



Amedisys Third Quarter 2019 Earnings Call  
Supplemental Slides  
October 30<sup>th</sup>, 2019

# Forward-looking statements

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

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

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

**[www.amedisys.com](http://www.amedisys.com)**

**NASDAQ: AMED**

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

# Our Key Areas of Focus

Strategic areas of focus for 2019

1



## Organic Growth

- **Home Health\*:**  
Total same store admissions +9%. Total same store volume +6%. Total same store Medicare admissions +5%
- **Hospice:**  
Admissions +4%, ADC +5%
- **Personal Care:**  
Billable hours / quarter +2% (including acquisitions)

2



## Recruiting / Retention

- Targeting industry leading employee retention amongst all employee categories
- Current total voluntary turnover ~16%
- Focus on reduction of clinical turnover with heavy focus on clinicians and “quick quits”

3



## Clinical Initiatives

- Quality: Amedisys Jan'20 preview STARS score of 4.27 reflects CMS change in measurement (added Improvement in Mgmt. of Oral Meds)
- 43 Amedisys care centers rated at 5-Stars in the Jan'20 Preview (90% of care centers at 4 Stars)
- Hospice quality – outperforming industry average in all hospice item set (HIS) categories

4



## Capacity and Productivity

- Focusing on optimizing RN / LPN & PT / PTA staffing ratios.
  - Current LPN Ratio: 40.7% (vs. 38.7% in 3Q'18)
  - Current PTA Ratio: 43.2% (vs. 41.7% in 3Q'18)

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## M&A

- CCH integration remains on target
  - All care centers on HCHB as of 8/1
  - Synergies on track
- Tuck-in pipeline remains very active; however, valuations have been a challenge
- De novo update:
  - 7 currently operating
  - 4-6 targeted for remainder of the year
  - Will target similar amount of de novos in 2020

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## Regulatory

- 2019 Home Health industry impact per Proposed Rule +2.2%; AMED home health specific impact +1.2%
- Expect Final Home Health Rule to be released in coming days
- Working with CMS and Congress to address “behavioral assumptions” language in PDGM
- 2020 Hospice rate update for AMED (in effect 10/1) ~0.5%. Slightly lower due to inclusion of CCH

\*Note: Home Health same store volume is defined as admissions plus recertifications



# Highlights and Summary Financial Results (Adjusted): 3Q 2019<sup>(1)</sup>

Home Health total same store volume +6%, total same store admissions +9%. Hospice same store admissions +4%. Personal Care +2% billable hours.

**3Q'19**

**Amedisys Consolidated**

- Revenue Growth: +19%
- EBITDA: \$57M (+25%)
- EBITDA Margin: 12% (+70 bps)
- EPS: \$1.15 (+21%)

**3Q'19**

**Balance Sheet & Cash Flow**

- Net debt: \$223.5M
- Net Leverage ratio: 1.0x
- CFFO: \$47.5M
- Free cash flow <sup>(4)</sup>: \$44.8M
- DSO: 44.5 (vs. Q2'19 of 41.1)

**3Q'19**

**Home Health**

Same Store Volume <sup>(2)(6)</sup>:

- Total: +6%
- Episodic <sup>(3)</sup>: +5%

Same Store Admissions <sup>(6)</sup>:

- Total: +9%
- Episodic <sup>(3)</sup>: +8%

Other Statistics:

- Revenue per Episode: \$2,909 (+1.9%)
- Total Cost per Visit: \$91.77 (+0.9%)
- Medicare Recert Rate: 37.2% (-180 bps)

**3Q'19**

**Hospice**

Same Store Volume <sup>(6)</sup>:

- Admissions: +4%
- ADC: +5%

Other Statistics:

- Revenue per Day: \$152.67 (+5.5%)
- Cost per day: \$79.51 (+6.4%)

**3Q'19**

**Personal Care**

Growth Metrics <sup>(5)</sup>:

- Billable hours/quarter: +2%
- Clients served: +2%

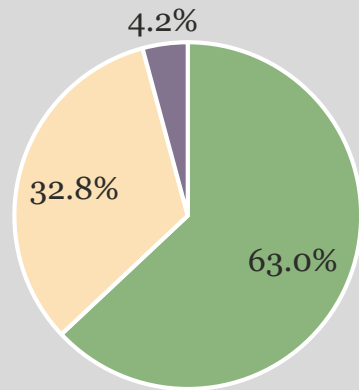
<b>3Q'19</b>	<b>\$ in Millions, except EPS</b>		<b>3Q18</b>	<b>3Q19</b>	<b>% Change</b>
	Home Health		294.9	311.5	5.6%
	Hospice		103.4	162.4	57.1%
	Personal Care		19.0	20.7	8.9%
	<b>Total Revenue</b>		<b>\$ 417.3</b>	<b>\$ 494.6</b>	<b>18.5%</b>
	Gross Margin %		40.2%	41.6%	
	<b>Adjusted EBITDA</b>		<b>45.3</b>	<b>56.8</b>	<b>25.4%</b>
	<b>Adjusted EPS</b>		<b>10.8%</b>	<b>11.5%</b>	<b>21.1%</b>
	<b>Free cash flow</b> <sup>(4)</sup>		<b>\$64.7</b>	<b>\$44.8</b>	<b>-30.8%</b>

1. The financial results for the three-month periods ended September 30, 2018 and September 30, 2019 are adjusted for certain items and should be considered a non-GAAP financial measure. A reconciliation of these non-GAAP financial measures is included in the corresponding 8-K detailing quarterly results for each respective reporting period.
2. Same Store volume – Includes admissions and recertifications.
3. Episodic admissions and volume – Includes Medicare and non-Medicare payors that bill on a 60-day episode of care basis.
4. Free cash flow defined as cash flow from operations less routine capital expenditures and required debt repayments.
5. Includes acquisitions.
6. Effective July 1, 2019 same store is defined as care centers that we have operated for a least the last 12 months and startups that are an expansion of a same store care center.



