

HealthSouth Utah Real Estate, LLC
Form 424B5
January 20, 2015
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-183740

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, nor a solicitation of an offer to buy these securities, in any jurisdiction where the offering is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 20, 2015

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated September 6, 2012)

\$300,000,000

5.75% Senior Notes due 2024

We are offering \$300 million aggregate principal amount of our existing series of 5.75% senior notes due 2024 (the "new notes"). The new notes will be issued under the indenture pursuant to which, on September 11, 2012, we issued \$275 million aggregate principal amount of our 5.75% senior notes due 2024 and on September 18, 2014 we issued an additional \$175 million aggregate principal amount of our 5.75% senior notes due 2024 (collectively, the "existing notes" and, together with the new notes, the "notes"). The new notes will have the same terms (other than issue date and public offering price) as the existing notes and will rank *pari passu* with, and vote together with, the holders of the existing notes on any matter submitted to the holders of such series. The new notes will have the same CUSIP number and ISIN as the existing notes and will be fungible with the existing notes for trading purposes. We will pay interest on the notes semiannually in arrears on May 1 and November 1 of each year, beginning on May 1, 2015. The notes will mature on November 1, 2024.

At any time on or after November 1, 2017, we may redeem some or all of the notes at specified redemption prices. The redemption prices are discussed under the caption "Description of Notes - Optional Redemption." At any time prior to November 1, 2017, we may at our option redeem all or a portion of the notes, at a redemption price equal to 100% of their principal amount plus a "make-whole" premium, plus accrued and unpaid interest thereon, if any, to the redemption date. Prior to November 1, 2015, we may redeem up to 35% of the aggregate principal amount of the notes from the proceeds of certain equity offerings at a redemption price of 105.75%, plus accrued and unpaid interest to, but not including, the redemption date. See "Description of Notes - Optional Redemption." If we experience specific kinds of changes in control, we must offer to purchase the notes at 101% of the principal amount plus accrued and unpaid interest to the redemption date.

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The notes and the guarantees will be senior unsecured obligations of HealthSouth Corporation and our subsidiary guarantors that guarantee borrowings under our credit agreement and other capital markets debt. The notes will rank equal in right of payment to our current and future senior debt and will rank senior in right of payment to any future subordinated debt. The notes will be effectively subordinated to our current and future secured debt, including borrowings under our credit agreement, to the extent of the value of the assets securing such debt. In addition, the notes and the guarantees will be structurally subordinated to any liabilities, including trade payables, of our nonguarantor subsidiaries.

Investing in the notes involves risks. See Risk Factors beginning on page S-10.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price ¹	%	\$
Underwriting Discount	%	\$
Proceeds to HealthSouth Corporation ²	%	\$

(1) Plus accrued interest from and including November 1, 2014 to, but excluding, the date of delivery.

(2) The proceeds to HealthSouth Corporation set forth above do not take into account offering expenses.

The notes will not be listed on any securities exchange. We expect that delivery of the notes will be made to investors in book-entry form through the facilities of The Depository Trust Company on or about January , 2015.

Joint Book-Running Managers

BofA Merrill Lynch
Goldman, Sachs & Co.
Regions Securities LLC

Barclays
J.P. Morgan
SunTrust Robinson Humphrey
 January , 2015

Citigroup
Morgan Stanley RBC Capital Markets
Wells Fargo Securities

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the SEC. We have not, and the underwriters have not, authorized anyone else to provide you with different or additional information. If anyone provides you with any other information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer and sale is not permitted. You should not assume that the information in this prospectus supplement, the accompanying prospectus, any free writing prospectus or any document incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects and those of Encompass (as defined herein) may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

Unless otherwise stated or the context otherwise requires, the terms HealthSouth, we, us, our, and the Company to HealthSouth Corporation and its subsidiaries. Unless otherwise stated or the context otherwise requires, the term EHHI refers to EHHI Holdings, Inc. and Encompass refers to the Encompass home health and hospice business owned by EHHI.

We provide information to you about this offering in two separate documents. The accompanying prospectus provides general information about us and the securities we may offer from time to time. This prospectus supplement describes the specific details regarding this offering. Additional information is incorporated by reference in this prospectus supplement. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

It is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or on behalf of the underwriters or any one of them, to subscribe to or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See Underwriting (Conflicts of Interest).

