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**REHABCARE REORGANIZES SENIOR LEADERSHIP TO SUPPORT
FREESTANDING HOSPITAL OPERATIONS**

ST. LOUIS, MO, August 9, 2007—RehabCare Group, Inc. (NYSE: RHB) announced it has appointed Tom Davis, previous Chief Development Officer, as Executive Vice President of its Freestanding Hospital Operations. Don Adam, former Senior Vice President, Mergers and Acquisitions, has been named the Company's new Chief Development Officer. Both Davis and Adam will continue to report to John H. Short, Ph.D., RehabCare President and Chief Executive Officer.

"Since its creation a little over two years ago, our Freestanding Hospitals division has become a financially significant business segment and an essential component of our post-acute continuum of care, serving as an anchor for our operations in strategic markets," said Dr. Short. "During this period, Tom has divided his time between development activities, much of it related to expanding our freestanding hospitals, and providing operational guidance to the division. By establishing full-time executive-level leadership with a focus on clinical, financial and operational performance, we are reinforcing the division for continued growth."

Currently, RehabCare's Freestanding Hospitals division consists of nine freestanding rehabilitation and long-term acute care hospitals in five states, with a tenth scheduled to open next week in partnership with The Seton Family of Hospitals in Austin, Texas.

Before being named Chief Development Officer in 2004, Davis was President of RehabCare's Hospital Rehabilitation Services division, instrumental in integrating its inpatient and outpatient operations. Prior to joining RehabCare in 1997, Davis served in executive operations and finance positions for Quorum Health Resources and HCA, Inc.

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As Chief Development Officer, Adam will lead the Company's efforts to develop its continuum of care strategy in key geographic markets through mergers, acquisitions, joint capital partnerships and other corporate strategies. Adam joined RehabCare in 1999 as Vice President, M&A, and has played a key role in some of the Company's most significant transactions, including its acquisition of Symphony Health Services in 2006. Prior to RehabCare, Adam had an 11-year career in corporate banking.

"Centralizing these efforts under Don gives him greater insight when evaluating which external growth strategy makes the most sense," commented Dr. Short.

The Company also announced the appointment of Kurt Schultz as Vice President of Finance, supporting freestanding hospital operations. Schultz has over 20 years of financial healthcare experience, most recently serving as the Vice President of Finance for Kindred Healthcare's Midwest Regional Hospital division. He will join the Company in late August.

"I fully trust these organizational changes to produce more effective results as we deliver on our vision to build continuums of care that help people regain their lives," said Dr. Short.

Celebrating its 25th anniversary, RehabCare (www.rehabcare.com) is a leading national provider of physical rehabilitation services in conjunction with nearly 1,300 hospitals and skilled nursing facilities (SNFs) in 43 states, the District of Columbia and Puerto Rico. The Company also owns and/or operates freestanding rehabilitation and long-term acute care hospitals.

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