# OUR REVENUE SOURCES: 3Q19

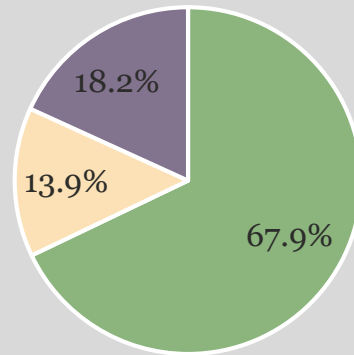
## Amedisys Consolidated Revenue



■ Home Health ■ Hospice ■ Personal Care



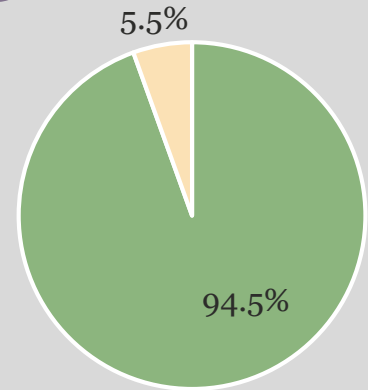
## Home Health Revenue



■ Medicare FFS ■ Private Episodic ■ Per Visit



## Hospice Revenue



■ Medicare FFS ■ Private

- **Home Health:** 321 care centers; 34 states & DC
- **Hospice:** 137 care centers; 33 states
- **Personal Care:** 12 care centers; 3 states
- **Total AMED:** 470 care centers; 38 states and D.C.

- **Medicare FFS:** Paid episodically over a 60-day episode
- **Private Episodic:** MA and Commercial plans who pay us over a 60-day episode. Generally at rates ~90% – 100% of Medicare
- **Per Visit:** Managed care, Medicaid and private payors reimbursing us per visit provided

- Hospice Per Day Reimbursement:**
- **Routine Care:** Patient at home with symptoms controlled – **98% of the Hospice care AMED provides, in line with overall hospice industry provision of care**
  - **Continuous Care:** Patient at home with uncontrolled symptoms
  - **Inpatient Care:** Patient in facility with uncontrolled symptoms
  - **Respite Care:** Patient at facility with symptoms controlled



# Home Health and Hospice Segment (Adjusted) – 3Q 2019<sup>(1)</sup>

Home health total volume growth strong (+6%); Hospice continues strong ADC growth (+5%)

HOME HEALTH		
\$ in Millions	3Q18	3Q19
Medicare	208.0	211.5
Non-Medicare	86.9	100.0
<b>Home Health Revenue</b>	<b>\$294.9</b>	<b>\$311.5</b>
Gross Margin %	38.3%	39.4%
<b>Pre-Corporate EBITDA <sup>(2)</sup></b>	<b>\$44.3</b>	<b>\$47.1</b>
	15.0%	15.1%

HOSPICE		
\$ in Millions	3Q18	3Q19
Medicare	98.0	153.5
Non-Medicare	5.4	8.9
<b>Hospice Revenue</b>	<b>\$103.4</b>	<b>\$162.4</b>
Gross Margin %	48.4%	47.9%
<b>Pre-Corporate EBITDA <sup>(2)</sup></b>	<b>\$28.6</b>	<b>\$42.2</b>
	27.7%	26.0%

Operating Statistics		
Same Store Growth <sup>(3)(4)</sup>		
Total Volume	6%	6%
Total Admissions	4%	9%
Episodic Volume	5%	5%
Episodic Admissions	3%	8%
Revenue per Episode	\$ 2,855	\$ 2,909
Recert Rate	39.0%	37.2%
Total Cost per visit	\$90.96	\$91.77

Operating Statistics		
Admit growth - same store <sup>(4)</sup>	8%	4%
ADC growth - same store <sup>(4)</sup>	11%	5%
Admits	6,765	9,914
ADC	7,768	11,565
Avg. discharge length of stay	101	98
Revenue per day (net)	\$144.71	\$152.67
Cost per day	\$74.72	\$79.51



## Home Health Highlights

- Medicare FFS growth +5%
- Revenue per Episode up +1.9%
- Recert rate down 180 bps
- Y/Y CPV up +\$0.81 (+0.9%)
- EBITDA as a % percentage of revenue: +10 bps



## Hospice Highlights

- Same store average daily census (ADC) up 5%
- Net revenue per day +5.5%
- ~\$1.2M cap expense for 3Q (~1.7M YTD)
- CCH revenue contribution: \$45.6M
- Total CCH segment EBITDA contribution \$7.1M (\$5.7M net of corporate)

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2. Pre-Corporate EBITDA does not include any corporate G&A expenses.
3. Same store information represents the percent change in volume or admissions for the period as a percent of the volume or admissions of the prior period
4. Effective July 1, 2019, same store is defined as care centers that we have operated for a least the last 12 months and startups that are an expansion of a same store care center.



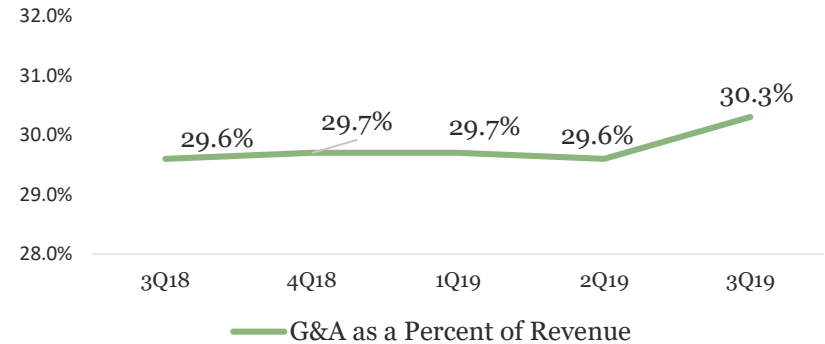
# General & Administrative Expenses – Adjusted <sup>(1,2)</sup>

Added investments to Home Health and Hospice to support volume growth

\$ in Millions	3Q18	4Q18	1Q19	2Q19	3Q19
<b>Home Health Segment - Total</b>	<b>68.8</b>	<b>71.2</b>	<b>71.4</b>	<b>74.0</b>	<b>75.6</b>
% of HH Revenue	23.3%	23.4%	23.0%	23.2%	24.3%
<b>Hospice Segment - Total</b>	<b>21.4</b>	<b>22.9</b>	<b>29.0</b>	<b>34.8</b>	<b>35.6</b>
% of HSP Revenue	20.7%	21.1%	21.1%	21.9%	21.9%
<b>Personal Care Segment - Total</b>	<b>3.0</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>
% of PC Revenue	15.8%	14.9%	15.5%	14.9%	14.6%
<b>Total Corporate Expenses</b>	<b>30.2</b>	<b>31.8</b>	<b>35.6</b>	<b>35.7</b>	<b>35.9</b>
% of Total Revenue	7.2%	7.3%	7.6%	7.2%	7.3%
<b>Total</b>	<b>123.4</b>	<b>129.1</b>	<b>139.1</b>	<b>147.6</b>	<b>150.1</b>
% of Total Revenue	29.6%	29.7%	29.7%	29.6%	30.3%