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FORWARD-LOOKING STATEMENTS

This prospectus supplement contains historical information, as well as forward-looking statements that involve known and unknown risks and relate to, among other things, future events, the Acquisition (as defined below), changes to Medicare reimbursement and other healthcare regulations from time to time, regulatory investigations, our business strategy, our dividend and stock repurchase strategies, our financial plans, our growth plans, our future financial performance, our projected business results, or our projected capital expenditures. In some cases, you can identify forward-looking statements by terminology such as may, will, could, should, expect, plan, anticipate, believe, estimate, predict, project, target, potential, or continue or the negative of these terms or other comparable terms. Such forward-looking statements are necessarily estimates based upon current information and involve a number of risks and uncertainties, many of which are beyond our control. Any forward-looking statement is based on information current as of the date of this prospectus supplement and speaks only as of the date on which such statement is made. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially for those estimated by us include, but are not limited to, any adverse outcome of various lawsuits, claims, and legal or regulatory proceedings that have been or may be brought by or against HealthSouth, including its pending United States Department of Justice (the DOJ) and HHS Office of Inspector General (the HHS-OIG) investigations, as well as those related to yet undiscovered issues, if any, at EHHI; adverse effects on the prices of any of HealthSouth's securities resulting from the integration of EHHI; the ability to successfully integrate EHHI consistent with HealthSouth's growth strategy, including realization of anticipated revenues, cost savings, and productivity improvements arising from the related operations and avoidance of unforeseen exposure to liabilities; changes in HealthSouth's or EHHI's management team; changes in the regulation of the healthcare industry broadly or the inpatient rehabilitation, the home health and hospice areas specifically at either or both of the federal and state levels; competitive pressures in the healthcare industry broadly or the inpatient rehabilitation, home health and hospice areas specifically and HealthSouth's response thereto; the ability to maintain proper local, state and federal licensing where EHHI does business; HealthSouth's ability to successfully integrate EHHI and to successfully complete future acquisitions, investments, and joint ventures consistent with its growth strategy and realize the expected benefits; potential disruptions, breaches, or other incidents affecting the proper operation, availability, or security of HealthSouth's information systems, including the unauthorized access to or theft of patient or other sensitive information, as well as unforeseen issues, if any, related to integration of EHHI's systems; the ability to attract and retain nurses, therapists, and other healthcare professionals in a highly competitive environment with often severe staffing shortages and the impact on HealthSouth's labor expenses from potential union activity and staffing shortages; changes, delays in (including in connection with resolution of Medicare payment reviews or appeals), or suspension of reimbursement for services by governmental or private payors; general conditions in the economy and the capital markets; and those described under the heading Risk Factors, starting on page S-10 of this prospectus supplement.

The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake no duty to update these forward-looking statements, even though our situation may change in the future. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.

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SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this prospectus supplement. Because this is a summary, it may not contain all the information that may be important to you. You should read this entire prospectus supplement together with the accompanying prospectus, as well as the information incorporated by reference herein, before making an investment decision.

Company Overview

We are the nation's largest owner and operator of inpatient rehabilitation hospitals in terms of patients treated and discharged, revenues and number of hospitals. As of December 31, 2014, we operated 107 inpatient rehabilitation hospitals (including one hospital that operates as a joint venture which we account for using the equity method of accounting), 16 outpatient rehabilitation satellite clinics (operated by our hospitals) and 25 licensed, hospital-based home health agencies. In addition to HealthSouth hospitals, we manage three inpatient rehabilitation units through management contracts. As of December 31, 2014, our inpatient rehabilitation hospitals had 7,095 licensed beds (excluding the one hospital that has 41 licensed beds and operates as a joint venture which we account for using the equity method of accounting). While our national network of inpatient hospitals stretches across 29 states and Puerto Rico, our inpatient hospitals are concentrated in the eastern half of the United States and Texas. With the acquisition of Encompass discussed below, we operate in 33 states across the country and in Puerto Rico, and serve patients through our network of inpatient rehabilitation hospitals, outpatient rehabilitation satellite clinics, and home health and hospice agencies.

HealthSouth was incorporated under the laws of the State of Delaware. Our principal executive offices are located at 3660 Grandview Parkway, Suite 200, Birmingham, Alabama 35243, and our telephone number is (205) 967-7116. Our Internet website address is www.healthsouth.com. Information on our website does not constitute part of this prospectus supplement and should not be relied upon in connection with making any investment decision with respect to the notes.

Recent Developments

Encompass Acquisition

On December 31, 2014, we completed the previously announced acquisition of EHHI Holdings, Inc. ("EHHI") and its Encompass home health and hospice business ("Encompass"). In the acquisition (the "Acquisition"), we acquired all of the issued and outstanding equity interests of EHHI, other than equity interests contributed to HealthSouth Home Health Holdings, Inc. ("Holdings"), a subsidiary of HealthSouth and now parent of EHHI, by certain sellers in exchange for shares of common stock of Holdings. Certain members of Encompass management who were also selling stockholders of EHHI, including April Anthony, the Chief Executive Officer of Encompass, contributed a portion of their shares of common stock of EHHI, valued at approximately \$64.5 million, in exchange for shares of common stock of Holdings. As a result of that contribution, they hold approximately 16.7% of the outstanding common stock of Holdings, while HealthSouth owns the remainder. In addition, Ms. Anthony and certain other executives of Encompass entered into amended and restated employment agreements, each agreement having an initial term of three years.

The total consideration delivered at closing of the acquisition of EHHI was approximately \$695.5 million in cash, which amount includes payment of the outstanding borrowings of EHHI, transaction expenses, and an escrow reserve and is subject to working capital and other post-closing adjustments. We funded the cash purchase price with a draw

of approximately \$325 million under our revolving credit facility and a draw of approximately \$375 million under our term loan facilities.

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Encompass is a leading provider of home health and hospice services operating in over 100 locations across 12 states. Encompass has approximately 4,900 employees making more than 2.1 million patient visits annually.

Encompass provides:

home health services a comprehensive range of Medicare-certified home nursing services to adult patients in need of care. These services include, among others, skilled nursing, physical, occupational and speech therapy, medical social work, and home health aide services. Encompass also provides specialized home care services in Texas and Kansas for pediatric patients with severe medical conditions. Encompass home health services have historically represented a substantial portion of its revenue.

hospice services primarily in-home services to terminally ill patients and their families to address the patients physical needs, including pain control and symptom management, and to provide emotional and spiritual support.

