



Kindred Praises CMS for Halting Further Implementation of Home Health Pre-Claim Review Demonstration

April 3, 2017

Company Thanks U.S. Senators Rubio and Nelson and the Florida Congressional Delegation for Advocating to Preserve Patient Access to Quality Home Health Services

LOUISVILLE, Ky.--(BUSINESS WIRE)--Apr. 3, 2017-- Kindred Healthcare, Inc. ("Kindred" or the "Company") (NYSE:KND) today announced its appreciation for the halting of a home health Pre-Claim Review Demonstration ("PCRD") in Florida and Illinois. Kindred at Home, a division of Kindred, is the nation's largest and most geographically diversified home health organization, offering a wide-range of services to patients and clients in their homes or places of residence.

The Centers for Medicare and Medicaid Services ("CMS") were running the PCRD program in Illinois, with planned implementation in Florida on April 1. Under the new demonstration, home health providers would be required to gain approval of physician-ordered services from a non-clinical third party government contractor to ensure Medicare payment for delivered care services. Earlier this year, U.S. Senators Marco Rubio (R-FL) and Bill Nelson (D-FL) led an effort to send a letter, also signed by a bipartisan group of 25 U.S. Representatives from Florida, to U.S. Department of Health and Human Services Secretary Tom Price, which requested "the agency to replace PCRD with a more effective program integrity initiative that better targets fraud."

On Friday, March 31, CMS announced that it would pause the program, effective immediately.

"We are pleased that CMS Administrator Seema Verma has chosen to suspend the program while improvements are made, which we believe will protect patient care," stated Benjamin A. Breier, President and Chief Executive Officer of the Company. "On behalf of home health patients, caregivers and other providers in Florida and nationwide, we thank Senators Rubio and Nelson and the members of the Florida congressional delegation for their leadership in advocating to replace the troubled PCRD program with a more effective integrity initiative that better targets fraud."

Concluded Mr. Breier, "Kindred fully supports appropriate program integrity efforts that address fraud and improper payments while preserving patient access and high-quality outcomes. We are committed to working with CMS and Congressional leaders to develop an initiative that effectively targets improper payments without impeding patient access. As healthcare providers, we believe that we share in the responsibility to combat Medicare fraud and protect taxpayer funds."

About Kindred Healthcare

Kindred Healthcare, Inc., a top-90 private employer in the United States, is a FORTUNE 500 healthcare services company based in Louisville, Kentucky with annual revenues of approximately \$7.2 billion. At December 31, 2016, Kindred through its subsidiaries had approximately 100,100 employees providing healthcare services in 2,654 locations in 46 states, including 82 long-term acute care hospitals, 19 inpatient rehabilitation hospitals, 91 nursing centers, 17 sub-acute units, 635 Kindred at Home home health, hospice and non-medical home care sites of service, 102 inpatient rehabilitation units (hospital-based) and contract rehabilitation service businesses which served 1,708 non-affiliated sites of service. Ranked as one of Fortune magazine's Most Admired Healthcare Companies for eight years, Kindred's mission is to promote healing, provide hope, preserve dignity and produce value for each patient, resident, family member, customer, employee and shareholder we serve. For more information, go to www.kindredhealthcare.com. You can also follow us on [Twitter](#) and [Facebook](#).

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