

Banner and Select Medical Enter Joint Venture

Will operate physical therapy centers and acute inpatient rehabilitation hospitals in Arizona



**BANNER HEALTH AND
SELECT MEDICAL ENTER
JOINT VENTURE TO
OPERATE PHYSICAL
THERAPY CENTERS AND
ACUTE INPATIENT**

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REHABILITATION HOSPITALS IN ARIZONA

MECHANICSBURG, PENN. and PHOENIX, ARIZ. – (Jan. 9, 2018) Select Medical today announced a joint venture agreement with Banner Health to combine operations of more than 38 physical therapy centers in Arizona and four acute inpatient rehabilitation hospitals located in Phoenix. Banner Health will be the majority owner; Select Medical will serve as managing partner.

The deal includes the construction of three new acute inpatient rehabilitation hospitals beginning in 2018 with anticipated completion by 2019. Future plans involve consolidation of the existing hospitals into the new state-of-the-art facilities designed to better serve the needs of patients requiring care resulting from stroke, spinal cord injury, brain injury, amputation, neurological disorders, among other conditions.

“This agreement brings together two top-ranked health care providers to serve Arizona,” said Peter S. Fine, president and CEO of Phoenix-based Banner Health. “When Banner Health went searching for a partner for these specialty, post-acute care services, it quickly became apparent that Select Medical was the best fit. They share Banner’s commitment to clinical quality and our obsession with making health care easier so life can be better for our patients and their families.”

Under the agreement, the combined outpatient rehabilitation services will include 26 Select Physical Therapy centers currently operating in the region as well as 12 Banner Health Physical Therapy and Rehabilitation centers. The four inpatient rehabilitation hospitals to be contributed to the joint venture are currently located at Banner -- University Medical Center Phoenix, Banner Boswell Medical Center in Sun City, Ariz., Banner Del E. Webb Medical Center in Sun City West, Ariz. and Banner Baywood Medical Center in Mesa, Ariz.

“We are honored to partner with such an esteemed system as Banner Health to collaborate and innovate in a way that will raise the bar of excellence in rehabilitative patient care for Arizonans,” said Select Medical President and CEO David S. Chernow.

About Banner Health

Headquartered in Arizona, Banner Health is one of the largest nonprofit health care systems in the country. The system owns and operates 28 acute-care hospitals, Banner Health Network, Banner – University Medicine, academic and employed physician groups, long-term care centers, outpatient surgery centers and an array of other services; including Banner Urgent Care, family clinics, home care and hospice services, pharmacies and a nursing registry. Banner Health is in six states: Arizona, California, Colorado, Nebraska, Nevada and Wyoming. For more information, visit www.bannerhealth.com.

About Select Medical Holdings Corporation

Select Medical Corporation, a wholly-owned subsidiary of Select Medical Holdings Corporation (NYSE:

SEM), began operations in 1997 and has grown to be one of the largest operators of specialty hospitals, outpatient rehabilitation clinics, and occupational health centers in the United States based on the number of facilities. As of Sept. 30, 2017, Select Medical operated 101 long-term acute-care hospitals and 22 acute medical rehabilitation hospitals in 28 states and 1,604 outpatient rehabilitation clinics in 37 states and the District of Columbia. Select Medical's joint venture subsidiary Concentra operated 312 centers in 38 states. Concentra also provides contract services at employer worksites and Department of Veterans Affairs community-based outpatient clinics. At Sept.30, 2017, Select Medical had operations in 46 states and the District of Columbia. Information about Select Medical is available at www.selectmedical.com.

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