin	Putnam	Worth

Illinois

Boone	Henry	Lee	St Clair
Carroll	Iroquois	Livingston	Scott
Clinton	Jo Daviess	Madison	Stephenson
Cook	Kane	McHenry	Washington
DeKalb	Kankakee	Mercer	Whiteside
DuPage	Kendall	Monroe	Will
Ford	La Salle	Ogle	Winnebago
Grundy	Lake	Rock Island	

Indiana

Adams	Gibson	Lawrence	Randolph
Allen	Grant	Madison	Ripley
Benton	Greene	Marion	St Joseph
Blackford	Hamilton	Marshall	Scott
Boone	Hancock	Martin	Shelby
Brown	Harrison	Miami	Spencer
Carroll	Hendricks	Monroe	Starke
Cass	Henry	Montgomery	Steuben
Clark	Howard	Morgan	Sullivan
Clay	Huntington	Newton	Tippecanoe
Clinton	Jackson	Noble	Tipton
Crawford	Jasper	Orange	Vanderburgh
Daviess	Jay	Owen	Vigo
DeKalb	Jefferson	Parke	Wabash
Delaware	Johnson	Perry	Warren
Dubois	Knox	Pike	Warrick
Elkhart	Kosciusko	Porter	Washington
Floyd	LaGrange	Posey	Wayne
Fountain	Lake	Pulaski	Wells
Fulton	LaPorte	Putnam	White
			Whitley

Kansas

Barber	Franklin	Linn	Rice
Butler	Greenwood	Marion	Saline
Chase	Harper	McPherson	Sedgwick
Clay	Harvey	Miami	Shawnee
Cloud	Jackson	Mitchell	Stafford

Cowley
Dickinson
Douglas
Elk
Ellsworth
Jefferson
Johnson
Kingman
Leavenworth
Lincoln
Osage
Ottawa
Pottawatamie
Pratt
Reno
Sumner
Wabunsee
Wyandotte

Kentucky

Adair
Allen
Anderson
Barren
Bath
Bell
Boone
Bourbon
Boyd
Boyle
Breckinridge
Bullitt
Campbell
Casey
Clark
Clinton
Cumberland
Daviess
Estill
Fayette
Franklin
Garrard
Grayson
Green
Greenup
Hardin
Harrison
Hart
Henry
Jefferson
Jessamine
Kenton
Laurel
Lincoln
Logan
Madison
Meade
Menifee
Mercer
Monroe
Montgomery
Nicholas
Oldham
Owen
Pendleton
Powell
Pulaski
Scott
Shelby
Simpson
Spencer
Taylor
Trimble
Warren
Whitley
Woodford

Louisiana

Acadia
Allen
Ascension
Assumption
Avoyelles
Beauregard
Bienville
Caldwell
Catahoula
Claiborne
Concordia
E Baton Rouge
E Carroll
E Feliciana
Evangeline
Franklin
Grant
Iberia
Iberville
Jackson
Jefferson
Jefferson Davis
Lafayette
Lafourche
La Salle
Lincoln
Livingston
Madison
Morehouse
Natchitoches
Orleans
Ouachita
Plaquemines
Pointe Coupee
Rapides
Richland
St Bernard
St Charles
St Helena
St James
St John the Baptist
St Landry
St Martin
St Mary
St Tammany
Tangipahoa
Tensas
Terrebonne
Union
Vermilion
Vernon
Washington
W Baton Rouge
W Carroll
W Feliciana
Winn

Maine

Androscogin
Cumberland
Hancock
Penobscot
Piscataquis
Sagadahoc
Waldo
York

Maryland

Anne Arundel
Baltimore
Baltimore City
Carroll
Cecil
Dorchester
Harford
Howard
Montgomery
Prince Georges
Somerset
Wicomico
Worcester

Massachusetts

Barnstable
Berkshire
Bristol
Essex
Franklin
Hampden
Hampshire
Middlesex
Norfolk
Plymouth
Suffolk
Worcester