In terms of the industry, home health and hospice comprise a broad range of post-acute services. Home health services focus on the provision of home-based patient care, including skilled nursing care, physical, occupational and speech therapy, medical social work, and home health aide services. Home health service providers include facility-based agencies, such as hospitals, rehabilitation facilities and government agencies, home-based companies, visiting nurse associations and nurse registries. Hospice services provide home-based and facility-based physical and emotional support for terminally ill patients and their families, providing services that include medical care, pain management and emotional and spiritual support.

We believe Encompass will provide us with a high-quality, scalable asset that is capable of consolidating the highly fragmented home health industry. We also believe Encompass has demonstrated an ability to acquire under-performing operations and incorporate them into its existing platform. As part of HealthSouth, we believe Encompass will be able to consider more numerous and significant home health acquisition opportunities given our strong cash flows from operations and our access to capital. We further believe the Acquisition will further our long-term growth strategy of expanding into post-acute services that complement our core business of operating inpatient rehabilitation hospitals. In other words, we believe the Acquisition of Encompass will enhance our ability to provide a continuum of facility-based and home-based post-acute services to our patients and their families, which we believe will become increasingly important as coordinated care delivery models, such as accountable care organizations (ACOs) and bundled payment arrangements, become more prevalent. We intend to transition our existing hospital-based home health operations to the Encompass platform, subject to limitations, if any, in our existing joint ventures. The home health and hospice services will represent a separate operating segment for us going forward.

Home Health and Hospice Services Generally

The home health and hospice services industry is highly competitive and fragmented. There are currently more than 12,000 home health agencies and more than 3,700 hospice agencies nationwide certified to participate in Medicare. Encompass is the fifth largest provider of Medicare-focused skilled home health services in the United States. Encompass primary competition comes from locally owned private home health companies or acute-care hospitals with adjunct home health services and typically varies from market to market. Providers of home health and hospice services include both not-for-profit and for-profit organizations. The primary competitive factors in any given market include the quality of care and service provided, the treatment outcomes achieved, and the relationship with the acute

care hospitals, physicians or other referral sources in the market. The ability to work as part of a coordinated

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care delivery model with other providers is likely to become an increasingly important factor in competition. Competing companies may also offer varying home care services. Home health providers with scale, which include a number of other public companies, may have significant advantages, including professional management, efficient operations, sophisticated information systems, brand recognition, and large referral bases.

Encompass home health and hospice business has historically derived a substantial portion of revenue from Medicare. Encompass pediatric services are a part of its home health business but are reimbursed primarily through Medicaid.

Medicare pays home health benefits for patients discharged from a hospital or patients otherwise suffering from chronic conditions that require ongoing but intermittent skilled care. As a condition of participation under Medicare, patients must be homebound (meaning unable to leave their home without a considerable and taxing effort), require intermittent skilled nursing, physical therapy or speech therapy services, and receive treatment under a plan of care established and periodically reviewed by a physician. The law requires that, prior to certifying a patient's eligibility for the home health benefit, the certifying physician must document that he or she or a qualifying nurse practitioner has had a face-to-face encounter with the patient. Medicare pays home health providers under the home health prospective payment system (HH-PPS) for each 60-day period of care for each patient. Payments are adjusted based on each patient's condition and clinical treatment. This is referred to as the case-mix adjustment. In addition to the case-mix adjustment, payments for periods of care may be adjusted for other reasons, including unusually large (outlier) costs, low-utilization patients that require four or fewer visits, and geographic differences in wages. Payments are also made for non-routine medical supplies that are used in treatment. Home health providers receive either 50% or 60% of the estimated base payment for the full 60 days for each patient upon submission of the initial claim. The estimate is based on the patient's condition and treatment needs. The provider receives the remaining portion of the payment after the 60-day treatment period, subject to any applicable adjustment. If a patient remains eligible for care after that period, a new treatment period may begin. There are currently no limits to the number of home health treatment periods an eligible Medicare patient may receive.

On November 6, 2014, the United States Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS) published the calendar year 2015 HH-PPS final rule. CMS estimates that the final rule will cut Medicare payments to home health agencies by 0.30% in 2015. Specifically, while the rule provides for a market basket update of 2.1%, that update is more than offset by 2.4% rebasing adjustment or reduction (the second year of a four-year phase-in). Under the final rule, the national standardized 60-day episode payment for calendar year 2015 is \$2,961.38.

The final rule also addresses a number of policy proposals. Notably, CMS is simplifying the home health face-to-face encounter documentation requirements, including eliminating the narrative as part of the certification of eligibility and providing more flexibility in procedures for obtaining documentation supporting patient eligibility. CMS also discusses comments it received on a potential home health agency value-based purchasing model, under which CMS would test whether payment incentives would lead to higher quality of care for beneficiaries. CMS is considering testing such a model beginning in 2016. Additional details will be provided in future rulemaking.

Medicare pays hospice benefits for patients with life expectancies of six months or less, as documented by two physicians. Under Medicare rules, patients seeking hospice benefits must agree to forgo curative treatment for their terminal medical conditions. For each day that a patient elects hospice benefits, Medicare pays an adjusted daily rate based on patient location, and payments represent a prospective per diem amount tied to one of four different categories or levels of care: routine home care,

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continuous home care, inpatient respite care, and general inpatient care. Medicare hospice reimbursements to each provider are also subject to two annual caps, one limiting total hospice payments based on the average annual payment per beneficiary and another limiting payments based on the number of days of inpatient care billed by the hospice provider. There are currently no limits to the number of hospice benefit periods an eligible Medicare patient may receive, and a patient may revoke the benefit at any time.