	3Q18	4Q18	1Q19	2Q19	3Q19
Salary and Benefits	16.7	18.2	19.6	20.6	20.8
Other	10.2	10.0	11.4	11.3	10.9
Corp. G&A Subtotal	26.9	28.2	31.0	31.9	31.7
Non-cash comp	3.3	3.6	4.6	3.8	4.2
<b>Adjusted Corporate G&amp;A</b>	<b>30.2</b>	<b>31.8</b>	<b>35.6</b>	<b>35.7</b>	<b>35.9</b>

Total G&A as a Percent of Revenue



**Notes:**

- **Year over year total G&A as a percentage of revenue increased 70 basis points**
  - Home Health segment G&A: 100 bps increase as % of revenue - 50 bps due to change in staffing model (reclass of Clinical Manager role from Cost of Revenue to G&A) and raises
  - Hospice segment G&A: 120 bps increase as % of revenue – including \$11.4M from acquisition of CCH
  - Personal Care segment G&A: 120 bps decrease as % of revenue
  - Corporate G&A: 10 bps increase as a % of revenue – including \$1.4M from acquisition of CCH
- **Total G&A as a percentage of revenue increased 70 bps sequentially**



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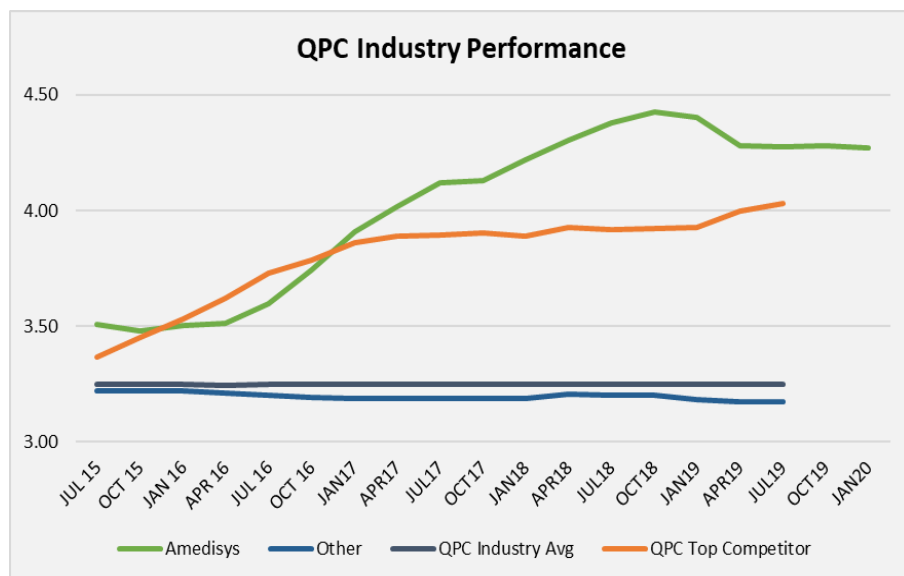
2. Adjusted G&A expenses do not include depreciation and amortization.

# Industry Leading Quality Scores



## Quality of Patient Care (QPC)

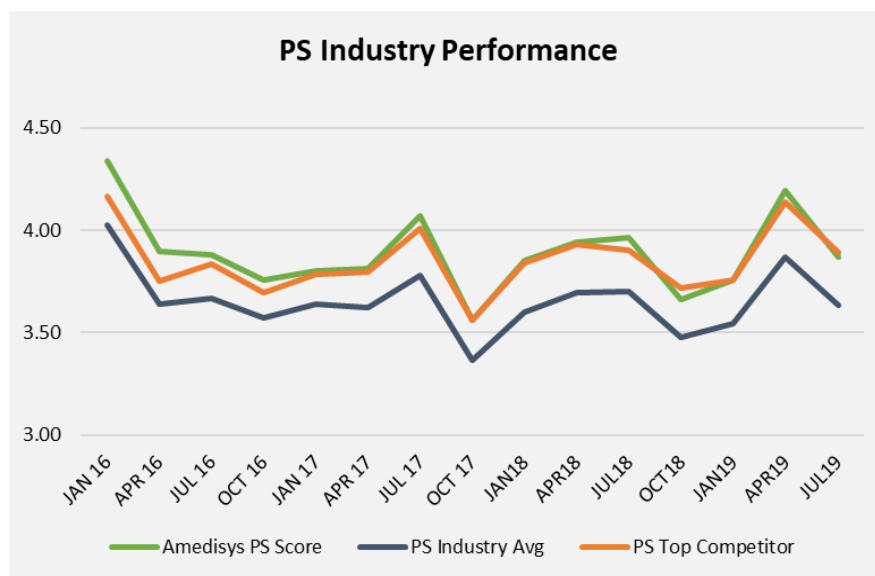
Metric	APR 19 Release	JUL 19 Release	OCT 19 PREVIEW	JAN 20 PREVIEW
Quality of Patient Care	4.28	4.27	4.28	<b>4.27</b>
Entities at 4+ Stars	86%	85%	88%	86%



Note: Top Competitor Avg weighted by CCN count and includes LHC, Kindred, AFAM, EHC and BKD

## Patient Satisfaction (PS)

Metric	OCT 18 Release	JAN 19 Release	APR 19 Release	JUL 19 Release
Patient Satisfaction Star	3.66	3.75	4.19	<b>3.87</b>
Performance Over Industry	+5%	+6%	+8%	+6%



