

October 28, 2009



LHC Group Announces Third Quarter 2009 Results

Company Raises Revenue Guidance and Reaffirms EPS Guidance
for Full-Year 2009

Third Quarter Highlights:

- * Net service revenue increases 35.2% to \$132.5 million;
- * Net income attributable to LHC Group increases 22.4% to \$9.8 million; and
- * Diluted earnings per share increases 20% to \$0.54.

LAFAYETTE, La., Oct. 28, 2009 (GLOBE NEWSWIRE) -- LHC Group, Inc. (Nasdaq:LHCG), one of the largest providers of home health services in the United States, announced today its financial results for the third quarter and nine months ended September 30, 2009.

Financial Results for the Third Quarter

- * Net service revenue for the third quarter of 2009 increased 35.2% to \$132.5 million compared with \$98.0 million for the same period in 2008.
- * Home-based net service revenue for the third quarter of 2009 increased 38.1% to \$116.7 million compared with \$84.5 million for the same period in 2008.
- * Net income attributable to LHC Group for the third quarter of 2009 increased 22.4% to \$9.8 million, or \$0.54 per diluted share, compared with net income of \$8.0 million, or \$0.45 per diluted share, for the third quarter of 2008.
- * Days sales outstanding, or DSO, for the three months ended September 30, 2009, was 48 days as compared with 52 days for the same three-month period in 2008.

Financial Results for the Nine Months

- * Net service revenue for the nine months ended September 30, 2009, increased 43.5% to \$389.3 million compared with \$271.2 million for the same period in 2008.
- * Home-based net service revenue for the nine months ended September 30, 2009, increased 49.9% to \$343.7 million compared with \$229.3 million for the same period in 2008.

* Net income attributable to LHC Group for the nine months ended September 30, 2009, increased 58.2% to \$31.2 million, or \$1.73 per diluted share, compared with net income of \$19.7 million, or \$1.10 per diluted share, for the same period in 2008. Net income attributable to LHC Group for the nine months ended September 30, 2009, includes a \$211,000 after tax loss from discontinued operations, which resulted in a \$0.01 decrease in earnings per share.

In commenting on the results, Keith G. Myers, President and Chief Executive Officer of LHC Group, said, "I am extremely proud of the results produced by the entire LHC Group team during the third quarter. Despite the constantly changing health care reform news, our team remained focused on delivering quality patient care while producing outstanding financial results. Our team also implemented significant infrastructure initiatives in the areas of quality, technology and compliance that will prepare us for continued growth and position us to remain a leader in home care regardless of the outcome of health care reform."

Guidance

The Company is raising its previously stated guidance range issued on May 6, 2009, with respect to full-year net service revenue from the original range of \$500 million to \$510 million, to \$515 million to \$525 million. The Company is reaffirming guidance of fully diluted earnings per share in the range of \$2.15 to \$2.25. This guidance does not take into account the impact of any future acquisitions, if made, or de novo locations, if opened.

Conference Call

LHC Group will conduct a conference call on Thursday, October 29, 2009, beginning at 11:00 a.m. Eastern time. Speakers on the call will include key members of the LHC Group senior management team. The toll-free number to call for this interactive teleconference is (888) 523-1245 (international callers should call 719-325-2348). A telephonic replay of the conference call will be available through midnight on Friday, November 6, 2009, by dialing (888) 203-1112 (international callers should call 719-457-0820) and entering confirmation number 1242619.

A live broadcast of LHC Group's conference call will be available under the Investor Relations section of the Company's website, www.lhcgroupp.com, or at www.opencompany.info. An online replay of the conference call will also be available on the Company's website for one year, beginning approximately an hour following the conclusion of the live broadcast.

About LHC Group, Inc.

LHC Group, Inc. (www.LHCGroup.com) is one of the largest providers of home health services in the United States providing quality cost effective healthcare services to patients within the comfort and privacy of their home or place of residence.

