



**FOR IMMEDIATE RELEASE**  
**June 30, 2009**

**REHABCARE ENTERS JOINT VENTURE OWNERSHIP OF  
LONG-TERM ACUTE CARE HOSPITAL IN DALLAS**

**ST. LOUIS, MO and DALLAS, TX, June 30, 2009**, RehabCare Group, Inc. (NYSE: RHB) announced today it has entered a joint venture that will acquire certain assets of Gulf States LTAC of Dallas, formerly owned by Gulf States Health Services and a group of Dallas area physicians. RehabCare will own 80 percent of the interests and the physicians will own the remaining 20 percent. Financial terms of the agreement were not disclosed.

RehabCare will manage the daily operations of the hospital and the approximately 190 staff members will become employees of the new joint venture. The 60-bed long-term acute care hospital (LTACH), located at 8050 Meadow Road in Dallas, will be renamed Dallas LTAC Hospital.

John H. Short, Ph.D, RehabCare President and Chief Executive Officer, said the agreement is significant for the Company on several levels. "First and foremost, it gives us the opportunity to team with a preeminent group of local physicians in continuing to provide this important option for an expanding patient population. The hospital also adds a critical element to our post-acute continuum in one of our largest service areas and reinforces our strategy to expand our hospital operations," said Dr. Short.

RehabCare's Dallas-Fort Worth market currently consists of its wholly-owned Arlington Rehabilitation Hospital as well as a contract-managed inpatient rehabilitation facility, outpatient program and more than 35 skilled nursing facility rehabilitation programs. Dallas LTAC Hospital will represent the Company's twelfth freestanding hospital nationwide and its sixth LTACH.

"We are delighted about our joint venture partnership with RehabCare, who brings state-of-the-art capabilities in the delivery of post-acute care," said Scott Fitzgerald, M.D., a partnering physician. "Together, we will provide patients with quality healthcare services in a healing environment."

LTACHs provide specialized, around-the-clock care for extended stay patients with chronic or medically complex conditions, such as ventilator dependency, brain injury, cardiopulmonary disease, chronic pain and neuropathy. Patients are typically admitted to an LTACH following treatment in a traditional acute care hospital, and the average length of stay exceeds 25 days. Dallas LTAC Hospital also features a 20-bed high-observation unit for patients in need of 24-hour monitoring by specialized physicians and nurses.

With more than 25 years experience, RehabCare ([www.rehabcare.com](http://www.rehabcare.com)), a St. Louis-based company, is a leading national provider of physical rehabilitation services in conjunction with over 1,200 hospitals and skilled nursing facilities in 42 states. The Company also owns and/or operates freestanding rehabilitation and long-term acute care hospitals.

**MORE**

*This press release contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based on the Company's current expectations and could be affected by numerous factors, risks and uncertainties discussed in the Company's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q and current reports on Form 8-K. Do not rely on forward looking statements as the Company cannot predict or control many factors that may affect its ability to achieve the results estimated. The Company makes no promise to update any forward looking statements whether as a result of changes in underlying factors, new information, future events or otherwise.*

CONTACT: RehabCare Group, Inc.  
Jay Shreiner, Executive Vice President  
Chief Financial Officer  
(314) 863-7422

**END**