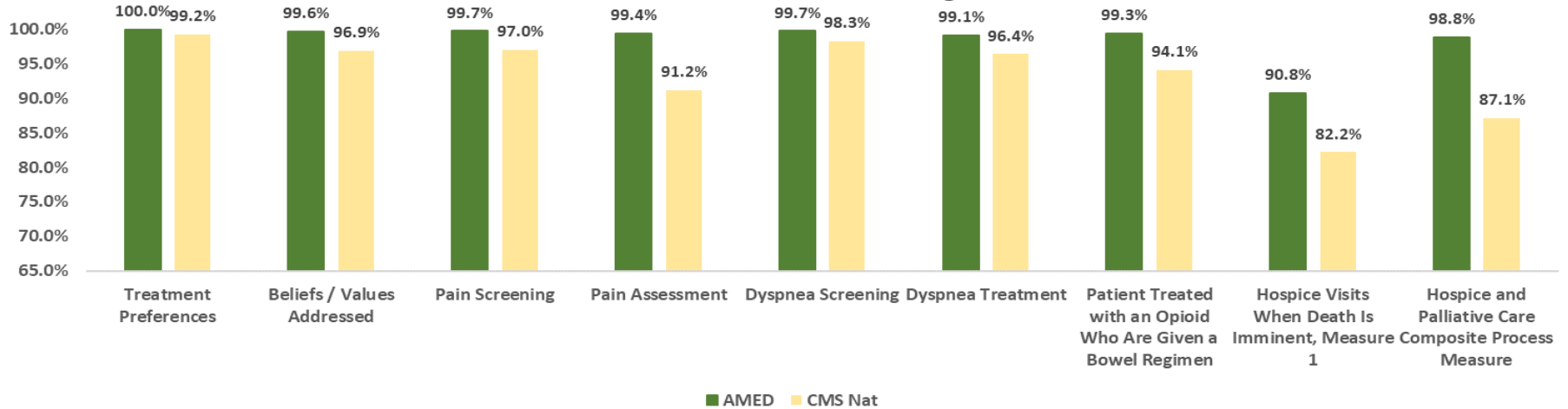
- Amedisys maintains a 4-Star average in the January 2020 HHC preview with **86% of our providers (representing 90% of care centers) at 4+ Stars and 63% at 4.5+ Stars**
- **27 Amedisys providers (representing 43 care centers) rated at 5-Stars in the January HHC 2020 preview**
- In April 19 Preview for QPC, new measure introduced: **Improvement in Management of Oral Meds**



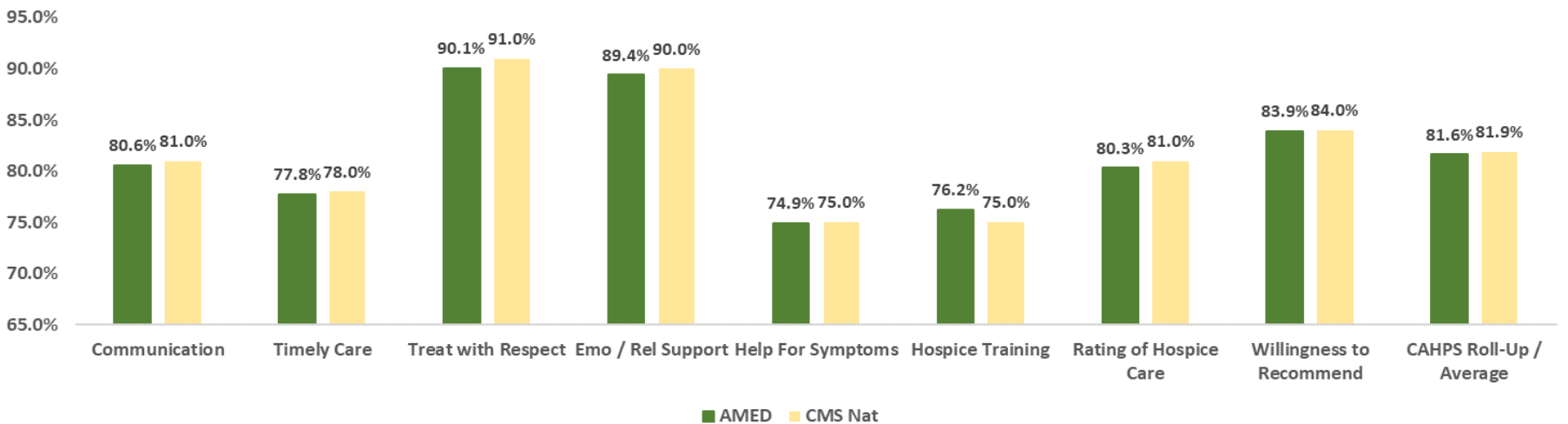
# Hospice Quality: Amedisys Hospice Continues to Move Towards Best-in-Class



**Hospice Item Set (HIS) Preview - Nov 2019**  
Jan 2018 - Dec 2018 Discharges



**Hospice CAHPS Preview - Nov 2019**  
Jan 2017 - Dec 2018 Discharges





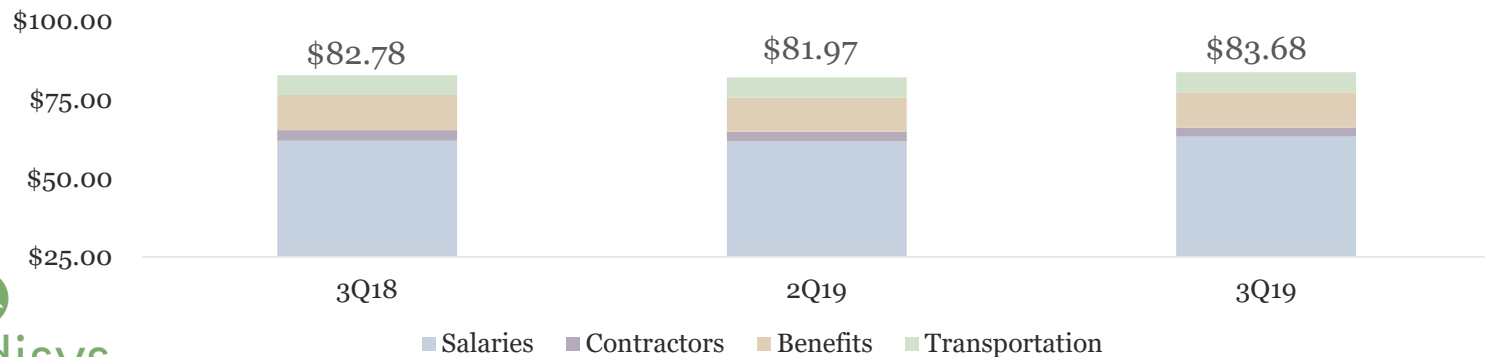
# Operational Excellence: Home Health Cost Per Visit (CPV)

Total CPV impacted by planned wage increases

Components	3Q'18	2Q'19	3Q'19	YoY Variance	Detail	Initiatives
Salaries	\$61.93	\$61.69	\$63.24	\$1.31	YoY increase due to planned wage increases	Staffing mix optimization, productivity and scheduling improvement initiatives in place to help overcome planned salary increases
Contractors	\$3.35	\$2.99	\$2.83	(\$0.52)	YoY utilization improvement driving reduction in CPV	Focused efforts on filling positions with full-time clinicians
Benefits	\$11.14	\$10.98	\$11.14	\$ -	YoY increase in health and 401K offset by decrease in workers comp	Focus on cost containment and spend optimization with specific focus on high cost claims
Transportation & Supplies	\$6.36	\$6.31	\$6.47	\$0.11	YoY increase primarily related to supply costs	More effective medical supply contracting cost initiatives are underway
<b>*Visiting Clinician CPV</b>	<b>\$82.78</b>	<b>\$81.97</b>	<b>\$83.68</b>	<b>\$0.90</b>		
Clinical Managers	\$8.18	\$7.65	\$8.09	(\$0.09)	Fixed cost associated with non-visiting clinicians	Unit cost reduced as volume increases
Total CPV	\$90.96	\$89.62	\$91.77	\$0.81		