Certain matters discussed in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements about the Company's future financial performance and the strength of the Company's operations. Such forward-looking statements may be identified by words such as "continue," "expect," and similar expressions. Forward-looking statements involve a number of risks and

uncertainties that may cause actual results to differ materially from those expressed or implied by such forward-looking statements, including changes in reimbursement, changes in government regulations, changes in LHC Group's relationships with referral sources, increased competition for LHC Group's services, increased competition for joint venture and acquisition candidates, changes in the interpretation of government regulations, and other risks set forth in Item 1A. Risk Factors in LHC Group's Annual Report on Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission. LHC Group undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

LHC GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share data)
(unaudited)

	Sept. 30, 2009	Dec. 31, 2008
	-----	-----
ASSETS		
Current assets:		
Cash	\$ 2,508	\$ 3,511
Receivables:		
Patient accounts receivable, less allowance for uncollectible accounts of \$9,989 and \$9,976, respectively	68,753	61,524
Other receivables	3,154	2,317
Amounts due from governmental entities	1,431	2,434
	-----	-----
Total receivables, net	73,338	66,275
Deferred income taxes	5,413	4,959
Assets held for sale	450	--
Prepaid income taxes	4,147	--
Prepaid expenses and other current assets	6,404	6,464
	-----	-----
Total current assets	92,260	81,209
Property, building and equipment, net	20,058	16,348
Goodwill	130,285	112,572
Intangible assets, net	38,125	29,975
Other assets	2,620	3,296
	-----	-----
Total assets	\$283,348	\$243,400
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and other accrued liabilities	\$ 17,365	\$ 15,422
Salaries, wages and benefits payable	25,626	16,400
Amounts due to governmental entities	3,211	6,023
Income taxes payable	--	10,682
Current portion of long-term debt and capital lease obligations	427	583
	-----	-----
Total current liabilities	46,629	49,110
Deferred income taxes	8,614	5,718
Long-term debt, less current portion	4,180	4,483

Other long-term obligations	66	145
Stockholders' equity:		
LHC Group, Inc. stockholders' equity:		
Common stock - \$0.01 par value: 40,000,000 shares authorized; 20,947,421 and 20,853,463 shares issued and 17,974,561 and 17,895,832 shares outstanding, respectively	179	179
Treasury stock - 2,972,860 and 2,957,631 shares at cost, respectively	(3,402)	(3,072)
Additional paid-in capital	87,820	85,404
Retained earnings	125,530	94,310
	-----	-----
Total LHC Group, Inc. stockholders' equity	210,127	176,821
	-----	-----
Noncontrolling interest	13,732	7,123
	-----	-----
Total equity	223,859	183,944
	-----	-----
Total liabilities and stockholders' equity	\$283,348	\$243,400
	=====	=====

LHC GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except share and per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	-----	-----	-----	-----
Net service revenue	\$ 132,491	\$ 97,991	\$ 389,300	\$ 271,206
Cost of service revenue	69,242	47,207	197,723	133,103
	-----	-----	-----	-----
Gross margin	63,249	50,784	191,577	138,103
Provision for bad debts	1,072	3,158	4,062	10,467
General and administrative expenses	43,790	31,237	126,000	87,897
	-----	-----	-----	-----
Operating income	18,387	16,389	61,515	39,739
Interest expense	(20)	(132)	(115)	(365)
Non-operating (loss) income	51	76	(337)	891
	-----	-----	-----	-----
Income from continuing operations before income taxes and noncontrolling interest	18,418	16,333	61,063	40,265
Income tax expense	5,636	5,259	18,836	12,578
	-----	-----	-----	-----
Income from continuing operations	12,782	11,074	42,227	27,687
Loss from discontinued				

operations (net of income tax benefit of \$36, \$18, \$124 and \$175, respectively)	57	30	211	513
	-----	-----	-----	-----
Net income	12,725	11,044	42,016	27,174
Less net income attributable to noncontrolling interest	2,893	3,012	10,841	7,469
	-----	-----	-----	-----
Net income attributable to LHC Group, Inc.	9,832	8,032	31,175	19,705
Redeemable noncontrolling interest	(3)	(29)	45	36
	-----	-----	-----	-----
Net income available to LHC Group, Inc.'s common stockholders	\$ 9,829	\$ 8,003	\$ 31,220	\$ 19,741
	=====	=====	=====	=====