For additional discussion of matters and risks related to home health and hospice reimbursement, see *Risk Factors* beginning on page S-10.

Providers of home health and hospice services are subject to extensive federal, state and, in some cases, local regulations and standards. These regulations and standards govern, among other things, Medicare, Medicaid and other government-funded reimbursement programs and reporting requirements, certification and licensing standards, our relationships with physicians and other referral sources, how we use our properties, and the rate at which we can grow. Home health and hospice service providers are also subject to the broader federal and state regulations that prohibit fraud and abuse in the delivery of healthcare services. Operators of home health and hospice services are subject to periodic audits, examinations and investigations conducted by, or at the direction of, government investigative and oversight agencies. Violations of the applicable federal and state healthcare regulations can result in a provider's exclusion from participation in government reimbursement programs and in substantial civil and criminal penalties.

Amendment to our Credit Agreement

On December 23, 2014, we entered into an additional tranche term loan amendment (the *Amendment*) to our existing third amended and restated credit agreement, dated August 10, 2012, as supplemented or otherwise modified from time to time (the *Credit Agreement*), with Barclays Bank PLC, as administrative agent and collateral agent (the *Agent*), Citigroup Global Markets Inc., as syndication agent, Bank of America, N.A. (*BofA*), Goldman Sachs Lending Partners LLC, and Morgan Stanley Senior Funding, Inc., as co-documentation agents, and various other lenders from time to time. The lenders entering into the *Amendment* pursuant to the accordion feature in the *Credit Agreement* were the *Agent*, Citibank, N.A., *BofA*, Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Morgan Stanley Bank, N.A., SunTrust Bank, Wells Fargo Bank, National Association, Royal Bank of Canada, Regions Bank, IBERIABANK, and Cadence Bank, NA.

The *Amendment* established a new \$300 million tranche of term loan facility with substantially the same terms as our existing \$150 million term loan facility. We drew the entire amount of this additional term loan capacity to fund a portion of the cash purchase price in the *Acquisition*.

Preliminary Estimates for the Year Ended December 31, 2014

Based on management's preliminary analysis of our financial results for the year ended December 31, 2014, we expect to report net operating revenue of approximately \$2.4 billion. In addition, due to higher than anticipated accounts receivable as of December 31, 2014, we expect to report adjusted free cash flow (which we define as net cash provided by operating activities of continuing operations minus capital expenditures for maintenance, dividends paid on preferred stock, distributions to noncontrolling interests and nonrecurring items) for the year ended December 31, 2014 slightly lower than our adjusted free cash flow for the year ended December 31, 2013.

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These preliminary financial results are subject to the completion of our financial closing procedures. Those procedures have not been completed. Accordingly, these results may change and those changes may be material. The preliminary financial data included in this prospectus supplement has been prepared by and is the responsibility of HealthSouth's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

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THE OFFERING

The following summary contains basic information about the notes and is not intended to be complete. It may not contain all the information that may be important to you. For a more complete description of the notes, see Description of Notes. In this summary of the offering, the words we, us, and our refer only to HealthSouth Corporation and not to any of its subsidiaries.

Issuer HealthSouth Corporation.

Notes Offered \$300 million aggregate principal amount of 5.75% senior notes due 2024.

The new notes offered hereby are an additional issuance under the existing indenture under which we issued the existing notes. The new notes will have the same terms (other than issue date and public offering price) as the existing notes and will rank *pari passu* with the existing notes. Holders of the new notes will vote together with the holders of the existing notes on any matter submitted to the holders of such notes. The new notes will have the same CUSIP number and ISIN as the existing notes and will be fungible with the existing notes for trading purposes.

Maturity November 1, 2024.

Interest Payment Dates May 1 and November 1 of each year, beginning on May 1, 2015.

Guarantees The notes will be jointly and severally guaranteed on a senior unsecured basis by all of our existing and future subsidiaries that guarantee borrowings under our credit agreement and other capital markets debt. However, certain of our subsidiaries will not guarantee the notes. For the nine months ended September 30, 2014, the nonguarantor subsidiaries represented in the aggregate approximately 31.3% of our consolidated net operating revenues and approximately 22.6% of our Adjusted EBITDA. As of September 30, 2014, the nonguarantor subsidiaries held approximately 22.9% of our consolidated property and equipment, net. As of September 30, 2014, our nonguarantor subsidiaries had approximately \$207.0 million of outstanding indebtedness and other obligations (excluding intercompany liabilities). These figures do not give effect to the Acquisition, and none of Holdings, EHHI or any of their respective subsidiaries are guarantors of the notes. For a discussion of the risks relating to the guarantees, see Risk Factors Risks Related to the Notes Not all of our subsidiaries will be guarantors under the

indenture governing the notes. The notes are structurally subordinated to the indebtedness and other liabilities of our nonguarantor subsidiaries.