\*Note: Direct comparison with industry competitors CPV calculation

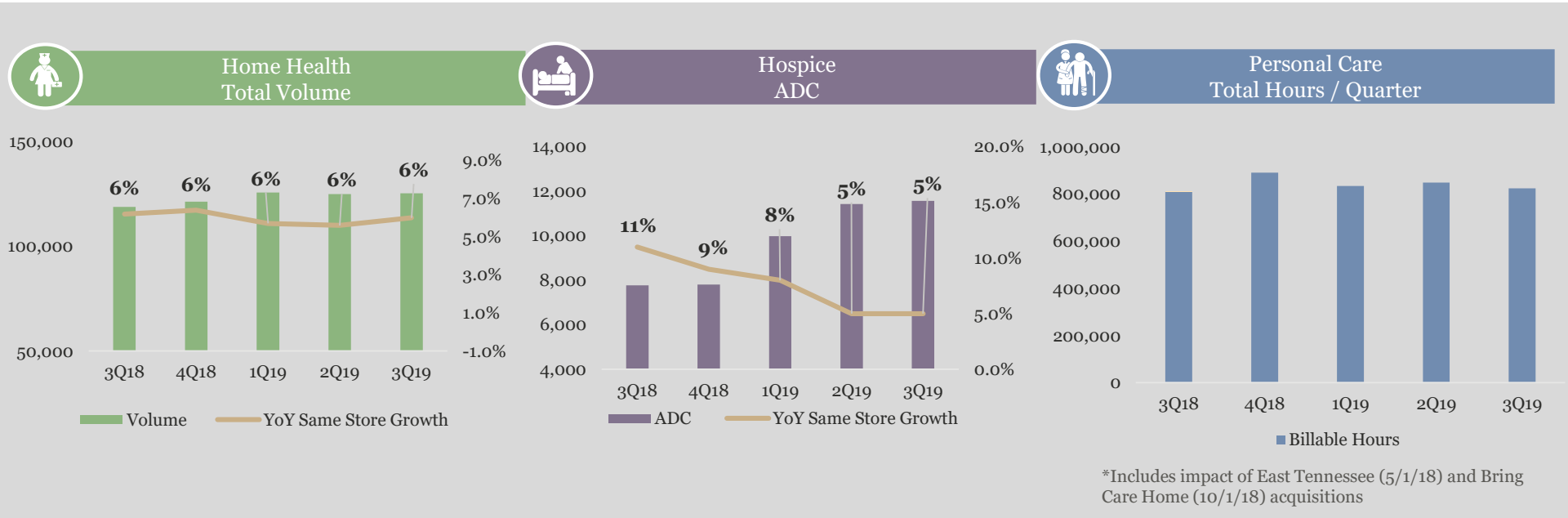
Cost Per Visit (CPV)





# Driving Top Line Growth

All three lines of business continue to grow. Hospice delivers another quarter of ADC growth and Home Health total same store volume continues to trend in the mid-single digits



# Debt and Liquidity Metrics

~1.0x net leverage post Compassionate Care Hospice acquisition

Outstanding Debt	
	As of: 9/30/19
<b>Total Debt Outstanding</b>	<b>244.3</b>
Less: Deferred Debt Issuance Costs	(3.7)
<b>Total Debt - Balance Sheet</b>	<b>240.6</b>
Total Debt Outstanding	244.3
Less: Cash	(20.8)
<b>Net Debt <sup>(1)</sup></b>	<b>223.5</b>
Leverage Ratio (net) <sup>(2)</sup>	<b>1.0</b>
Credit Facility	
	As of: 9/30/19
Term Loan	175.0
Revolver Size	550.0
Borrowing Capacity	725.0
Revolver Size	550.0
Outstanding Revolver	(67.0)
Letters of Credit	(30.2)
<b>Available Revolver</b>	<b>452.8</b>
Plus: Cash	20.8
<b>Total Liquidity <sup>(3)</sup></b>	<b>473.6</b>

1. Net debt defined as total debt outstanding (\$244.3M) less cash balance (\$20.8M).
2. Leverage ratio (net) is defined as net debt divided by last twelve months adjusted EBITDA (\$217.0M).
3. Liquidity defined as the sum of cash balance and available revolving line of credit.

## Cash Flow Statement Highlights <sup>(1)</sup>

\$ in Millions	3Q18	4Q18	1Q19	2Q19	3Q19
GAAP Net Income	31.5	27.7	31.6	34.0	34.3
Changes in working capital	20.1	17.4	(25.3)	12.6	(17.2)
Depreciation and amortization	3.2	3.4	2.9	5.2	4.4
Non-cash compensation, includes 401(k) match expense	6.9	7.3	9.0	7.8	9.2
Deferred income taxes	5.8	5.4	3.3	2.6	11.9
Other	1.0	2.8	(1.4)	(2.9)	4.9
<b>Cash flow from operations</b>	<b>68.5</b>	<b>64.0</b>	<b>20.1</b>	<b>59.3</b>	<b>47.5</b>
Capital expenditures - routine	(3.2)	(0.8)	(1.2)	(0.3)	(1.2)
Required debt repayments	(0.6)	(0.4)	(0.6)	(1.7)	(1.5)
<b>Free cash flow</b>	<b>64.7</b>	<b>62.8</b>	<b>18.3</b>	<b>57.3</b>	<b>44.8</b>
<b>Capital Deployment</b>					
Acquisitions	-	(5.2)	(327.9)	(17.5)	-
Equity Investments	(3.5)	(3.7)	(0.1)	(0.1)	-
<b>Total</b>	<b>(3.5)</b>	<b>(8.9)</b>	<b>(328.0)</b>	<b>(17.6)</b>	<b>-</b>