Earnings per share

- basic:

Income from continuing operations attributable to LHC Group, Inc.	\$ 0.55	\$ 0.45	\$ 1.75	\$ 1.12
Loss from discontinued operations attributable to LHC Group, Inc.	--	--	(0.01)	(0.02)
	-----	-----	-----	-----

Net income attributable to LHC Group, Inc.	0.55	0.45	1.74	1.10
Redeemable noncontrolling interest	--	--	--	--
	-----	-----	-----	-----

Net income available to LHC Group, Inc.'s common stockholders	\$ 0.55	\$ 0.45	\$ 1.74	\$ 1.10
	=====	=====	=====	=====

Earnings per share

- diluted:

Income from continuing operations attributable to LHC Group, Inc.	\$ 0.54	\$ 0.45	\$ 1.74	\$ 1.12
Loss from discontinued				

operations attributable to LHC Group, Inc.	--	--	(0.01)	(0.02)
Net income attributable to LHC Group, Inc.	0.54	0.45	1.73	1.10
Redeemable noncontrolling interest	--	--	--	--
Net income available to LHC Group, Inc.'s common stockholders	\$ 0.54	\$ 0.45	\$ 1.73	\$ 1.10
Weighted average shares outstanding:				
Basic	17,971,352	17,881,228	17,951,986	17,843,869
Diluted	18,116,984	17,976,305	18,040,918	17,967,488

LHC GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2009	2008
Operating activities		
Net income	\$ 42,016	\$ 27,174
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	3,494	2,730
Provision for bad debts	4,141	10,820
Stock-based compensation expense	1,755	1,380
Deferred income taxes	1,692	497
Loss on impairment of intangible assets	542	--
Gain on sale of assets	--	(343)
Changes in operating assets and liabilities, net of acquisitions:		
Receivables	(12,208)	1,272
Prepaid expenses, income taxes and other assets	(3,613)	859
Accounts payable and accrued expenses	(1,225)	11,946
Net amounts due to/from governmental entities	(1,810)	3,099
Net cash provided by operating activities	34,784	59,434
Investing activities		
Purchases of property, building, and equipment	(6,124)	(7,351)
Purchase of certificate of deposit	--	(522)
Proceeds from sale of assets	--	3,094
Cash paid for acquisitions, primarily goodwill and intangible assets	(18,481)	(40,039)
Net cash used in investing activities	(24,605)	(44,818)

Financing activities		
Proceeds from line of credit	20,605	32,851
Payments on line of credit	(20,605)	(32,851)
Payment of deferred financing fees	(263)	(71)
Proceeds from debt issuance	--	5,050
Principal payments on debt	(412)	(3,220)
Payments on capital leases	(74)	(74)
Excess tax benefits from vesting of restricted stock	98	34
Proceeds from employee stock purchase plan	457	385
Noncontrolling interest distributions	(10,988)	(6,724)
Net cash used in financing activities	(11,182)	(4,620)
Change in cash	(1,003)	9,996
Cash at beginning of period	3,511	1,155
Cash at end of period	\$ 2,508	\$ 11,151
Supplemental disclosures of cash flow information		
Interest paid	\$ 115	\$ 356
Income taxes paid	\$ 31,828	\$ 8,553

LHC GROUP, INC. AND SUBSIDIARIES
SEGMENT INFORMATION
(dollars in thousands)
(unaudited)

	Three Months Ended September 30, 2009			Nine Months Ended September 30, 2009		
	Home- Based Services	Facility- Based Services	Total	Home- Based Services	Facility- Based Services	Total
Net service revenue	\$116,746	\$ 15,745	\$132,491	\$343,702	\$ 45,598	\$389,300
Cost of service revenue	59,621	9,621	69,242	170,583	27,140	197,723
Provision for bad debts	1,232	(160)	1,072	4,068	(6)	4,062
General and admin- istrative expenses	39,258	4,532	43,790	114,124	11,876	126,000
Operating income	16,635	1,752	18,387	54,927	6,588	61,515
Interest expense	(18)	(2)	(20)	(104)	(11)	(115)
Non- operating (loss) income	45	6	51	(365)	28	(337)