Ranking

The notes and the guarantees will be senior unsecured obligations of HealthSouth Corporation and our guarantor

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subsidiaries. The notes will rank equal in right of payment to our current and future senior debt and senior in right of payment to any subordinated debt, including our 2.00% Convertible Senior Subordinated Notes due 2043. The notes will be effectively subordinated to our current and future secured debt, including borrowings under our credit agreement, to the extent of the value of the assets securing such debt. As of September 30, 2014, as adjusted to reflect this offering and the application of the net proceeds as described under Use of Proceeds, the Acquisition (including the incurrence of additional debt under our revolving credit and term loan facilities to fund part of the Acquisition) and the senior note redemptions that occurred in the fourth quarter of 2014, we would have had approximately \$559 million of senior secured indebtedness outstanding (including capital lease obligations) with approximately \$293 million of available borrowing capacity under the revolving portion of our credit agreement. See Description of Notes Ranking. In addition, the notes and the guarantees will be structurally subordinated to any liabilities, including trade payables, of our nonguarantor subsidiaries. Holdings, EHHI and their respective subsidiaries are not guarantors of the notes.

Optional Redemption of Notes

At any time on or after November 1, 2017, we may redeem some or all of the notes at the redemption prices specified in this prospectus supplement under Description of Notes Optional Redemption.

Prior to November 1, 2017, we may also redeem some or all of the notes at a redemption price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date plus a make-whole premium.

At any time prior to November 1, 2015, we may redeem up to 35% of the aggregate principal amount of the notes in an amount not to exceed the amount of proceeds of one or more equity offerings, at a price equal to 105.75% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date, *provided* that at least 65% of the original aggregate principal amount of the notes issued remains outstanding after the redemption.

Change of Control

Upon the occurrence of a change of control, as defined in the indenture, each holder of the notes will have the right to require us to repurchase such holder's notes at a purchase price in cash equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See Description of Notes Change of Control.

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Covenants	<p>The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to:</p> <ul style="list-style-type: none">incur or guarantee indebtedness;pay dividends on, or redeem or repurchase, our capital stock; or repay, redeem or repurchase our subordinated obligations;issue or sell certain types of preferred stock;make investments;incur obligations that restrict the ability of our subsidiaries to make dividends or other payments to us;sell assets;engage in transactions with affiliates;create certain liens;enter into sale/leaseback transactions; andmerge, consolidate, or transfer all or substantially all of our assets.
Listing	<p>The notes will not be listed on any securities exchange.</p>
Use of Proceeds	<p>We intend to use the net proceeds from this offering, together with cash on hand, to repay \$250 million of borrowings under the \$300 million tranche of our term loan facility and, with respect to remaining proceeds, borrowings under our revolving credit facility.</p>
Conflicts of Interest	<p>Because the underwriters or their affiliates are lenders under our senior secured credit loan facility and will be paid the net proceeds, this offering is being conducted in accordance with the applicable requirements of</p>
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Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121, which requires that a qualified independent underwriter (QIU) participate in the preparation of this prospectus supplement and perform its usual standard of due diligence with respect thereto. Because of these relationships, each of the underwriters other than Regions Securities LLC is deemed to have a conflict of interest under FINRA Rule 5121. As a result of this conflict of interest and in accordance with Rule 5121, Regions Securities LLC is assuming the responsibilities of acting as the QIU in connection with this offering. We have agreed to indemnify Regions Securities LLC against certain liabilities incurred in connection with it acting as a qualified independent underwriter for this offering, including liabilities under the Securities Act. See Underwriting (Conflicts of Interest).

Risk Factors

You should carefully consider all information set forth or incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, you should carefully

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read the section entitled Risk Factors beginning on page S-10 of this prospectus supplement before purchasing any of the notes.

Trustee

Wells Fargo Bank, National Association.

Governing Law

The notes will be governed by the laws of the State of New York.

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RISK FACTORS

Investing in the notes involves risks. In addition to the risk factors set forth below, you should carefully consider the risks described under the caption "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013 and described under the caption "Risk Factors" in the accompanying prospectus (which are incorporated by reference herein), as well as the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making a decision to invest in our notes, you should carefully consider these risks as well as other information related to the risk factors contained in other sections of our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014, June 30, 2014, and September 30, 2014, which are incorporated by reference herein. Additional risks and uncertainties not currently known to us or that we currently consider immaterial could also have a material adverse effect on our business operations.

Risks Related to the Notes

Our leverage or level of indebtedness may impair our financial condition, may prevent us from fulfilling our obligations under the indenture governing the notes and our other debt instruments, and may have other negative consequences for our business.

As of September 30, 2014, we had approximately \$1.6 billion of long-term debt outstanding (including that portion of long-term debt classified as current and excluding \$84.3 million in capital leases). As of September 30, 2014, as adjusted to reflect this offering and the application of the net proceeds as described under "Use of Proceeds," the Acquisition (including the incurrence of additional debt under our revolving credit and term loan facilities to fund the Acquisition) and the senior note redemptions that occurred in the fourth quarter of 2014, that long-term debt outstanding would have been approximately \$2.0 billion.

Our substantial indebtedness could have important consequences to you, including:

making it more difficult for us to satisfy our obligations with respect to the notes;

limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy and other general corporate purposes;

requiring us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our debt, which would reduce availability of our cash flow to fund working capital, capital expenditures, acquisitions, execution of our business strategy and other general corporate purposes;

making us more vulnerable to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions;

placing us at a competitive disadvantage compared with our competitors that have less debt; and

exposing us to risks inherent in interest rate fluctuations because some of our borrowings will be at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness which may not be successful.