# Income Statement Adjustments <sup>(1)</sup>

\$000s	Income Statement Line Item	3Q18	4Q18	1Q19	2Q19	3Q19
<b>Revenue</b>						
Contingency Accrual	Net Service Revenue	\$ -	\$ -	\$ 1,018	\$ 5,523	\$ -
Planned Closures (2)	Net Service Revenue	-	-	(540)	(8)	-
<b>Cost of Service</b>						
Planned Closures (2)	Cost of Service, Excluding Depreciation & Amortization	-	-	844	313	15
<b>G&amp;A</b>						
Planned Closures (2)	G&A, Salaries and benefits	-	-	37	6	-
Acquisition and integration costs	G&A, Salaries and benefits	-	-	4,026	1,565	1,105
Planned Closures (2)	G&A, Other	-	-	51	63	28
Acquisition and integration costs	G&A, Other	857	1,025	1,732	2,929	3,036
Legal fees - non-routine	G&A, Other	304	56	(132)	108	397
Indemnity receivable adjustment	G&A, Other	-	2,143	-	-	-
<b>Other Items</b>						
Legal settlements	Other, Miscellaneous, net	(1,437)	-	-	-	(1,437)
Miscellaneous, other (income) expense, net	Other, Miscellaneous, net	(333)	(100)	(122)	(2,242)	1,944
<b>Total</b>		<b>(609)</b>	<b>3,124</b>	<b>6,914</b>	<b>8,257</b>	<b>5,088</b>
<b>EPS Impact</b>		<b>\$ (0.01)</b>	<b>\$ 0.07</b>	<b>\$ 0.16</b>	<b>\$ 0.19</b>	<b>\$ 0.11</b>

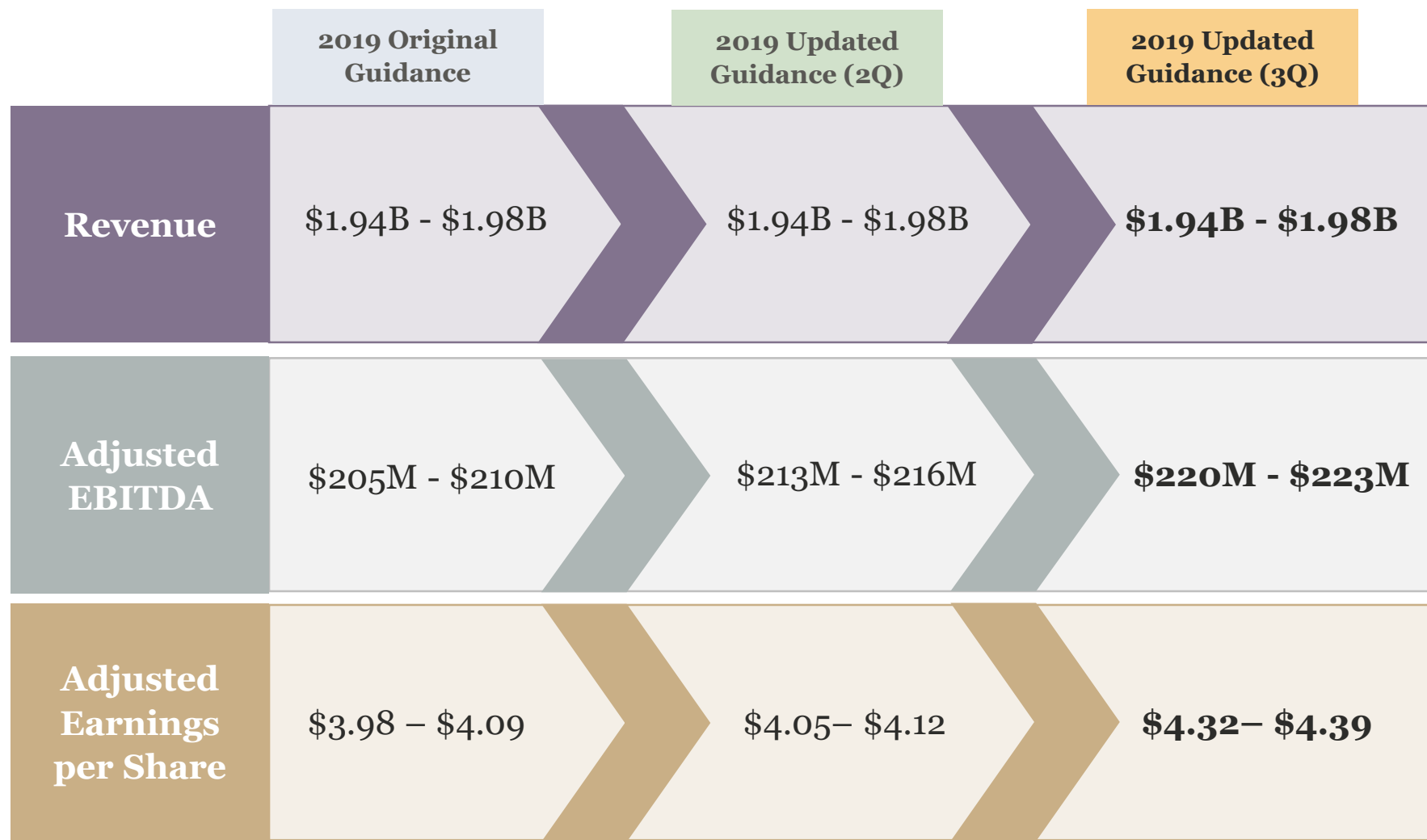


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2. Planned closures consist of in-patient units acquired from Compassionate Care Hospice whose operations ceased in April 2019.



# Updating 2019 Guidance

Increasing 2019 EBITDA and EPS guidance ranges





# 2019 Guidance Considerations

Project solid revenue and earnings growth while investing in our people and the business to prepare for PDGM and beyond. Executing inorganic growth strategy and ramping up de novos

## Amedisys Consolidated

- **Tax rate ~26%**
- **Cash tax rate ~17%**
- Diluted share count ~**33.1 million shares**
- Capital Expenditures ~**\$8-\$10 million**
- Salary increase ~**2% - 3%**
- Benefits increase ~**12%** (8% growth / headcount, 4% pricing / claims costs)
- Overall ~**\$6 million** investment in business development resources
- **Excludes future acquisitions and related integration costs**



## Home Health

- **Total same store admission growth ~5%**
- Focus on business development staffing strategy ~**\$3 million (Y/Y increase)**
- Continue focus on Quality of Care (Stars and Acute Care Hospitalization rates)
- Continued positive progress on underperforming care centers



## Hospice

- **Total same store admission growth ~7%**
- Addition of business development resources to maintain organic growth ~**\$3 million**
- **Includes contribution of CCH acquisition of ~\$12M-\$14M**
  - Decline in exit rate TTM (\$25M vs. \$27M)
  - ADC Disruption of ~100 (~3%)