Mississippi

Alcorn	Hinds	Leake	Prentiss
Benton	Issaquena	Lee	Rankin
Calhoun	Itawamba	Lowndes	Scott
Chickasaw	Jackson	Madison	Sharkey
Claiborne	Jasper	Marion	Simpson
Clarke	Jefferson	Marshall	Smith
Clay	Jefferson Davis	Monroe	Stone
Copiah	Jones	Neshoba	Tippah
Covington	Kemper	Newton	Tishomingo
Forrest	Lafayette	Oktibbeha	Union
George	Lamar	Pearl River	Walthall
Hancock	Lauderdale	Perry	Warren
Harrison	Lawrence	Pontotoc	Wayne
			Yazoo

Missouri

Barry	Dunklin	Mississippi	St Francois
Barton	Franklin	New Madrid	St Louis
Bollinger	Greene	Newton	St Louis City
Butler	Henry	Ozark	Ste Genevieve
Camden	Hickory	Pemiscot	Stoddard
Cape Girardeau	Iron	Perry	Stone
Carter	Jasper	Pike	Taney
Cedar	Jefferson	Polk	Vernon
Christian	Laclede	Reynolds	Warren
Crawford	Lawrence	Ripley	Washington
Dade	Lincoln	Scott	Wayne
Dallas	Madison	St Charles	Webster
Douglas	McDonald	St Clair	Wright

New Hampshire

Belknap	Hillsboro	Strafford
Carroll	Merrimack	
Essex, MA	Rockingham	

New Jersey

Bergen	Hudson

New York

Chautauqua	Niagara
Erie	Queens
Nassau	Suffolk

North Carolina

Alamance	Forsyth	Lincoln	Sampson
Cabarrus	Franklin	Mecklenburg	Stokes
Caswell	Gaston	Moore	Surry
Catawba	Granville	Nash	Vance
Chatham	Guilford	Orange	Wake
Cleveland	Harnett	Person	Warren
Cumberland	Hoke	Randolph	Yadkin
Davidson	Iredell	Robeson	
Davie	Johnston	Rockingham	
Durham	Lee	Rowan	

Ohio

Adams	Defiance	Lorain	Ross
Allen	Erie	Lucas	Sandusky
Ashtabula	Fayette	Madison	Seneca
Athens	Franklin	Mahoning	Shelby
Auglaize	Fulton	Medina	Stark
Belmont	Geauga	Mercer	Summit
Brown	Greene	Miami	Trumbull
Butler	Guernsey	Monroe	Tuscarawas
Carroll	Hamilton	Montgomery	Union
Champaign	Hancock	Morgan	Warren
Clark	Hardin	Muskingum	Washington
Clermont	Harrison	Noble	Wayne
Clinton	Henry	Ottawa	Williams
Columbiana	Huron	Pickaway	Wood
Coshocton	Jefferson	Portage	Wyandot
Cuyahoga	Lake	Preble	
Darke	Logan	Putnam	

Oklahoma

Adair	Grant	Nowata	Seminole
Alfalfa	Hughes	Okfuskee	Sequoyah
Blaine	Kay	Oklahoma	Tulsa
Canadian	Kingfisher	Okmulgee	Wagoner
Cherokee	Lincoln	Osage	Washington
Cleveland	Logan	Ottawa	Woods
Craig	Major	Pawnee	
Creek	Mayes	Payne	
Delaware	McClain	Pontotoc	
Ellis	Muskogee	Pottawatomie	
Garfield	Noble	Rogers	

Oregon

Clackamas	Deschutes	Marion	Washington
Columbia	Douglas	Multnomah	Yamhill
Crook	Jefferson	Polk	

Pennsylvania

Adams	Cumberland	Lycoming	Sullivan
Allegheny	Dauphin	Mercer	Susquehanna
Armstrong	Delaware	Monroe	Union
Beaver	Erie	Montgomery	Venango
Berks	Fayette	Montour	Warren
Bucks	Greene	Northampton	Washington
Butler	Huntingdon	Northumberland	Wayne
Carbon	Lackawanna	Perry	Westmoreland
Chester	Lancaster	Philadelphia	Wyoming
Clarion	Lawrence	Pike	York
Clinton	Lebanon	Schuylkill	
Columbia	Lehigh	Snyder	
Crawford	Luzerne	Somerset	

Puerto Rico

Canovanas	Culebra	Loiza	San Juan
Carolina	Fajardo	Luquillo	Trujillo Alto
Ceiba	Guaynabo	Rio Grande	Vieques