We are required to use a substantial portion of our cash flow to service our debt. Although we expect to make scheduled interest payments and principal reductions, we cannot assure you that changes in our

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business or other factors will not occur that may have the effect of preventing us from satisfying obligations under the indenture governing the notes and our other debt instruments. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other needs, we may have to refinance all or a portion of our debt, obtain additional financing or reduce expenditures or sell assets that we deem necessary to our business. We cannot assure you that any of these measures would be possible or that any additional financing could be obtained. A return to tight credit markets will make additional financing more expensive and difficult to obtain. The inability to obtain additional financing could have a material adverse effect on our financial condition and on our ability to meet our obligations to you under the notes.

Despite current indebtedness levels, we may still be able to incur more debt. This could further exacerbate the risks associated with our substantial indebtedness.

Subject to specified limitations, the indenture governing the notes, the indentures governing our existing senior notes and senior subordinated notes and our credit agreement permit us and our subsidiaries to incur material additional debt, including secured debt. If new debt is added to our or any of our subsidiaries' current debt levels, the risks described in the immediately preceding risk factor could intensify. See "Description of Notes - Certain Covenants - Limitation on Indebtedness" for additional information.

The restrictive covenants in our credit agreement, the indenture governing the notes, and the indentures governing our existing senior notes could affect our ability to execute aspects of our business plan successfully.

The indenture governing the notes, the indentures governing our existing senior notes and the terms of our credit agreement do, and our future debt instruments may, contain various provisions that limit our ability and the ability of certain of our subsidiaries to, among other things:

incur or guarantee indebtedness;

pay dividends on, or redeem or repurchase, our capital stock or repay, redeem or repurchase our subordinated obligations;

issue or sell certain types of preferred stock;

make investments;

incur obligations that restrict the ability of our subsidiaries to make dividends or other payments to us;

sell assets;

engage in transactions with affiliates;

create certain liens;

enter into sale/leaseback transactions; and

merge, consolidate, or transfer all or substantially all of our assets.

These covenants could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities.

In addition, our credit agreement requires us to maintain specified financial ratios and satisfy certain financial condition tests. Although we were in compliance with the financial ratios and financial condition tests set forth in our credit agreement as of September 30, 2014, we cannot provide assurance we will continue to do so. The performance of any entities we acquire, including EHHI, may affect our ability to

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meet those financial ratios and financial condition tests. Furthermore, events beyond our control, including changes in general economic and business conditions, may affect our ability to meet those financial ratios and financial condition tests. If there is a severe downturn in our earnings and we have outstanding borrowings under our credit agreement at the time, a rapid increase in interest rates could impair our ability to comply with those financial ratios and financial condition tests and we may need to obtain waivers or other relief from the required proportion of the lenders to avoid being in default. If we try to obtain a waiver or other relief from the required lenders, we may not be able to obtain it or such relief might have a material cost to us or be on terms less favorable than those under our existing debt. If a default occurs, the lenders could exercise their rights, including declaring all the funds borrowed (together with accrued and unpaid interest) to be immediately due and payable, terminating their commitments or instituting foreclosure proceedings against our assets securing the funds borrowed, which, in turn, could cause the default and acceleration of the maturity of our other indebtedness. A breach of any other restrictive covenants contained in our credit agreement, the indentures governing our existing senior notes or the indenture governing the notes would also (after giving effect to applicable grace periods, if any) result in an event of default with the same outcome.

The notes and the guarantees will not be secured by any of our assets. Our credit agreement is secured and our senior secured lenders have a prior claim on substantially all of our assets. The notes and guarantees are effectively subordinated to secured debt to the extent of the value of the assets securing such debt.

The notes and the guarantees will not be secured by any of our assets. However, our credit agreement is secured by substantially all of our assets, including the stock of substantially all of our domestic wholly owned subsidiaries (including future subsidiaries, if any). If we become insolvent or are liquidated, or if payment under any of the instruments governing our secured debt is accelerated, the lenders under those instruments will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to the documents governing such debt. Accordingly, the lenders under our credit agreement have a prior claim on our assets securing the debt owed to them. In that event, because the notes and the guarantees will not be secured by any of our assets, it is possible that our remaining assets might be insufficient to satisfy your claims in full. See Note 8, *Long-term Debt*, to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2013 and Note 4, *Long-term Debt*, to the condensed consolidated financial statements contained in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014 (which are incorporated by reference herein) and Description of Notes Certain Covenants in this prospectus supplement for additional information.

As of September 30, 2014, we had no senior secured indebtedness (excluding \$84.3 million of capital lease obligations) and approximately \$568 million of available borrowing capacity under the revolving portion of our credit agreement. As of September 30, 2014, as adjusted to reflect this offering and the application of the net proceeds as described under Use of Proceeds, the Acquisition (including the incurrence of additional debt under our revolving credit and term loan facilities to fund the Acquisition) and the senior note redemptions that occurred in the fourth quarter of 2014, we would have had approximately \$475 million of senior secured indebtedness outstanding (excluding capital lease obligations) with approximately \$293 million of available borrowing capacity under the revolving portion of our credit agreement. We will be permitted to borrow substantial additional secured indebtedness in the future under the terms of the indenture. See Description of Notes Certain Covenants Limitation on Indebtedness, and Description of Notes Certain Covenants Limitation on Liens.