## Personal Care

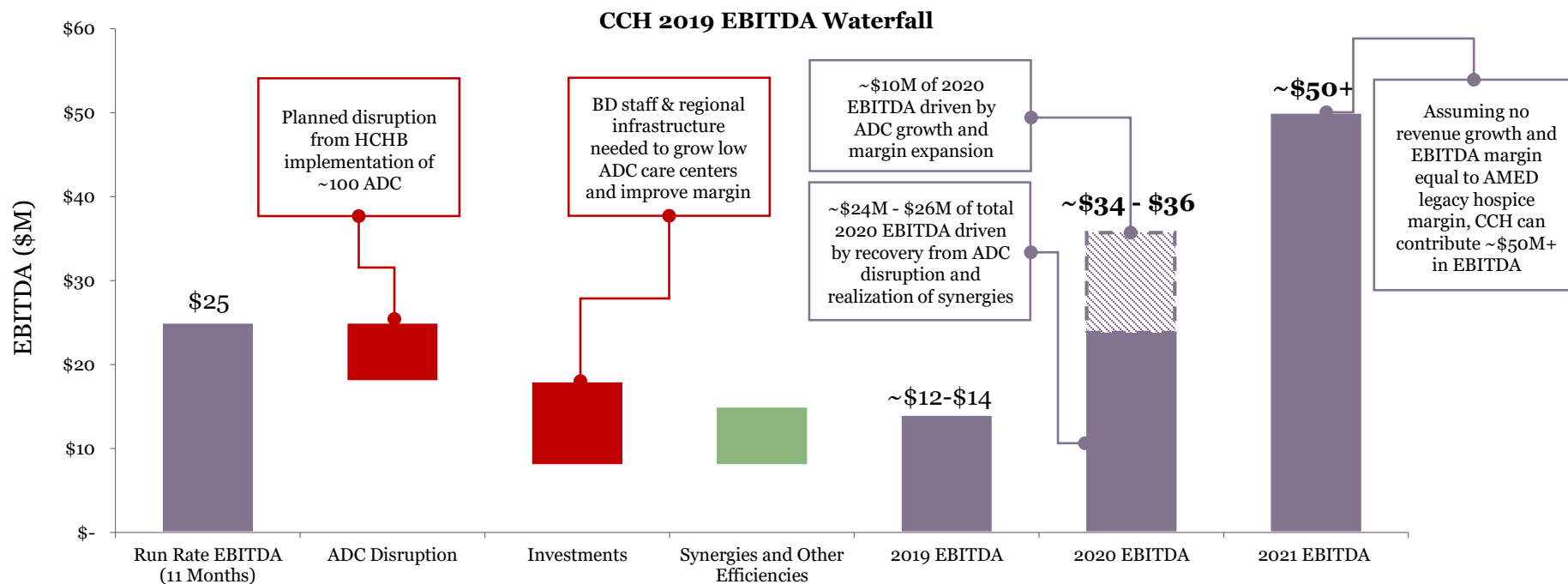
- **Total billable hours growth ~13%**
- Employer Medical Assistance Contribution (EMAC) ~**\$1 million**

## 2019 Investments

- **Total Investments in business of ~\$7M**
  - IT Security – Investments in IT security enhancements for web, ID, data and e-mail protection etc.
  - Pay Practice Redesign – Incentivizing our clinical staff to work at the top of their license (right people, doing the right visits)
  - Staffing Model Redesign – Optimizing our care centers and field infrastructure to maximize operational efficiency
  - PDGM Resources – Investments in teams, projects, processes needed to thrive in PDGM
  - De Novos – 7 to 9 de novos planned for 2019

# Compassionate Care Hospice (CCH) EBITDA Improvement

HCHB disruption and investments in the business will impact EBITDA in 2019. EBITDA margin in 2020 and beyond will reflect legacy Amedisys hospice margin and growth trajectory



Category	Description
ADC Disruption	Negative impact on ADC as HCHB is installed. Expect ADC to recover in 3Q'19
Investment	Investments needed in regional infrastructure and BD staff to grow low ADC care centers and improve margin in large ADC care centers. Current CCH EBITDA margin approximately half of legacy AMED and growth rate ~20% of AMED ADC growth
Synergies and Other Efficiencies	Cost savings, duplicative contract optimization and sunset of current IT system; cannot begin to pull costs out until HCHB is installed. Realize 100% of run rate synergies of ~\$10M in 2H'2020

# Reimbursement Outlook

## Reimbursement Impact for Home Health and Hospice



### Home Health

	2019
Market Basket Update	3.0%
Productivity Adjustment	(0.8)
Estimated Industry Impact	+2.2%
<b>Estimated AMED-Specific Impact</b>	<b>+1.2%</b>

**Note: +2.2% industry impact compared to +1.2% AMED specific impact ~\$12M**



### Hospice

	2019*
Market Basket Update	2.9%
Productivity / Other Adjustment	(1.1)
Estimated Industry Impact	+1.8%
<b>Estimated AMED-Specific Impact</b>	<b>+1.6%</b>

**\*Hospice rate increase effective October 1, 2018**

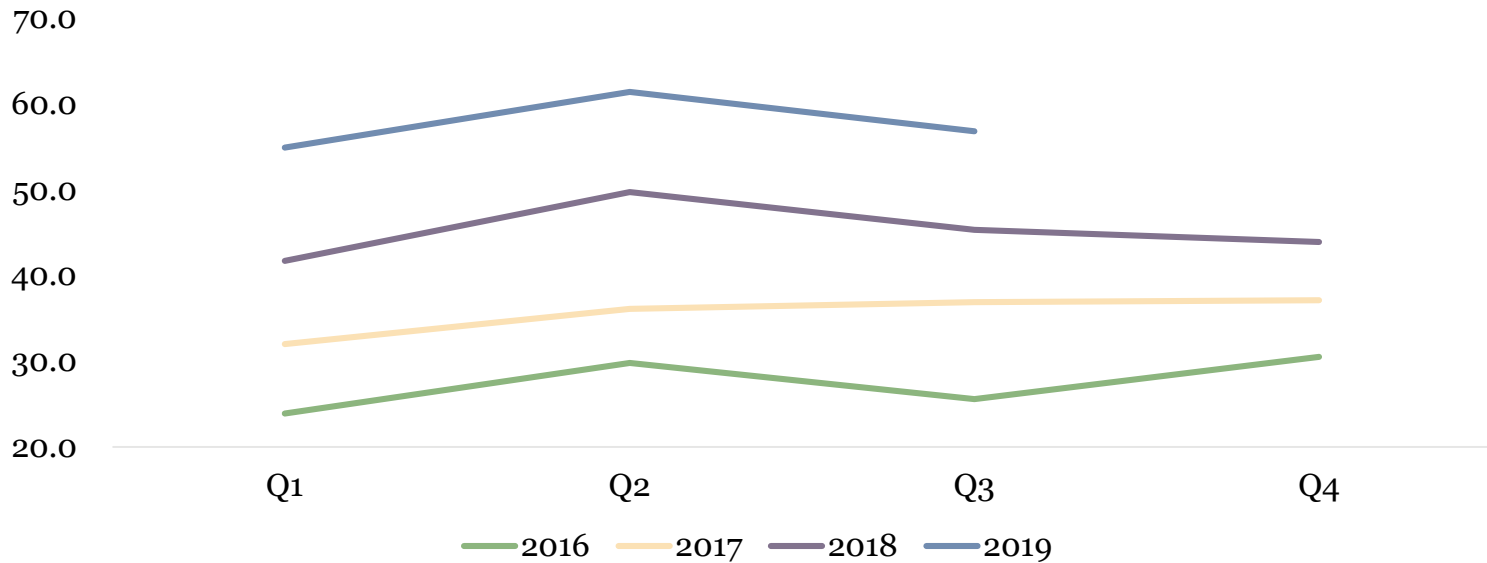
	2020*
Market Basket Update	3.0%
Productivity / Other Adjustment	(0.4)
Estimated Industry Impact	+2.6%
<b>Estimated AMED-Specific Impact</b>	<b>+~0.5%</b>