Rhode Island

Bristol	Newport	Providence	Washington
Kent			

South Carolina

Abbeville	Chesterfield	Hampton	Oconee
Aiken	Clarendon	Horry	Orangeburg
Allendale	Colleton	Jasper	Pickens
Anderson	Darlington	Kershaw	Richland
Bamberg	Dillon	Lancaster	Saluda
Barnwell	Dorchester	Laurens	Spartanburg
Beaufort	Edgefield	Lee	Sumter
Berkeley	Fairfield	Lexington	Union
Calhoun	Florence	Marion	Williamsburg
Charleston	Georgetown	Marlboro	York
Cherokee	Greenville	McCormick	
Chester	Greenwood	Newberry	

Tennessee

Anderson	Fayette	Knox	Rhea
Bedford	Fentress	Lauderdale	Roane
Benton	Franklin	Lawrence	Robertson
Bledsoe	Gibson	Lewis	Rutherford
Blount	Giles	Lincoln	Scott
Bradley	Grainger	Loudon	Sequatchie

Campbell
Cannon
Carroll
Carter
Cheatham
Chester
Claiborne
Clay
Cocke
Coffee
Crockett
Cumberland
Davidson
DeKalb
Decatur
Dickson
Dyer
Greene
Grundy
Hamblen
Hamilton
Hancock
Hardeman
Hardin
Hawkins
Haywood
Henderson
Henry
Hickman
Houston
Humphreys
Jackson
Jefferson
Johnson
Macon
Madison
Marion
Marshall
Maury
McMinn
McNairy
Meigs
Monroe
Montgomery
Moore
Morgan
Obion
Overton
Pickett
Polk
Putnam
Sevier
Shelby
Smith
Stewart
Sullivan
Sumner
Tipton
Trousdale
Unicoi
Union
Van Buren
Warren
Washington
Weakley
White
Williamson
Wilson

Texas

Bexar

Virginia

Albemarle
Alleghany
Amelia
Amherst
Appomattox
Augusta
Bedford
Bedford City
Bland
Botetourt
Bristol City
Brunswick
Buchanan
Dinwiddie
Essex
Fauquier
Floyd
Fluvanna
Franklin
Franklin City
Fredericksburg City
Galax City
Giles
Gloucester
Goochland
Grayson
Lexington City
Loudoun
Louisa
Lunenburg
Lynchburg
Madison
Martinsville City
Mathews
Mecklenburg
Middlesex
Montgomery
Nelson
New Kent
Radford
Richmond
Richmond City
Roanoke
Rockbridge
Rockingham
Russell
Salem
Scott
Shenandoah
Smyth
Southampton
Spotsylvania

Buckingham
Buena Vista City
Campbell
Caroline
Carroll
Charles City
Charlotte
Charlottesville
Chesapeake City
Chesterfield
Colonial Heights
Covington
Craig
Culpeper
Cumberland
Danville
Dickenson
Greene
Greensville
Halifax
Hampton City
Hanover
Harrisonburg
Henrico
Henry
Highland
Hopewell City
Isle Of Wight
James City
King And Queen
King George
King William
Lancaster
Lee
Newport News City
Norfolk
Northampton
Northumberland
Nottoway
Orange
Page
Patrick
Petersburg City
Pittsylvania
Poquoson City
Portsmouth City
Powhatan
Prince Edward
Prince George
Prince William
Pulaski
Stafford
Staunton City
Suffolk City
Surry
Sussex
Tazewell
Virginia Beach City
Washington
Waynesboro City
Westmoreland
Williamsburg City
Wise
Wythe
York

Washington

Benton
Douglas
Ferry
Franklin
Grant
Okanogan
Walla Walla

West Virginia

Barbour
Boone
Brooke
Cabell
Calhoun
Clay
Doddridge
Fayette
Gilmer
Grant
Greenbrier
Harrison
Jackson
Kanawha
Lewis
Lincoln
Logan
Marion
Marshall
Mason
McDowell
Mercer
Mingo
Monongalia
Monroe
Nicholas
Ohio
Pendleton
Pleasants
Pocahontas
Preston
Putnam
Raleigh
Randolph
Ritchie
Roane
Summers
Taylor
Tucker
Tyler
Upshaw
Upshur
Webster
Wetzel
Wirt
Wood
Wyoming