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Not all of our subsidiaries will be guarantors under the indenture governing the notes. The notes are structurally subordinated to the indebtedness and other liabilities of our nonguarantor subsidiaries.

Not all of our subsidiaries will guarantee the notes. The notes will be guaranteed by all of our current and future subsidiaries that guarantee borrowings under our credit agreement and other capital markets debt. Certain of our 100% owned subsidiaries and all of our non-wholly owned subsidiaries, through which we conduct a significant portion of our business, will not guarantee the notes due to, among other things, restrictions in their constituent documents or other agreements. These nonguarantor subsidiaries do not guarantee borrowings under our credit agreement. In addition, Holdings, EHHI and their respective subsidiaries are not guarantors of the notes or our credit agreement. The notes are structurally subordinated to the outstanding indebtedness and other liabilities, including trade payables, of our nonguarantor subsidiaries. Assuming we had completed this offering on September 30, 2014, these notes would have been structurally subordinated to approximately \$207 million of indebtedness and other liabilities, including trade payables (excluding intercompany liabilities) of our nonguarantor subsidiaries.

The nonguarantor subsidiaries generated approximately 31.2% of our consolidated net operating revenues and approximately 24.1% of our Adjusted EBITDA for the year ended December 31, 2013. For the nine months ended September 30, 2014, the nonguarantor subsidiaries represented in the aggregate approximately 31.3% of our consolidated net operating revenues and approximately 22.6% of our Adjusted EBITDA. As of September 30, 2014, the nonguarantor subsidiaries held approximately 22.9% of our consolidated property and equipment, net. These figures do not give effect to the Acquisition, and none of Holdings, EHHI or any of their respective subsidiaries are guarantors of the notes. In the event of a bankruptcy, liquidation or reorganization of any of our nonguarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us.

The lenders under our credit agreement have the discretion to release the guarantors under the credit agreement under certain circumstances, which will cause those guarantors to be released from their guarantees of the notes if they are not guaranteeing any other capital markets debt.

The lenders under our credit agreement have the discretion to release the guarantees under the credit agreement under certain circumstances. While any obligations under the credit agreement remain outstanding, any guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indenture governing the notes, if the related guarantor is no longer a guarantor of obligations under the credit agreement and is not then a guarantor or obligor of any capital markets indebtedness in addition to the notes offered hereby. See Description of Notes – Guarantees. Holders of the notes will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, of those subsidiaries will be structurally senior to claims of any holder of the notes.

We may not have the funds to purchase the notes and the existing senior notes and senior subordinated notes upon a change of control offer as required by the indenture governing the notes and the indentures governing our existing senior notes.

Upon a change of control, as defined in the indenture governing the notes, subject to certain conditions, we are required to offer to repurchase all outstanding notes at 101% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of repurchase. The indentures governing our existing senior notes also require us to offer to repurchase all of our outstanding existing senior notes at 101% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of repurchase, in the event of a change of control. The source of funds for that purchase of notes and existing senior notes will be our available cash, cash generated from our

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operations or the operations of our subsidiaries or other potential sources, including borrowings, sales of assets or sales of equity. We cannot assure you that sufficient funds from such sources will be available at the time of any change of control to make required repurchases of notes and existing senior notes tendered. In addition, the terms of our credit agreement limit our ability to repurchase your notes and the existing senior notes, and provide that certain change of control events constitute an event of default thereunder. Our future debt agreements may contain similar restrictions and provisions. If the holders of the notes or the existing senior notes exercise their right to require us to repurchase all the notes or existing senior notes upon a change of control, the financial effect of this repurchase could cause a default under our other debt, even if the change of control itself would not cause a default. Accordingly, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of the notes, our existing senior notes and our other debt, or that restrictions in our credit agreement and the indenture governing the notes and the indentures governing our existing senior notes will not allow such repurchases. In addition, certain corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change of control under the indentures. See [Description of Notes](#) [Change of Control](#) in this prospectus supplement for additional information.

If an actual trading market for the notes does not continue to exist, you may not be able to sell the notes quickly, for the price that you paid or at all.

We do not intend to apply for listing of the notes on any securities exchange. If a market for the notes does not continue to exist, you may not be able to resell your notes for an extended period of time, if at all. Consequently, your lenders may be reluctant to accept the notes as collateral for loans. Moreover, if markets for the notes do continue to exist in the future, we cannot assure you that these markets will continue indefinitely or that the notes can be sold at a price equal to or greater than their initial offering price. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market for the notes, if any, may be subject to similar disruptions. Any such disruptions may materially adversely affect you as a holder of the notes. In addition, in response to prevailing interest rates and market conditions generally, as well as our performance, the notes could trade at a price lower than their initial offering price.

Federal and state statutes could allow courts, under specific circumstances, to void the subsidiary guarantees and require note holders to return payments received from subsidiary guarantors.

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, a court could void a subsidiary guarantee or claims related to a guarantor or void any payment by a subsidiary guarantor pursuant to the notes or a subsidiary guarantee and require that payment to be returned to such subsidiary guarantor or to a fund for the benefit of the creditors of the subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its subsidiary guarantee:

intended to hinder, delay or defraud any present or future creditor or

received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness at a time when it:

was insolvent or rendered insolvent by reason of such incurrence;

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was engaged in a business or transaction for which the subsidiary guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond the subsidiary guarantor's ability to pay such debts as they mature.