**\*Hospice rate increase effective October 1, 2019 – majority of rate increase will be passed through to general inpatient & respite facilities resulting in a ~(0.6%) reduction in gross margin percentage**



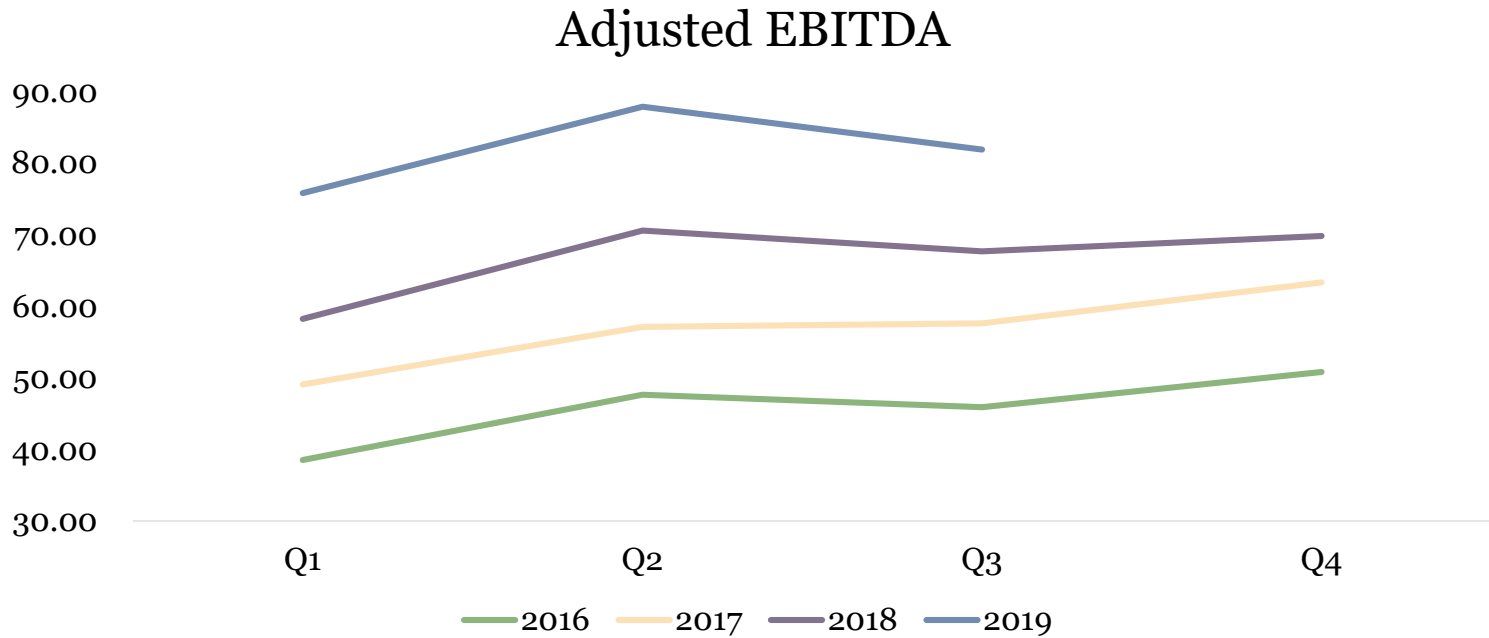
# EBITDA Seasonality: As Reported

## Adjusted EBITDA



Drivers of Seasonality	Q1	Q2	Q3	Q4
	<ul style="list-style-type: none"> <li>Weather disruption</li> <li>Lower RPE (LUPA)</li> <li>Payroll tax reset</li> <li>Short Month (Feb.)</li> <li>Lower Hospice ADC &amp; Higher Salary Cost per Day</li> </ul>	<ul style="list-style-type: none"> <li>Highest Completed Episodes</li> <li>Stronger revenue per episode (RPE)</li> </ul>	<ul style="list-style-type: none"> <li>Incremental holiday vs. 1H</li> <li>High PTO</li> <li>Lower Volumes</li> <li>Health Insurance Increases</li> <li>Raises</li> </ul>	<ul style="list-style-type: none"> <li>Incremental holiday vs. 1H</li> <li>Health Insurance Increases</li> <li>Better Volumes</li> <li>Raises</li> </ul>

# EBITDA Seasonality: Excluding Health Insurance and Workers Compensation



Drivers of Seasonality	Q1	Q2	Q3	Q4
	<ul style="list-style-type: none"> <li>Weather disruption</li> <li>Lower RPE (LUPA)</li> <li>Payroll tax reset</li> <li>Short Month (Feb.)</li> <li>Lower Hospice ADC &amp; Higher Salary Cost per Day</li> </ul>	<ul style="list-style-type: none"> <li>Highest Completed Episodes</li> <li>Stronger revenue per episode (RPE)</li> </ul>	<ul style="list-style-type: none"> <li>Incremental holiday vs. 1H</li> <li>High PTO</li> <li>Lower Volumes</li> <li>Health Insurance Increases</li> <li>Raises</li> </ul>	<ul style="list-style-type: none"> <li>Incremental holiday vs. 1H</li> <li>Health Insurance Increases</li> <li>Better Volumes</li> <li>Raises</li> </ul>