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REHABCARE SIGNS AGREEMENT WITH PREMIER INC.
Leading Rehabilitation Provider Aligns with
National Healthcare Purchasing Network

ST. LOUIS, MO, October 2, 2007—RehabCare Group, Inc. (NYSE: RHB) has announced a new three-year supply agreement with Premier Inc., effective September 20, 2007. Serving 1,700 hospitals and more than 47,000 other healthcare sites, Premier is the largest healthcare alliance in the United States dedicated to improving patient outcomes while safely reducing the cost of care.

RehabCare currently partners with 25 hospitals and 120 skilled nursing facilities in the Premier alliance. The Company becomes Premier's first contracted service supplier focused on physical rehabilitation.

Under the agreement, RehabCare will participate in educational forums and conferences and will connect with Premier regional offices in an effort to educate members on the growing demand for continuum of care management and the post-acute services delivered by RehabCare.

"Increasing healthcare costs, longer life expectancy of the general population, and the need for acute care hospitals to move patients into the appropriate level of care on a timely basis continue to drive the demand for more innovative, efficient post-acute solutions," said John H. Short, Ph.D., RehabCare President and Chief Executive Officer. "In our 25 years, RehabCare has evolved and expanded in response to shifting market demands, with the scope of our expertise now encompassing the entire post-acute continuum."

RehabCare currently provides rehabilitation services within inpatient, outpatient, skilled nursing, long-term care and home health settings. The Company also owns and operates freestanding rehabilitation and long-term acute care hospitals, several in partnership with market leading healthcare providers.

Dr. Short said RehabCare also has recently developed a variety of business relationship models in addition to its traditional contract management services, including case management, joint venture capital partnerships and consulting.

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"Our members rely on us to select products and services that will improve their clinical and economic performance," said John Biggers, Premier Group Vice President of Sourcing. "RehabCare has a 25-year history of proven results in post-acute management, and offers Premier members depth and breadth of service lines and flexibility in relationship design."

"Our agreement with Premier allows us to tap into the largest healthcare alliance in the country and gather feedback from its members on how we can tailor our services to the needs of their particular market," Dr. Short said.

Celebrating its 25th anniversary, RehabCare (www.rehabcare.com) is a leading national provider of physical rehabilitation services in conjunction with nearly 1,300 skilled nursing facilities and hospitals in 43 states, the District of Columbia and Puerto Rico. The Company also owns and/or operates 10 freestanding rehabilitation and long-term acute care hospitals.

Premier (www.premierinc.com) is the largest healthcare alliance in the United States dedicated to improving patient outcomes while safely reducing the cost of care. Owned by not-for-profit hospitals, Premier operates one of the nation's largest healthcare purchasing networks, the most comprehensive repository of hospital clinical and financial information and one of the largest policy-holder owned, hospital professional liability risk-retention groups in healthcare.

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