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The measures of insolvency for purposes of fraudulent transfer laws will vary depending upon the governing law in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our or any subsidiary guarantors' conclusions in this regard.

The indenture governing the notes offered hereby will contain a savings clause intended to limit each subsidiary guarantor's liability under its guarantee to the maximum amount that will result in the obligations of such subsidiary guarantor under its guarantee of the notes not constituting a fraudulent conveyance or fraudulent transfer under applicable law. However, as was demonstrated in a bankruptcy case originating in the State of Florida which was affirmed by the Eleventh Circuit Court of Appeals on other grounds, this provision may not be effective to protect the subsidiary guarantees from being voided under fraudulent conveyance or fraudulent transfer laws. Accordingly, there can be no assurance that this provision will be upheld as intended.

If a guarantee is deemed to be a fraudulent transfer, it could be voided altogether, or it could be subordinated to all other debts of the guarantor. In such case, any payment by the guarantor pursuant to its guarantee could be required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor. If a guarantee is voided or held unenforceable for any other reason, holders of the notes offered hereby would cease to have a claim against the subsidiary guarantor based on the guarantee and would be creditors only of the Company and any guarantor whose guarantee was not similarly voided or otherwise held unenforceable.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon holders of notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

Risks Related to Our Business

Reductions or changes in reimbursement from government or third-party payors and other legislative and regulatory changes affecting our industry could adversely affect our operating results.

We derive a substantial portion of our *Net operating revenues* from the Medicare program. Historically, Congress and some state legislatures have periodically proposed significant changes in regulations governing the healthcare system. Many of these changes have resulted in limitations on the increases in and, in some cases, significant roll-backs or

reductions in the levels of payments to healthcare providers for services under many government reimbursement programs. There can be no assurance that future governmental initiatives will not result in pricing roll-backs or freezes or reimbursement reductions.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act (as subsequently amended, the 2010 Healthcare Reform Laws). Many provisions within the 2010

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Healthcare Reform Laws have impacted or could in the future impact our business, including: (1) reducing annual market basket updates to providers, which include annual productivity adjustment reductions; (2) the possible combining, or bundling, of reimbursement for a Medicare beneficiary’s episode of care at some point in the future; (3) implementing a voluntary program for ACOs; and (4) creating an Independent Payment Advisory Board.

Most notably for us, these laws include a reduction in annual market basket updates to hospitals. In accordance with Medicare laws and statutes, CMS makes annual adjustments to Medicare reimbursement rates by what is commonly known as a market basket update. The reductions in our annual market basket updates continue through 2019 for each CMS fiscal year, which for us begins October 1, as follows:

2015-16	2017-19
0.2%	0.75%

In addition, the 2010 Healthcare Reform Laws require the market basket update to be reduced by a productivity adjustment on an annual basis. The productivity adjustments equal the trailing 10-year average of changes in annual economy-wide private nonfarm business multi-factor productivity. The productivity adjustment in effect for both fiscal years ended September 30, 2014 and 2015 is a decrease to the market basket update of 50 basis points.

The 2010 Healthcare Reform Laws also directed the HHS to examine the feasibility of bundling, including conducting a voluntary, multi-year bundling pilot program to test and evaluate alternative payment methodologies. On January 31, 2013, CMS announced the selection of participants in the initial phase of limited-scope, voluntary bundling pilot projects. There are four project types: acute care only, acute/post-acute, post-acute only, and acute and physician services. In the initial phase, pilot participants along with their provider partners exchange data with CMS on care patterns and engage in shared learning in how to improve care. The second phase requires participants in that phase, pending contract finalization and completion of the standard CMS program integrity reviews, to take on financial risk for episodes of care. The complete transition of all participants from the first phase to the second will be completed by January 2015. If participants have not transitioned from the first phase to the second phase by January 2015, all episodes that participants have not transitioned to Phase 2 will be withdrawn from the bundling pilot program. CMS selected as participants a small number of acute care hospitals with which we have relationships. To date, we have agreed to participate in a few bundling projects as a post-acute rehabilitation provider, some of which have not yet experienced much activity and none of which have transitioned to the risk sharing second phase. We will continue to evaluate on a case by case basis the appropriateness of bundling opportunities for our hospitals and patients.

Similarly, in October 2011, CMS established, per the 2010 Healthcare Reform Laws, the Medicare Shared Savings Program (MSSP), a voluntary ACO program in which hospitals, physicians, and other care providers develop entities to pursue the delivery of coordinated healthcare on a more efficient, patient-centered basis. Conceptually, ACOs will receive a portion of any savings generated above a certain threshold from care coordination as long as benchmarks for the quality of care are maintained. Under the MSSP, there are two different ACO tracks from which participants can choose. The first track allows ACOs to share only in savings. The second track requires ACOs to share in savings and losses but offers ACOs a greater share of any savings realized than the first track offers. The ACO rules adopted by CMS are extremely complex and remain subject to further refinement by CMS. As with bundling, we are currently evaluating on a case by case basis appropriate ACO participation opportunities for our hospitals and patients. We have expressed interest in participating in several ACOs and have executed one participation agreement as of December 31, 2014. Encompass is currently party to one newly-formed ACO and is exploring several other participation opportunities.

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