Wisconsin

Brown
Calumet
Kenosha
Kewaunee
Manitowoc
Milwaukee
Oconto
Outagamie
Ozaukee
Racine
Shawano
Washington
Waukesha
Winnebago

(Back To Top)

Section 3: EX-10.2 (EX-10.2)

Exhibit 10.2

AGREEMENT TO TERMINATE TRANSITION AGREEMENT AND GENERAL RELEASE OF LAWRENCE PERNOSKY

This Agreement to Terminate Transition Agreement and General Release of Lawrence Pernosky (this “Agreement”) is effective as of October 23, 2017, by and between Amedisys, Inc., a Delaware corporation (the “Company”), and Lawrence Pernosky (the “Executive”).

WHEREAS, the Company and the Executive entered into that certain Transition Agreement and General Release of Lawrence Pernosky dated effective as of September 6, 2017 (the “Transition Agreement”); and

WHEREAS, the parties desire to terminate the Transition Agreement in its entirety.

NOW, THEREFORE, the Company and the Executive agree as follows:

1. Termination of Transition Agreement. The parties hereby terminate and cancel the Transition Agreement, effective immediately. The Transition Agreement shall be of no further force or effect, no provision of the Transition Agreement shall have any force or effect nor shall any

such provision control or otherwise be binding upon the parties.

2. Release. The Executive, on behalf of himself and his heirs, successors and assigns, hereby fully releases and forever discharges the Company, including each of its officers, directors, agents, employees, attorneys, affiliates and/or subsidiaries, from any and all claims, actions and liabilities of any kind or character whatsoever, directly or indirectly related to or arising out of the Transition Agreement or termination of the Transition Agreement.

3. Miscellaneous. This Agreement is not assignable without the written consent of both parties hereto. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Tennessee. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the other party hereto. Any amendment or waiver effected in accordance with this paragraph shall be binding upon the Company and the Executive. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision, or such portion of such provision as may be necessary, shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be thereafter enforceable in accordance with its terms. In the event of any claim, dispute, litigation, arbitration or action concerning or related to this Agreement, or any alleged breach of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs of suit and disbursements in addition to any other remedies or damages which may be properly awarded or awardable. The titles and subtitles used in this Agreement are used for convenience of reference only and are not to be considered in construing or interpreting this Agreement. Both parties have had an opportunity for legal review of all of the terms hereof. The parties therefore agree that, in interpreting any issues which may arise, any rules of construction related to who prepared this Agreement or otherwise are not intended and shall be inapplicable, each party having contributed or having had the opportunity to contribute to clarify any issue, and the parties hereto being joint authors hereof. This Agreement is the entire agreement of the parties and supersedes any prior agreements between them, whether written or oral, with respect to the subject matter hereof.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

AMEDISYS, INC.

/s/ David L. Kemmerly

Name: David L. Kemmerly
Title: General Counsel

EXECUTIVE

/s/ Lawrence Pernosky

Lawrence Pernosky

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Section 4: EX-31.1 (EX-31.1)

Exhibit 31.1

CERTIFICATION

I, Paul B. Kusserow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, of Amedisys, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 8, 2017

/s/ Paul B. Kusserow

Paul B. Kusserow
President and Chief Executive Officer
(Principal Executive Officer)

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Section 5: EX-31.2 (EX-31.2)

Exhibit 31.2

CERTIFICATION

I, Scott G. Ginn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, of Amedisys, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2017

/s/ Scott G. Ginn

Scott G. Ginn
Chief Financial Officer
(Principal Financial Officer)

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Section 6: EX-32.1 (EX-32.1)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Amedisys, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2017 (the "Report"), I, Paul B. Kusserow, President and Chief Executive Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 8, 2017

/s/ Paul B. Kusserow

Paul B. Kusserow
President and Chief Executive Officer
(Principal Executive Officer)

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Section 7: EX-32.2 (EX-32.2)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Amedisys, Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2017 (the “Report”), I, Scott G. Ginn, Chief Financial Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 8, 2017

/s/ Scott G. Ginn

Scott G. Ginn
Chief Financial Officer
(Principal Financial Officer)

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