Income from continuing operations before income taxes and noncontrolling interest	16,662	1,756	18,418	54,458	6,605	61,063
Noncontrolling interest	2,719	174	2,893	9,820	1,021	10,841
Income from continuing operations before income taxes	13,943	1,582	15,525	44,638	5,584	50,222
Total assets	\$256,942	\$ 26,406	\$283,348	\$256,942	\$ 26,406	\$283,348

	Three Months Ended September 30, 2008			Nine Months Ended September 30, 2008		
	Home- Based Services	Facility- Based Services	Total	Home- Based Services	Facility- Based Services	Total
Net service revenue	\$ 84,514	\$ 13,477	\$ 97,991	\$229,296	\$ 41,910	\$271,206
Cost of service revenue	39,385	7,822	47,207	109,145	23,958	133,103
Provision for bad debts	2,759	399	3,158	9,090	1,377	10,467
General and administrative expenses	28,227	3,010	31,237	77,508	10,389	87,897
Operating income	14,143	2,246	16,389	33,553	6,186	39,739
Interest expense	(113)	(19)	(132)	(276)	(89)	(365)
Nonoperating income	58	18	76	703	188	891
Income from continuing operations before income taxes and noncontrolling						

interest	14,088	2,245	16,333	33,980	6,285	40,265
Noncon- trolling interest	2,754	258	3,012	6,471	1,239	7,710
	-----	-----	-----	-----	-----	-----
Income from continuing operations before income taxes	11,334	1,987	13,321	27,509	5,046	32,555
Total assets	\$194,672	\$ 21,893	\$216,565	\$194,672	\$ 21,893	\$216,565

LHC GROUP, INC. AND SUBSIDIARIES
SELECT CONSOLIDATED KEY STATISTICAL AND FINANCIAL DATA
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	-----	-----	-----	-----
Key Data:				
Home Health locations	223	172	223	172
Hospice locations	21	13	21	13
Acquired (1)	3	6	11	27
De novo (1)	2	3	10	9
Home Nursing:				
Total new admissions	21,485	14,113	59,368	41,168
Medicare new admissions	14,927	10,482	41,890	30,309
Average weekly census	28,150	21,733	28,454	20,386
Average Medicare weekly census	22,486	17,810	22,868	16,410
Medicare completed episodes	39,678	30,082	118,048	85,179
Average Medicare case mix for completed Medicare episodes	1.27	1.27	1.27	1.26
Average reimbursement per completed Medicare episodes	\$ 2,318	\$ 2,276	\$ 2,297	\$ 2,161
Total visits	765,315	551,724	2,177,786	1,560,617
Total Medicare visits	597,634	434,307	1,713,523	1,202,330
Average visits per completed Medicare episodes	15.1	14.4	14.5	14.1
Organic growth (2):				
Net revenue	15.7%	12.4%	27.6%	14.8%
Net Medicare revenue	15.2%	16.8%	29.0%	18.0%
Total new admissions	15.3%	(0.7%)	11.8%	4.2%
Medicare new admissions	8.6%	5.7%	9.5%	11.8%
Average weekly census	11.3%	11.5%	20.1%	8.2%
Average Medicare weekly census	10.2%	19.4%	22.5%	14.6%
Medicare completed episodes	13.3%	27.3%	24.4%	31.4%

Facility-based

Services:

Long-term Acute Care

Hospital locations	8	7	8	7
Acquired (1)	0	0	1	0
Patient days	13,043	10,930	37,904	34,262
Patient acuity mix	1.03	0.99	1.01	0.98

(1) Inclusive of both home health and hospice agencies.

(2) Organic growth is calculated as the sum of same store plus de novo for the period divided by total from the same period in the prior year.

CONTACT: LHC Group, Inc.

Eric Elliott, Vice President of Investor Relations

(337) 233-1307

eric.elliott@lhcgroupp.com