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## HealthSouth Corp. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) Your first question comes from Adam Feinstein – Barclays Capital.

#### Adam Feinstein – Barclays Capital

Really strong quarter here, just a couple of questions I guess just as a follow-up, Jay. The volumes looked great. You highlighted that volumes are holding up and the business is not being impacted by the economy.

I was just curious if you can comment a little bit on mix, any changes in terms of your mix of patients with the higher growth in some of the higher acute areas; just curious if you could provide some clarity there?

#### Jay Grinney

Sure, I'm going to ask Mark Tarr who's our Executive Vice President of Operations to respond to that.

#### Mark Tarr

We continued to see growth in our neurological program specifically stroke has been a nice steady performer for us, accounting for almost 18% of our total patient mix. Other neurological continues to grow for us. This past year we saw it grow 1.5% from previous year to account for 10% of our total patient mix as well as the injuries related to trauma, specifically brain injuries and some spinal cords in our facilities that are closely in proximity to trauma centers, so we continue to see our neurological case mix grow and our dependence on orthopedics decrease.

#### Adam Feinstein – Barclays Capital

Okay, great, and then just to follow – do you have a Medicare case mix for the quarter?

#### Jay Grinney

I'm not sure if we have provided that in the past but our range has been pretty consistent in that 1.28 to 1.30 level. And that really hasn't changed too dramatically over the year and maybe unlike some of the other acute care providers we don't see major shifts in the case mix index quarter-to-quarter. If there's going to be a shift it usually happens pretty gradually and is over a longer period of time.

#### Adam Feinstein – Barclays Capital

Okay, great. And then just a follow-up question on the guidance here, I guess it's a couple of minor things, but just could you just clarify what sort of share count you're using in the 2009 guidance? And then I know you said on the Medicare side that you were assuming at the low end flat pricing when the update comes out later this year as well as you said some modest increase to the high end. But in terms of the non-Medicare side of the business I just wanted to see if you could just give us an update in terms of the range of pricing?

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