



CONTACT: RehabCare Group, Inc.
Financial: Jay Shreiner, Senior Vice
President, Chief Financial Officer

Press: David J. Totaro, Senior Vice
President, Corporate Marketing and
Communications
(314) 863-7422

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**ARKANSAS DISTRICT COURT REACHES DECISION
IN REHABCARE CIVIL CASE**

ST. LOUIS, MO, February 16, 2007—RehabCare Group, Inc. (NYSE: RHB) announced today that the U.S. District Court for the Eastern District of Arkansas has dismissed the civil case pending against the company for nearly four years.

In July 2003, a civil action suit was filed with the district court in Little Rock alleging false patient claims were submitted to CMS (Centers for Medicare and Medicaid Services) during the company's management of the acute rehabilitation unit at Baxter County Regional Hospital in Mountain Home, AR. The plaintiffs, a former RehabCare medical director and physical therapist, also named the hospital in the suit.

Earlier this month, RehabCare received notice that the Court found no substantiating evidence of the plaintiff's claims and ordered the case dismissed. In addition, the plaintiffs have notified RehabCare that they will not appeal the Court's decision.

"Following several years of deliberation, we are very pleased that the Court has reached a conclusion which correctly upholds our reputation and integrity and confirms our commitment to practice standards that follow the rule of the law," said David B. Groce, RehabCare Senior Vice President, General Counsel and Corporate Secretary.

Established in 1982 and headquartered in St. Louis, MO, RehabCare (www.rehabcare.com) is a leading provider of rehabilitation program management services in partnership with nearly 1,400 hospitals and skilled nursing facilities in 43 states, the District of Columbia and Puerto Rico. The company also operates freestanding rehabilitation hospitals and long-term acute care hospitals across the country. RehabCare is pleased to be included in the Russell 2000 and Standard and Poor's Small Cap 600 Indices.

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